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TERADATA CORP /DE/

FORM 10-12B/A
(Amended Registration Statement)

Filed 08/21/07

Address	10000 INNOVATION DRIVE DAYTON, OH 45342
Telephone	937-242-4800
CIK	0000816761
Symbol	TDC
SIC Code	3571 - Electronic Computers
Industry	Computer Services
Sector	Technology
Fiscal Year	12/31

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TERADATA CORP /DE/

FORM 10-12B/A
(Amended Registration Statement)

Filed 8/21/2007

Address	1700 SOUTH PATTERSON BOULEVARD
	DAYTON, Ohio 45479
Telephone	937-445-5000
CIK	0000816761
Fiscal Year	12/31

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As filed with the Securities and Exchange Commission on August 21, 2007

Registration No. 001-33458

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 2
TO
FORM 10

**GENERAL FORM FOR REGISTRATION OF SECURITIES
PURSUANT TO SECTION 12(b) OR 12(g) OF
THE SECURITIES EXCHANGE ACT OF 1934**

TERADATA CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**75-3236470**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
1700 S. Patterson Blvd. Dayton, Ohio	**45479**
(Address of Principal Executive Offices)	**(Zip Code)**

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

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

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

Securities to be registered pursuant to Section 12(g) of the Act

None

INFORMATION REQUIRED IN REGISTRATION STATEMENT
CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT AND ITEMS OF FORM 10

Our information statement is filed as Exhibit 99.1 to this Form 10. For your convenience, we have provided below a cross-reference sheet identifying where the items required by Form 10 can be found in our information statement.

Item No.	Caption	Location in Information Statement
Item 1.	Business	See "Summary," "Risk Factors," "The Separation," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," "Certain Relationships and Related Party Transactions" and "Where You Can Find More Information"
Item 1A.	Risk Factors	See "Risk Factors"
Item 2.	Financial Information	See "Summary," "Capitalization," "Unaudited Pro Forma Balance Sheet," "Index to Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations"
Item 3.	Properties	See "Business—Properties and Facilities"
Item 4.	Security Ownership of Certain Beneficial Owners and Management	See "Security Ownership of Certain Beneficial Owners and Management"
Item 5.	Directors and Executive Officers	See "Management"
Item 6.	Executive Compensation	See "Management" and "Certain Relationships and Related Party Transactions"
Item 7.	Certain Relationships and Related Transactions and Director Independence	See "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Management," "Management—Composition of the Board of Directors," "Management—Committees of the Board of Directors," and "Certain Relationships and Related Party Transactions"
Item 8.	Legal Proceedings	See "Business—Legal Proceedings"
Item 9.	Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters	See "Summary," "The Separation," "Capitalization," "Dividend Policy," and "Description of Capital Stock"
Item 10.	Recent Sales of Unregistered Securities	Not applicable
Item 11.	Description of Registrant's Securities to be Registered	See "The Separation," "Dividend Policy" and "Description of Capital Stock"
Item 12.	Indemnification of Directors and Officers	See "Management" and "Description of Capital Stock— Limitation on Liability of Directors and Indemnification of Directors and Officers"
Item 13.	Financial Statements and Supplementary Data	See "Unaudited Pro Forma Balance Sheet" and "Index to Financial Statements" and the statements referenced therein

Item No.	Caption	Location in Information Statement
Item 14.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	Not Applicable
Item 15.	Financial Statements and Exhibits	See “Unaudited Pro Forma Balance Sheet” and “Index to Financial Statements” and the statements referenced therein

(a) *List of Financial Statements and Schedules* .

The following financial statements are included in the information statement and filed as part of this Registration Statement on Form 10:

(1) Unaudited Pro Forma Balance Sheet of Teradata Corporation; and

(2) Financial Statements, including Report of Independent Registered Public Accounting Firm

(b) *Exhibits* .

The following documents are filed as exhibits hereto:

Exhibit No.	Exhibit Description
2.1	Form of Separation and Distribution Agreement between Teradata Corporation and NCR Corporation
3.1	Form of Amended and Restated Certificate of Incorporation of Teradata Corporation
3.2	Form of Amended and Restated By-laws of Teradata Corporation
10.1	Form of Tax Sharing Agreement between Teradata Corporation and NCR Corporation
10.2	Form of Interim Services and Systems Replication Agreement between Teradata Corporation and NCR Corporation
10.3	Form of Employee Benefits Agreement between Teradata Corporation and NCR Corporation
10.4	Form of Exclusive Patent Agreement
10.5	Form of Patent License Agreement
10.6	Form of Technology Agreement
10.7	Teradata Corporation 2007 Stock Incentive Plan
10.8	Teradata Corporation Employee Stock Purchase Plan
10.9	Teradata Corporation Management Incentive Plan
10.10	Teradata Change in Control Severance Plan
10.11	Form of Stock Option Agreement under the Teradata Corporation 2007 Stock Incentive Plan
10.12	Form of Restricted Stock Agreement under the Teradata Corporation 2007 Stock Incentive Plan
10.13	Form of Restricted Stock Unit Agreement under the Teradata Corporation 2007 Stock Incentive Plan
10.14	Form of Performance Based Restricted Stock Unit Agreement under the Teradata 2007 Stock Incentive Plan
10.15	Form of Performance Based Restricted Stock Agreement under the Teradata 2007 Stock Incentive Plan
10.16	Form of Master Agreement between Teradata Corporation and NCR Corporation for enterprise data warehousing sales and support
10.17	Form of Network Support Agreement between Teradata Corporation and NCR Corporation

Exhibit No.	Exhibit Description
10.18	Form of Service Provider Agreement between Teradata Corporation and NCR Corporation
10.19	Form of Master Reseller Agreement between Teradata Corporation and NCR Corporation for Middle East and Africa
10.20	Offer Letter to Michael Koehler
10.21	Purchase and Manufacturing Services Agreement, effective April 27, 1998, by and between NCR Corporation and Solectron Corporation (filed as Exhibit 10.1 to NCR Corporation's Form 10-Q (SEC File No. 001-00395) for the fiscal quarter ended June 30, 1998 and incorporated herein by reference)
10.22	Amendment No. 1 to Purchase and Manufacturing Services Agreement, dated January 29, 2000, between NCR Corporation and Solectron Corporation (previously filed)
10.23	Offer Letter to Stephen Scheppmann
21.1	Subsidiaries of Teradata Corporation
99.1	Information Statement of Teradata Corporation, subject to completion, dated August 21, 2007

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

TERADATA CORPORATION

By: /s/ MICHAEL KOEHLER
Name: **Michael Koehler**
Title: **President and Chief Executive Officer**

Dated: August 21, 2007

EXHIBIT INDEX

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Exhibit 2.1

FORM OF SEPARATION AND DISTRIBUTION AGREEMENT

by and between

NCR CORPORATION

and

TERADATA CORPORATION

Dated as of August ___, 2007

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SEPARATION AND DISTRIBUTION AGREEMENT

THIS SEPARATION AND DISTRIBUTION AGREEMENT, dated as of August ___, 2007, is by and between NCR Corporation, a Maryland corporation ("NCR"), and Teradata Corporation, a Delaware corporation ("Teradata"). Capitalized terms used herein shall have the respective meanings assigned to them in Article I hereof.

WHEREAS, the Board of Directors of NCR has determined that it is in the best interests of NCR and its shareholders to separate NCR's existing businesses into two independent businesses;

WHEREAS, in furtherance of the foregoing, it is appropriate and desirable to transfer the Teradata Assets to Teradata and its Subsidiaries and to cause Teradata and its Subsidiaries to assume the Teradata Liabilities, all as more fully described in this Agreement and the Ancillary Agreements;

WHEREAS, the Board of Directors of NCR has further determined that it is appropriate and desirable, on the terms and conditions contemplated hereby, for NCR to distribute to holders of shares of NCR Common Stock the outstanding shares of Teradata Common Stock owned directly or indirectly by NCR;

WHEREAS, the Distribution is intended to qualify as a tax-free spin-off under Section 355 of the Code;

WHEREAS, it is appropriate and desirable to set forth the principal corporate transactions required to effect the Separation, the Distribution and certain other agreements that will govern certain matters relating to the Separation, the Distribution and the relationship of NCR and Teradata and their respective Subsidiaries following the Distribution.

NOW, THEREFORE, the parties, intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS

For the purpose of this Agreement the following terms shall have the following meanings:

1.1 Action means any demand, action, suit, countersuit, arbitration, inquiry, proceeding or investigation by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

1.2 Affiliate of any Person means a Person that controls, is controlled by, or is under common control with such Person. As used herein, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise.

1.3 Agent means the distribution agent to be appointed by NCR to distribute to the shareholders of NCR the shares of Teradata Common Stock held by NCR pursuant to the Distribution.

1.4 Agreement means this Separation and Distribution Agreement, including all of the Schedules hereto.

1.5 Ancillary Agreements means the Commercial Agreements, the Employee Benefits Agreement, the Intellectual Property Agreements, the Interim Services and Systems Replication Agreement, the Real Property Documents, the Tax Sharing Agreement, the agreements and other documents comprising the Non-U.S. Plan and the instruments, assignments and other documents and agreements executed in connection with the implementation of the transactions contemplated by this Agreement, including Article II hereof.

1.6 Arbitration Act means the United States Arbitration Act, 9 U.S.C. §§1-16, as the same may be amended from time to time.

1.7 Assets means assets, properties and rights (including goodwill), wherever located (including in the possession of vendors or other third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person, including the following:

(a) all accounting and other books, records and files whether electronic, in paper, microfilm, microfiche, computer tape or disc, magnetic tape or any other form;

(b) all apparatus, computers and other electronic data processing equipment, fixtures, machinery, equipment, furniture, office equipment, automobiles, trucks, aircraft, rolling stock, vessels, motor vehicles and other transportation equipment, special and general tools, test devices, prototypes and models and other tangible personal property;

(c) all inventories of materials, parts, raw materials, supplies, work-in-process and finished goods and products;

(d) all interests in real property of whatever nature, including easements, whether as owner, mortgagee or holder of a Security Interest in real property, lessor, sublessor, lessee, sublessee or otherwise;

(e) all interests in any capital stock or other equity interests of any Subsidiary or any other Person, all bonds, notes, debentures or other securities issued by any Subsidiary or any other Person, all loans, advances or other extensions of credit or capital contributions to any Subsidiary or any other Person and all other investments in securities of any Person;

(f) all license agreements, leases of personal property, open purchase orders for raw materials, supplies, parts or services, unfilled orders for the manufacture and sale of products and other contracts, agreements or commitments;

(g) all deposits, letters of credit and performance and surety bonds;

(h) all written technical information, data, specifications, research and development information, engineering drawings, operating and maintenance manuals, and materials and analyses prepared by consultants and other third parties;

(i) all domestic and foreign patents, copyrights, trade names, trademarks, service marks and registrations and applications for any of the foregoing, mask works, trade secrets, inventions, other proprietary information and licenses from third Persons granting the right to use any of the foregoing;

(j) all computer applications, programs and other software, including operating software, network software, firmware, middleware, design software, design tools, systems documentation and instructions;

(k) all cost information, sales and pricing data, customer prospect lists, supplier records, customer and supplier lists, customer and vendor data, correspondence and lists, product literature, artwork, design, development and manufacturing files, vendor and customer drawings, formulations and specifications, quality records and reports and other books, records, studies, surveys, reports, plans and documents;

(l) all prepaid expenses, trade accounts and other accounts and notes receivables;

(m) all rights under contracts or agreements, all claims or rights against any Person arising from the ownership of any Asset, all rights in connection with any bids or offers and all claims, choses in action or similar rights, whether accrued or contingent;

(n) all rights under insurance policies and all rights in the nature of insurance, indemnification or contribution;

(o) all licenses (including radio and similar licenses), permits, approvals and authorizations which have been issued by any Governmental Authority;

(p) cash or cash equivalents, bank accounts, lock boxes and other deposit arrangements; and

(q) interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements.

1.8 ATMs means automated teller machines.

1.9 Code means the Internal Revenue Code of 1986, as amended.

1.10 Commercial Agreements means the agreements listed on Schedule 1.10 hereto.

1.11 Commission means the Securities and Exchange Commission.

1.12 Consents means any consents, waivers or approvals from, or notification requirements to, any third parties.

1.13 Delayed Transfer Assets means any Teradata Assets that are expressly provided in this Agreement or any Ancillary Agreement to be transferred after the date of this Agreement.

1.14 Delayed Transfer Liabilities means any Teradata Liabilities that are expressly provided in this Agreement or any Ancillary Agreement to be assumed after the date of this Agreement.

1.15 Disclosure Documents shall mean any registration statement (including any registration statement on Form 10) filed with the Commission by or on behalf of any party or any of its controlled Affiliates, and also includes any information statement, prospectus, offering memorandum, offering circular (including franchise offering circular or any similar disclosure statement) or similar disclosure document, whether or not filed with the Commission or any other Governmental Authority, which offers for sale or registers the transfer or distribution of any security of such party or any of its controlled Affiliates or which otherwise describes the Teradata Group or relates to the transactions contemplated hereby.

1.16 Distribution means the distribution by NCR on a pro rata basis to holders of NCR Common Stock of all of the outstanding shares of Teradata Common Stock owned by NCR on the Distribution Date as set forth in this Agreement.

1.17 Distribution Date means _____, 2007, which will be the date on which the Distribution will occur.

1.18 Effective Time means 11:59 p.m., Eastern Standard Time or Eastern Daylight Time (whichever shall be then in effect), on the Distribution Date.

1.19 Employee Benefits Agreement means the Employee Benefits Agreement, to be executed and delivered on or prior to the Effective Time, by and between NCR and Teradata.

1.20 Environmental Law means any federal, state, local, foreign or international statute, ordinance, rule, regulation, code, license, permit, authorization, approval, consent, common law (including tort and environmental nuisance law), legal doctrine, order, judgment, decree, injunction, requirement or agreement with any Governmental Authority, now or hereafter in effect relating to health, safety, pollution or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or to emissions, discharges, releases or threatened releases of any substance currently or at any time hereafter listed, defined, designated or classified as hazardous, toxic, waste, radioactive or dangerous, or otherwise regulated, under any of the foregoing, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any such substances, including the Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendments and Reauthorization Act and the Resource Conservation and Recovery Act and comparable provisions in state, local, foreign or international law.

1.21 Environmental Liabilities means all Liabilities relating to, arising out of or resulting from any Environmental Law or contract or agreement relating to environmental, health or safety matters (including all removal, remediation or cleanup costs, investigatory costs, governmental response costs, natural resources damages, property damages, personal injury damages, costs of compliance with any settlement, judgment or other determination of Liability and indemnity, contribution or similar obligations) and all costs and expenses (including allocated costs of in-house counsel and other personnel), interest, fines, penalties or other monetary sanctions in connection therewith.

1.22 Exchange Act means the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

1.23 Excluded Assets has the meaning set forth in Section 2.2(b).

1.24 Excluded Liabilities has the meaning set forth in Section 2.3(b).

1.25 Governmental Approvals means any notices, reports or other filings to be made, or any consents, registrations, approvals, permits or authorizations to be obtained from, any Governmental Authority.

1.26 Governmental Authority shall mean any federal, state, local, foreign or international court, government, department, commission, board, bureau, agency, official or other regulatory, administrative or governmental authority.

1.27 Group means either the NCR Group or the Teradata Group, as the context requires.

1.28 Information means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

1.29 Information Statement means each preliminary, final or supplemental information statement forming a part of the Information Statement on Form 10 relating to the Teradata Common Stock.

1.30 Insurance Policies means the insurance policies written by insurance carriers unaffiliated with NCR pursuant to which Teradata or one or more of its Subsidiaries (or their respective officers or directors) will be insured parties after the Effective Time including the Insurance Policies listed on Schedule 1.30 hereto.

1.31 Insurance Proceeds means those monies:

(a) received by an insured (or its successor-in-interest) from an insurance carrier;

(b) paid by an insurance carrier on behalf of the insured (or its successor-in-interest); or

(c) received (including by way of set off) from any third party in the nature of insurance, contribution or indemnification in respect of any Liability;

in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses (including allocated costs of in-house counsel and other personnel) incurred in the collection thereof.

1.32 Intellectual Property Agreements means the Trademark License Agreement, the Domain Name Assignment, the Patent Assignment, the Patent License Agreement, the Technology Agreement, the Third Party Licenses Agreement, the Trademark Assignment and the Exclusive Patent License, each to be executed and delivered on or prior to the Effective Time by and between NCR and Teradata.

1.33 Interim Services and Systems Replication Agreement means the Interim Services and Systems Replication Agreement, to be executed and delivered on or prior to the Effective Time, by and between NCR and Teradata.

1.34 JAMS means JAMS, located in New York, NY or in the event that JAMS is no longer in operation a comparable organization of national standing.

1.35 Liabilities means any and all losses, claims, charges, debts, demands, actions, causes of action, suits, damages, obligations, payments, costs and expenses, sums of money, accounts, reckonings, bonds, specialties, indemnities and similar obligations, exonerations, covenants, contracts, controversies, agreements, promises, doings, omissions, variances, guarantees, make whole agreements and similar obligations, and other liabilities, including all contractual obligations, whether absolute or contingent, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, and including those arising under any law, rule, regulation, Action, threatened or contemplated Action (including the costs and expenses of demands, assessments, judgments, settlements and compromises relating thereto and attorneys' fees and any and all costs and expenses (including allocated costs of in-house counsel and other personnel), whatsoever reasonably incurred in investigating, preparing or defending against any such Actions or threatened or contemplated Actions), order or consent decree of any Governmental Authority or any award of any arbitrator or mediator of any kind, and those arising under any contract, commitment or undertaking, including those arising under this Agreement or any Ancillary Agreement, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person.

1.36 NYSE means The New York Stock Exchange, Inc.

1.37 Non-Teradata Assets means any Assets of NCR or any of its Affiliates (including any member of the Teradata Group) other than Teradata Assets.

1.38 Non-U.S. Plan means the Non-U.S. Plan, comprised of the series of transactions, agreements and other arrangements, pursuant to which the non-U.S. Assets and Liabilities of NCR and its Affiliates have been or will be assigned between NCR and Teradata and their respective Subsidiaries, which are set forth in Schedule 1.38 hereto and in the separate binders identified by the parties.

1.39 NCR Common Stock means the Common Stock, $.01 par value per share, of NCR.

1.40 NCR Group means NCR and each Person (other than any member of the Teradata Group) that is an Affiliate of NCR immediately after the Effective Time.

1.41 NCR Self-Services Business means: (a) the business and operations of NCR other than the Teradata Business consisting principally of the business of self-service technologies (including ATMS, retail self-checkout systems, automated bill payment systems, and airline, hotel and hospital self check-in kiosks), retail store automation and customer support services, business consumables and check processing and imaging solutions; (b) except as otherwise expressly provided herein, any terminated, divested or discontinued businesses or operations that at the time of termination, divestiture or discontinuation primarily related to the NCR Self-Services Business as then conducted; and (c) the terminated, divested, discontinued or other businesses and operations listed or described on Schedule 1.41.

1.42 Other Discontinued Operations means any terminated, divested or discontinued businesses and operations of NCR or Teradata or of any former or current Affiliate of NCR or Teradata (whether such business or operations were terminated, divested or discontinued prior to, at the time or after such Person was, became or ceased to be an Affiliate of NCR or Teradata) that are not listed or described in the definitions of NCR Self-Services Business or Teradata Business or the respective Schedules thereto.

1.43 Person means an individual, general or limited partnership, corporation, trust, joint venture, unincorporated organization, limited liability entity, any other entity and any Governmental Authority.

1.44 Prime Rate means the rate which JP Morgan Chase (or any successor thereto or other major money center commercial bank agreed to by the parties hereto) announces from time to time as its prime lending rate, as in effect from time to time.

1.45 Real Property Documents means the deeds, lease assignments and assumptions, leases, subleases and sub-subleases, and the supplemental and other agreements and instruments related thereto necessary to effect the Separation to be executed by and between Teradata and NCR prior to or as of the Effective Time.

1.46 Record Date means the close of business on _____, 2007, the date determined by the NCR Board of Directors as the record date for determining shareholders of NCR entitled to receive shares of Teradata Common Stock in the Distribution.

1.47 Securities Act means the Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

1.48 Security Interest means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance of any nature whatsoever.

1.49 Separation means the transfer of the Teradata Assets to Teradata and its Subsidiaries and the assumption by Teradata and its Subsidiaries of the Teradata Liabilities, all as more fully described in this Agreement and the Ancillary Agreements.

1.50 Shared Liabilities means any and all Liabilities relating to, arising out of or resulting from any of the matters listed or described on Schedule 1.50.

1.51 Shared NCR Percentage means, with respect to any Shared Liability, the percentage indicated on the Schedule defining Shared Liabilities as allocated to NCR for such Shared Liability.

1.52 Shared Teradata Percentage means, with respect to any Shared Liability, the percentage indicated on the Schedule defining Shared Liabilities as allocated to Teradata for such Shared Liability.

1.53 Subsidiary of any Person means any corporation or other organization whether incorporated or unincorporated of which at least a majority of the securities or interests having by the terms thereof ordinary voting power to elect at least a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries; provided , however that no Person that is not directly or indirectly wholly owned by any other Person shall be a Subsidiary of such other Person unless such other Person controls, or has the right, power or ability to control, that Person.

1.54 Tax Sharing Agreement means the Tax Sharing Agreement, to be executed and delivered on or prior to the Effective Time, by and between NCR and Teradata.

1.55 Taxes has the meaning set forth in the Tax Sharing Agreement.

1.56 Teradata Assets has the meaning set forth in Section 2.2

1.57 Teradata Balance Sheet means the unaudited consolidated balance sheet of Teradata, dated as of June 30, 2007 included in the Information Statement. As promptly as practicable after the Effective Time, the parties shall seek to substitute an unaudited consolidated balance sheet of Teradata, dated as of September 30, 2007, as the Teradata Balance Sheet. The parties agree to use their commercially reasonable efforts to cooperate in the preparation of such unaudited consolidated balance sheet of Teradata, dated as of September 30, 2007, but if either or both of such parties fail to do so or if the parties fail for any reason whatsoever to agree on such an updated balance sheet, the term Teradata Balance Sheet shall continue to refer to the unaudited consolidated balance sheet of Teradata, dated as of June 30, 2007, included in the Information Statement.

1.58 Teradata Business means: (a) the business and operations of NCR and its Subsidiaries relating to the enterprise analytics and data warehousing business; (b) except as otherwise expressly provided herein, any terminated, divested or discontinued businesses or operations that at the time of termination, divestiture or discontinuation primarily related to the Teradata Business as then conducted, and (c) any terminated, divested, discontinued or other businesses or operations listed on Schedule 1.58.

1.59 Teradata Common Stock means the Common Stock, $.01 par value per share, of Teradata.

1.60 Teradata Contracts means the following contracts and agreements to which NCR or any of its Affiliates is a party or by which it or any of its Affiliates or any of their respective Assets is bound, whether or not in writing, except for any such contract or agreement that is contemplated to be retained by NCR or any member of the NCR Group pursuant to any provision of this Agreement or any Ancillary Agreement:

(a) any customer, supply, vendor or other contracts or agreements listed or described on Schedule 1.60(a);

(b) any contract or agreement entered into in the name of, or expressly on behalf of, any division, business unit or member of the Teradata Group;

(c) any contract or agreement that relates primarily to the Teradata Business, including those listed on Schedule 1.60(c);

(d) federal, state and local government and other contracts and agreements that are listed or described on Schedule 1.60(d) and any other government contracts or agreements that relate primarily to the Teradata Business;

(e) any contract or agreement representing either Indebtedness or capital or operating equipment lease obligations reflected on the Teradata Balance Sheet, including obligations as lessee under those contracts or agreements listed on Schedule 1.60(e) (as such Schedule may be supplemented by mutual agreement of the parties after the date hereof and prior to the Effective Time to assign Indebtedness incurred, and capital and operating equipment lease obligations executed and delivered, after the date of the Teradata Balance Sheet);

(f) any contract or agreement that is otherwise expressly contemplated pursuant to this Agreement or any of the Ancillary Agreements to be assigned to Teradata or any member of the Teradata Group;

(g) (i) any guarantee, indemnity, representation, warranty or other Liability of any member of the Teradata Group or the NCR Group in respect of any other Teradata Contract, any Teradata Liability or the Teradata Business (including guarantees of financing incurred by customers or other third parties in connection with purchases of products or services from the Teradata Business), and (ii) the contracts, agreements and other documents listed or described on Schedule 1.60(g);

(h) any joint venture, partnership or other similar arrangements relating primarily to the Teradata Business, including those set forth on Schedule 1.60(h); and

(i) any portion of any other contract or agreement to which NCR or any of its Subsidiaries was a party prior to the Distribution Date to the extent (and only to the extent) performance of such contract or agreement directly relates to or requires the Teradata Business.

1.61 Teradata Excluded Contracts means (a) any portion of any other contract or agreement to which NCR or any of its Subsidiaries was a party prior to the Distribution Date to the extent (and only to the extent) performance of such contract or agreement directly relates to or requires the NCR Self-Service Business, and (b) the contracts and other agreements listed on Schedule 1.61.

1.62 Teradata Excluded Real Property means any real property used primarily in the NCR Self-Service Business and shall include the real property listed on Schedule 1.62.

1.63 Teradata Group means Teradata, each Subsidiary of Teradata and each other Person that is either controlled directly or indirectly by Teradata immediately after the Effective Time or that is contemplated to be controlled by Teradata pursuant to the Non-U.S. Plan (other than any Person that is contemplated not to be controlled by Teradata pursuant to the Non-U.S. Plan).

1.64 Teradata Leased Real Property means real property listed on Schedule 1.64 which will be leased or subleased by a member of the NCR Group to a member of the Teradata Group after the Effective Time.

1.65 Teradata Liabilities has the meaning set forth in Section 2.2

1.66 Teradata Owned Real Property means real property listed on Schedule 1.66 or reflected on the Teradata Balance Sheet which will be owned by a member of the Teradata Group after the Effective Time.

ARTICLE II
THE SEPARATION

2.1 Transfer of Assets and Assumption of Liabilities. (a) NCR hereby assigns, transfers, conveys and delivers to Teradata and its Subsidiaries, and agrees to cause its applicable Subsidiaries, if any, to assign, transfer, convey and deliver to Teradata and its Subsidiaries, and Teradata and its Subsidiaries hereby accept from NCR and its Subsidiaries, all of NCR's and its Subsidiaries' respective right, title and interest in all Teradata Assets, other than the Delayed Transfer Assets, in each case effective as of no later than the Effective Time. Schedule 2.1A sets forth the steps which each of Teradata and NCR shall follow, and shall cause their respective Subsidiaries to follow, in addition to those steps contemplated by the Non-US Plan, in order to implement the transactions contemplated by this Article II.

(b) Teradata and its Subsidiaries hereby assume and agree faithfully to perform and fulfill all the Teradata Liabilities, other than the Delayed Transfer Liabilities, in accordance with their respective terms, in each case effective as of no later than the Effective Time. As of and after the Effective Time, Teradata and its Subsidiaries shall be responsible for all Teradata Liabilities, regardless of when or where such Liabilities arose or arise, or whether or not scheduled, or whether the facts on which they are based occurred prior to or subsequent to the date hereof, regardless of where or against whom such Liabilities are asserted or determined (including any Teradata Liabilities arising out of claims made by NCR's or Teradata's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the NCR Group or the Teradata Group) or whether asserted or determined prior to, at or after the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of statute or law, fraud or misrepresentation, breach of contract or other theory, by any member of the NCR Group or the Teradata Group or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates.

(c) Each of the parties hereto agrees that the Delayed Transfer Assets will be assigned, transferred, conveyed and delivered, and the Delayed Transfer Liabilities will be assumed, in accordance with the terms of the agreements that provide for such assignment, transfer, conveyance and delivery, or such assumption, after the date of this Agreement or as otherwise set forth on Schedule 2.1(c). Following such assignment, transfer, conveyance and delivery of any Delayed Transfer Asset, or the assumption of any Delayed Transfer Liability, the applicable Delayed Transfer Asset or Delayed Transfer Liability shall be treated for all purposes of this Agreement and the Ancillary Agreements as a Teradata Asset or a Teradata Liability, as the case may be.

(d) In the event that at any time or from time to time (whether prior to or after the Distribution Date), any party hereto (or any member of such party's respective Group), shall receive or otherwise possess any Asset that is allocated to any other Person pursuant to this Agreement or any Ancillary Agreement, such party shall promptly transfer, or cause to be transferred, such Asset to the Person so entitled thereto. Prior to any such transfer, the Person receiving or possessing such Asset shall hold such Asset in trust for the benefit of any such other Person.

(e) Each of Teradata and NCR agrees on behalf of itself and its respective Subsidiaries that certain of the transfers of Assets and assumptions of Liabilities contemplated by this Section 2.1 will be effected in accordance with the steps set forth on Schedule 2.1 hereto or in accordance with the steps of the Non-US Plan.

2.2 Teradata Assets. (a) For purposes of this Agreement, subject to Section 2.2(c), "Teradata Assets" shall mean (without duplication):

(i) any and all Assets that are expressly contemplated by this Agreement or any Ancillary Agreement (or Schedule 2.2(a)(i) or any other Schedule hereto or thereto) as Assets to be transferred to Teradata or any other member of the Teradata Group;

(ii) (A) any Assets that Section 2.5(b) contemplates will be transferred to, or be retained by, any member of the Teradata Group, (B) any Teradata Contracts and (C)

all issued and outstanding capital stock or other equity interests of any Subsidiaries of NCR or of any other Person listed on Schedule 2.2 (a)(ii);

(iii) any Assets reflected in the Teradata Balance Sheet as Assets of Teradata and its Subsidiaries, subject to any dispositions of such Assets subsequent to the date of the Teradata Balance Sheet, in which event the net proceeds thereof shall be Teradata Assets;

(iv) any Assets resulting from or acquired in the operation of the Teradata Business after the date of the Teradata Balance Sheet;

(v) except as contemplated by Section 2.5(b), any and all Assets owned or held immediately prior to the Effective Time by NCR or any of its Subsidiaries that are used primarily in or primarily relate to, arise out of or result from the Teradata Business. No Asset shall be deemed to be a Teradata Asset solely as a result of this clause (v) if such Asset is within the category or type of Asset expressly covered by the subject matter of an Ancillary Agreement; and

(vi) an amount of cash equal to $200 million as contemplated by the pro forma balance sheet included in the Information Statement.

In the event of a conflict among any of the provisions of this Agreement or any Ancillary Agreement, the question of whether or not an Asset is a Teradata Asset shall be resolved, to the extent any of the following are applicable, by giving precedence to the following items in the following order: the Teradata Balance Sheet and any related statements or notes or any pro forma balance sheet or notes included in the Information Statement, the Schedules hereto or to any Ancillary Agreement, the provisions of any Ancillary Agreement and finally whether the Asset is used primarily in or primarily relate to, arise out of or result from the Teradata Business.

Notwithstanding the foregoing, the Teradata Assets shall not in any event include the Excluded Assets referred to in Section 2.2(b) below.

(b) For the purposes of this Agreement, **"Excluded Assets"** shall mean:

(i) any Teradata Excluded Contracts;

(ii) any Teradata Excluded Real Property;

(iii) the Assets listed or described on in Section 2.2(d) or Schedule 2.2(b)(iii) (which shall include cash and cash equivalents to the extent set forth therein); and

(iv) any and all Assets that are expressly contemplated by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Assets to be retained by NCR or any other member of the NCR Group.

(c) Each of NCR and Teradata agrees on behalf of itself and its Subsidiaries that the provisions of the Tax Sharing Agreement shall exclusively govern the allocation of Assets that are Taxes.

(d) (i) Any cash or cash equivalents (as defined below on this Schedule) which otherwise would be Teradata Assets to the extent the possession or ownership thereof by Teradata as of the Effective Time would result in the cash and cash equivalents held by Teradata as of the Effective Time being in excess of $200 million shall be an Excluded Asset.

(ii) The parties agree that in order to implement the foregoing provision, prior to the Effective Time, NCR and Teradata shall jointly estimate the amount of cash and cash equivalents likely to held by Teradata and the other members of the Teradata Group as of the Effective Time absent adjustment pursuant to this provision (the " Cash Estimate "). To the extent the Cash Estimate is less than $200 million, NCR shall transfer the shortfall to Teradata or one of its Subsidiaries as a contribution to capital. To the extent the Cash Estimate is more than $200 million, Teradata shall transfer by dividend the excess to NCR or one of its Subsidiaries.

(iii) For purposes of this Schedule the term "cash or cash equivalents" shall have the meanings contemplated by GAAP applied in a manner consistent with GAAP as used in the preparation of the Teradata Balance Sheet. For purposes of clarification, accounts receivable and other current assets other than cash and cash equivalents shall not be deemed to be included for purposes of calculating the payments required by this Schedule.

(iv) Within 15 days after the Effective Time, an officer of Teradata shall deliver a certificate to NCR certifying the aggregate amount of cash and cash equivalents of the Teradata Group as of the Effective Time (the "Final Amount"). Such certificate shall be accompanied by reasonable documentation. To the extent the Final Amount is less than $200 million, NCR shall pay Teradata an amount equal to the shortfall no later than October 31, 2007. To the extent the Final Amount is greater than $200 million, Teradata shall pay an amount equal to the excess to NCR no later than October 31, 2007. In the event of a dispute of the Final Amount by NCR, NCR shall give notice thereof no later than October 31, 2007. The parities shall cooperate in an effort to resolve any such dispute. If they are unable to resolve any such dispute, either party may submit the matter for resolution to Deloitte & Touche (or if Deloitte & Touche is not willing or able to serve, to any other nationally recognized independent accounting firm). The decision of such firm shall be final and binding upon the parties and shall thereafter represent the Final Amount for purposes hereof. The fees and expenses of the firm shall be borne by the party whose estimate of the cash and cash equivalents of the Teradata Group as of September 30, 2007 is farthest in absolute value from the amount determined by the firm as the Final Amount. The provisions of Article VIII of the Separation and Distribution Agreement shall not apply to the calculation of Final Amount.

(v) All payments shall be accompanied by interest at the Applicable Rate (as defined below) accruing from September 30, 2007 through the date of payment. For purposes hereof, the term "Applicable Rate" shall mean the Prime Rate from September 30, 2007 through and including October 31, 2007 and the Prime Rate plus 2% per annum thereafter. These provisions regarding accrual of interest shall apply without limitation in the event of a dispute.

(vi) Each of the parties shall cooperate, including by providing access to information, in connection with the matters contemplated by this Schedule. For purposes of clarification, the parties agree that the adjustments contemplated by this Schedule shall be made after giving effect to the settlement of any intercompany accounts between the members of the different Groups and after the settlement of any true-ups with respect to any of the foreign country asset purchase agreements. As a result, in the event that any such settlements or adjustments are not completed for administrative or other reasons as of prior to the Effective Time, the parties shall deem them to have been completed as of such time for purposes of calculating the amount payable pursuant to this Schedule.

2.3 Teradata Liabilities. (a) For the purposes of this Agreement, subject to Section 2.3(c), " **Teradata Liabilities** " shall mean (without duplication):

(i) any and all Liabilities that are expressly contemplated by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Liabilities to be assumed by Teradata or any member of the Teradata Group, and all agreements, obligations and Liabilities of any member of the Teradata Group under this Agreement or any of the Ancillary Agreements;

(ii) all Liabilities, including any employee-related Liabilities and Environmental Liabilities, to the extent primarily relating to, arising out of or resulting from:

(A) the operation of the Teradata Business, as conducted at any time prior to, on or after the Effective Time (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person's authority));

(B) the operation of any business conducted by any member of the Teradata Group at any time after the Effective Time (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person's authority)); or

(C) any Teradata Assets (including any Teradata Contracts and any real property and leasehold interests);

in any such case whether arising before, on or after the Effective Time;

(iii) the Shared Teradata Percentage of all Liabilities relating to, arising out of or resulting from any Shared Liabilities.

(iv) all Liabilities reflected as liabilities or obligations of Teradata in the Teradata Balance Sheet, subject to any discharge of such Liabilities subsequent to the date of the Teradata Balance Sheet;

(v) all Liabilities relating to, arising out of or resulting from the pending or threatened Actions listed or described on Schedule 2.3(a)(v) hereto; and

(vi) all Liabilities relating to, arising out of or resulting from the matters listed or described on Schedule 2.3(a)(vi).

Notwithstanding the foregoing, the Teradata Liabilities shall not include the Excluded Liabilities referred to in Section 2.3(b) below.

(b) For the purposes of this Agreement, " **Excluded Liabilities** " shall mean:

(i) any and all Liabilities that are expressly contemplated by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Liabilities to be retained or assumed by NCR or any other member of the NCR Group, and all agreements and obligations of any member of the NCR Group under this Agreement or any of the Ancillary Agreements;

(ii) all Environmental Liabilities of NCR and its past or current Affiliates as of the Effective Time, other than Environmental Liabilities (A) relating to, arising out of or resulting from the matters listed on Schedule 2.3(a)(v) under the caption "Environmental Matters," (B) to the extent primarily relating to, arising out of or resulting from the conduct of the Teradata Business or (C) arising from the operation of any member of the Teradata Group on or after the Effective Time;

(iii) the Liabilities listed or described on Schedule 2.3(b)(iii);

(iv) any and all Liabilities relating to, arising out of or resulting from any Other Discontinued Operations; and

(v) the Shared NCR Percentage of all Liabilities relating to, arising out of or resulting from any Shared Liabilities.

(c) Each of NCR and Teradata agrees on behalf of itself and its Subsidiaries that the provisions of the Tax Sharing Agreement shall exclusively govern the allocation of Liabilities relating to Taxes.

2.4 Termination of Agreements. (a) Except as set forth in Section 2.4(b), in furtherance of the releases and other provisions of Section 5.1 hereof, Teradata and each member of the Teradata Group, on the one hand, and NCR and each member of the NCR Group, on the other hand, hereby terminate, effective as of the Effective Time, any and all agreements, arrangements, commitments or understandings, whether or not in writing, between or among Teradata and/or any member of the Teradata Group, on the one hand, and NCR and/or any member of the NCR Group, on the other hand, effective as of the Effective Time; provided , however , to the extent any such agreement, arrangement, commitment or understanding is inconsistent with any Ancillary Agreement, such termination shall be effective as of the date of effectiveness of the applicable Ancillary Agreement. No such terminated agreement, arrangement, commitment or understanding (including any provision thereof which purports to survive termination) shall be of any further force or effect after the Effective Time (or, to the

extent contemplated by the proviso to the immediately preceding sentence, after the effective date of the applicable Ancillary Agreement). Each party shall, at the reasonable request of any other party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.4(a) shall not apply to any of the following agreements, arrangements, commitments or understandings (or to any of the provisions thereof): (i) this Agreement and the Ancillary Agreements (and each other agreement or instrument expressly contemplated by this Agreement or any Ancillary Agreement to be entered into by any of the parties hereto or any of the members of their respective Groups); (ii) any agreements, arrangements, commitments or understandings listed or described on Schedule 2.4(b)(ii); (iii) any agreements, arrangements, commitments or understandings to which any Person other than the parties hereto and their respective Affiliates is a party (it being understood that to the extent that the rights and obligations of the parties and the members of their respective Groups under any such agreements, arrangements, commitments or understandings constitute Teradata Assets or Teradata Liabilities, they shall be assigned pursuant to Section 2.1); (iv) any agreements, arrangements, commitments or understandings to which any non-wholly owned Subsidiary of NCR or Teradata, as the case may be, is a party (it being understood that directors' qualifying shares or similar interests will be disregarded for purposes of determining whether a Subsidiary is wholly owned); and (v) any other agreements, arrangements, commitments or understandings that this Agreement or any Ancillary Agreement expressly contemplates will survive the Effective Time. Any intercompany accounts payable or accounts receivable accrued as of the Effective Time that are reflected in the books and records of the parties or otherwise documented in writing in accordance with past practices shall be settled for cash as of immediately prior to the Effective Time. If the parties agree, such settlement may be effected by indirect payments from or to an affiliate of the obligor or obligee as the case may be.

2.5 Documents Relating to Transfer of Real Property Interests and Tangible Property Located Thereon. (a) In furtherance of the assignment, transfer and conveyance of Teradata Assets and the assumption of Teradata Liabilities set forth in Section 2.1(a) and (b), on or prior to the Effective Time, each of NCR and Teradata, or their applicable Subsidiaries, is executing and delivering or will execute and deliver deeds, lease assignments and assumptions, leases, subleases and sub-subleases listed or described in Schedule 2.5. Set forth in, or referenced by, such Schedule is, among other things, a summary of each property or interest therein to be conveyed, assigned, leased, subleased or sub-subleased, the applicable entities relevant to each property and their capacities with respect to each property (*e.g.* , as transferor, transferee, assignor, assignee, lessor, lessee, sublessor, sublessee, sub-sublessor or sub-sublessee), and any terms applicable to each property that are not specified in the forms of deed, lease assignment and assumption, lease, sublease or sub-sublease (*e.g.* , rent and term).

(b) (i) Except as otherwise expressly provided in this Agreement or any Ancillary Agreement, all tenant improvements, fixtures, furniture, office equipment, servers, private branch exchanges, artwork and other tangible property (other than equipment subject to capital or operating equipment leases, which will be transferred or retained based on whether the associated capital or operating equipment lease is or is not a Teradata Contract) located as of the date hereof on any real property that is covered by any Ancillary Agreement referred to in Section 2.5(a), including the Schedules thereto,

shall, except to the extent expressly set forth on a Schedule referred to in Section 2.5(a), be transferred or retained as follows:

(ii) **Deeds and Assignments.** Subject to clause (v), in the case of any real property or leasehold interests covered by an Ancillary Agreement that is a deed or lease assignment and assumption, all such tangible property will be transferred to the transferee or assignee of the applicable real property or leasehold interest;

(iii) **Shared Facilities without Third Party Leases.** Subject to clause (v), in the case of any real property or leasehold interests covered by an Ancillary Agreement that is a lease, all such tangible property will be retained by the lessor under the applicable lease, except that any such tangible property (including furniture and artwork but other than tenant improvements, fixtures) used exclusively by the lessee shall be transferred to, or retained by, the lessee.

(iv) **Shared Facilities with Third Party Leases.** Subject to clause (v), in the case of any real property or leasehold interests covered by an Ancillary Agreement that is a sublease or sub-sublease of a third party lease, all such tangible property will be retained by the sublessor or sub-sublessor, respectively, under the applicable sublease or sub-sublease, except that any such tangible property (including furniture and artwork but other than tenant improvements, fixtures), used exclusively by the sublessee or sub-sublessee, respectively, shall be transferred to, or retained by, such sublessee or sub-sublessee.

(v) **Property Used to Perform Ancillary Agreements.** The provisions of clauses (i) through (iv) above shall not apply to any IT equipment or other Assets that are contemplated by Ancillary Agreement to be used by a member of a Group in the performance of its obligations thereunder and any such IT equipment or other Assets shall be the property of the party providing services or performing other obligations.

In the case of this Section 2.5(b), all determinations as to exclusive use by any member of a Group shall be made without regard to infrequent and immaterial use by the members of any other Group, if the transfer of such Asset to, or the retention of such Asset by, such first Group would not interfere in any material respect with either the business or operations of any such other Group. Notwithstanding the foregoing provisions of this Section 2.5(b), any artwork (other than artwork on loan from the NCR archives) located as of the date hereof in the private office of any senior manager or officer of any Group may, at the election of such senior manager or officer, be retained by, or transferred to, the Group by which such executive is employed as of the Effective Time.

(c) In the case of any real property or leasehold interest that is covered by Section 2.5(b)(i) and any of Section 2.5(b)(ii), (iii) or (iv), all such tangible property shall first be allocated pursuant to the provisions of Section 2.5(b)(i) and thereafter pursuant to whichever of such other clauses is applicable.

2.6 Documents Relating to Other Transfers of Assets and Assumption of Liabilities. In furtherance of the assignment, transfer and conveyance of Teradata Assets and

the assumption of Teradata Liabilities set forth in Section 2.1(a) and (b), on or prior to the Effective Time, (i) each of NCR and Teradata shall execute and deliver, and each shall cause its respective Subsidiaries to execute and deliver, such bills of sale, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of NCR's, Teradata's and their respective Subsidiaries' right, title and interest in and to the Teradata Assets to Teradata and (ii) Teradata shall execute and deliver, to NCR and its Subsidiaries such bills of sale, stock powers, certificates of title, assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the Teradata Liabilities by Teradata.

2.7 Other Ancillary Agreements. On or prior to the Effective Time, each of NCR and Teradata will execute and deliver all Ancillary Agreements to which it is a party.

2.8 The Non-U.S. Plan. Each of NCR and Teradata shall take, and shall cause each member of its respective Group to take, such action as reasonably necessary to consummate the transactions contemplated by the Non-U.S. Plan (whether prior to or after the Effective Time).

2.9 Disclaimer of Representations and Warranties. Each of NCR (on behalf of itself and each member of the NCR Group), and Teradata (on behalf of itself and each member of the Teradata Group) understands and agrees that, except as expressly set forth herein or in any Ancillary Agreement, no party to this Agreement, any Ancillary Agreement or any other agreement or document contemplated by this Agreement, any Ancillary Agreement or otherwise, is representing or warranting in any way as to the Assets, businesses or Liabilities transferred or assumed as contemplated hereby or thereby, as to any consents or approvals (including Governmental Approvals or Consents) required in connection therewith, as to the value or freedom from any Security Interests of, or any other matter concerning, any Assets of such party, or as to the absence of any defenses or right of setoff or freedom from counterclaim with respect to any claim or other Asset, including any accounts receivable, of any party, or as to the legal sufficiency of any assignment, document or instrument delivered hereunder to convey title to any Asset or thing of value upon the execution, delivery and filing hereof or thereof. Except as may expressly be set forth herein or in any Ancillary Agreement, all such Assets are being transferred on an "as is," "where is" basis (and, in the case of any real property, by means of a quitclaim or similar form deed or conveyance) and the respective transferees shall bear the economic and legal risks that any conveyance shall prove to be insufficient to vest in the transferee good and marketable title, free and clear of any Security Interest.

2.10 Governmental Approvals and Consents. (a) To the extent that the Separation requires any Governmental Approvals or Consents, the parties will use their reasonable best efforts to obtain any such Governmental Approvals and Consents.

(b) If and to the extent that the valid, complete and perfected transfer or assignment (or novation of any federal government contract) to the Teradata Group of any Teradata Assets (or from the Teradata Group of any Non-Teradata Assets) would be a violation of applicable laws or require any Consent or Governmental Approval in connection with the Separation or the Distribution, then, unless NCR shall otherwise determine, the transfer or

assignment to or from the Teradata Group, as the case may be, of such Teradata Assets or Non-Teradata Assets, respectively, shall be automatically deemed deferred and any such purported transfer or assignment shall be null and void until such time as all legal impediments are removed and/or such Consents or Governmental Approvals have been obtained. Notwithstanding the foregoing, such Asset shall be deemed a Teradata Asset for purposes of determining whether any Liability is a Teradata Liability.

(c) If the transfer or assignment of any Assets intended to be transferred or assigned hereunder, including pursuant to the Non-U.S. Plan, is not consummated prior to or at the Effective Time, whether as a result of the provisions of Section 2.10(b) or for any other reason, then the Person retaining such Asset shall thereafter hold such Asset for the use and benefit, insofar as reasonably possible, of the Person entitled thereto (at the expense of the Person entitled thereto). In addition, the Person retaining such Asset shall take such other actions as may be reasonably requested by the Person to whom such Asset is to be transferred in order to place such Person, insofar as reasonably possible, in the same position as if such Asset had been transferred as contemplated hereby and so that all the benefits and burdens relating to such Teradata Assets (or such Non-Teradata Assets, as the case may be), including possession, use, risk of loss, potential for gain, and dominion, control and command over such Assets, are to inure from and after the Effective Time to the Teradata Group (or the NCR Group, as the case may be). Without limiting the foregoing, at the reasonable request and expense of the other party, each of NCR and Teradata shall cooperate with the other to enforce any rights or remedies it may have with respect to any Asset the transfer of which is delayed or not completed whether as a result of a required Consent and/or Governmental Approval or otherwise.

(d) If and when the Consents and/or Governmental Approvals, the absence of which caused the deferral of transfer of any Asset pursuant to Section 2.10(b), are obtained, the transfer of the applicable Asset shall be effected in accordance with the terms of this Agreement and/or the applicable Ancillary Agreement.

(e) The Person retaining an Asset due to the deferral of the transfer of such Asset shall not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced by the Person entitled to the Asset, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by the Person entitled to such Asset.

2.11 Novation of Assumed Teradata Liabilities. (a) Each of NCR and Teradata, at the request of any of the others, shall use their reasonable best efforts to obtain, or to cause to be obtained, any consent, substitution, approval or amendment required to novate (including with respect to any federal government contract) or assign all obligations under agreements, leases, licenses and other obligations or Liabilities of any nature whatsoever that constitute Teradata Liabilities, or to obtain in writing the unconditional release of all parties to such arrangements other than any member of the Teradata Group, so that, in any such case, Teradata and its Subsidiaries will be solely responsible for such Liabilities; provided , however , that none of NCR or Teradata shall be obligated to pay any consideration therefor to any third party from whom such consents, approvals, substitutions and amendments are requested.

(b) If NCR or Teradata is unable to obtain, or to cause to be obtained, any such required consent, approval, release, substitution or amendment, the applicable member of the NCR Group or the Teradata Group, as the case may be, shall continue to be bound by such agreements, leases, licenses and other obligations and, unless not permitted by law or the terms thereof, Teradata shall, as agent or subcontractor for NCR or such other Person, as the case may be, pay, perform and discharge fully all the obligations or other Liabilities of NCR or such other Person, as the case may be, thereunder from and after the date hereof. Teradata shall indemnify each NCR Indemnitee and hold each of them harmless against any Liabilities arising in connection therewith. NCR shall, without further consideration, pay and remit, or cause to be paid or remitted, to Teradata promptly all money, rights and other consideration received by it or any member of its respective Group in respect of such performance (unless any such consideration is an Excluded Asset). If and when any such consent, approval, release, substitution or amendment shall be obtained or such agreement, lease, license or other rights or obligations shall otherwise become assignable or able to be novated, NCR shall thereafter assign, or cause to be assigned, all its rights, obligations and other Liabilities thereunder or any rights or obligations of any member of its Group to Teradata without payment of further consideration and Teradata shall, without the payment of any further consideration, assume such rights and obligations.

(c) To the extent it is not feasible as an administrative or practical manner to implement the provisions of this Section 2.11, NCR or another member of the NCR Group may pay or satisfy the applicable Liability and Teradata or another member of the Teradata Group shall reimburse it to the extent it represents payment for or satisfaction of a Teradata Liability.

(d) Schedule 2.11 to this Agreement sets forth a list of contracts and agreements. Each of the parties hereto agrees to use its reasonable best efforts to replicate the contracts and agreements to the extent contemplated thereby.

2.12 Novation of Assumed Liabilities other than Teradata Liabilities. (a) Each of NCR and Teradata, at the request of any of the others, shall use their reasonable best efforts to obtain, or to cause to be obtained, any consent, substitution, approval or amendment required to novate or assign all obligations under agreements, leases, licenses and other obligations or Liabilities of any nature whatsoever that do not constitute Teradata Liabilities, or to obtain in writing the unconditional release of all parties to such arrangements other than any member of the NCR Group, so that, in any such case, the members of the NCR Group will be solely responsible for such Liabilities; provided , however , that none of NCR or Teradata shall be obligated to pay any consideration therefor to any third party from whom such consents, approvals, substitutions and amendments are requested.

(b) If NCR or Teradata is unable to obtain, or to cause to be obtained, any such required consent, approval, release, substitution or amendment, the applicable member of the Teradata Group shall continue to be bound by such agreements, leases, licenses and other obligations and, unless not permitted by law or the terms thereof, NCR shall cause a member of the NCR Group, as agent or subcontractor for such member of the Teradata Group, to pay, perform and discharge fully all the obligations or other Liabilities of such member of the Teradata Group thereunder from and after the date hereof. NCR shall indemnify each Teradata Indemnitee and hold each of them harmless against any Liabilities arising in connection

therewith. Teradata shall cause each member of the Teradata Group without further consideration, to pay and remit, or cause to be paid or remitted, to NCR or to another member of the NCR Group specified by NCR promptly all money, rights and other consideration received by it or any member of the Teradata Group in respect of such performance. If and when any such consent, approval, release, substitution or amendment shall be obtained or such agreement, lease, license or other rights or obligations shall otherwise become assignable or able to be novated, Teradata shall promptly assign, or cause to be assigned, all its rights, obligations and other Liabilities thereunder or any rights or obligations of any member of the Teradata Group to NCR or to another member of the NCR Group specified by NCR without payment of further consideration and NCR, without the payment of any further consideration shall, or shall cause such other member of the NCR Group to, assume such rights and obligations.

(c) To the extent it is not feasible as an administrative or practical manner to implement the provisions of this Section 2.12, Teradata or another member of the Teradata Group may pay or satisfy the applicable Liability and NCR or another member of the NCR Group shall reimburse it to the extent it represents payment for or satisfaction of a Liability of a member of the NCR Group.

ARTICLE III
ACTIONS PENDING THE DISTRIBUTION

3.1 Transactions Prior to the Distribution. (a) Subject to the conditions specified in Section 3.6, NCR and Teradata shall use their reasonable best efforts to consummate the Distribution. Such actions shall include, but not necessarily be limited to, those specified in this Section 3.1 to the extent not taken prior to the date hereof.

(b) Teradata shall file (if not heretofore filed) the Information Statement, and such amendments or supplements thereto, as may be necessary in order to cause the same to become and remain effective as required by law, including filing such amendments to the Information Statement as may be required by the Commission or federal, state or foreign securities laws. NCR and Teradata shall also cooperate in preparing, filing with the Commission and causing to become effective a registration statement registering the Teradata Common Stock under the Exchange Act, and any registration statements or amendments thereof which are required to reflect the establishment of, or amendments to, any employee benefit and other plans necessary or appropriate in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement and the Ancillary Agreements.

3.2 Conditions Precedent to Consummation of the Distribution. As soon as practicable after the date of this Agreement, the parties hereto shall use their reasonable best efforts to satisfy the following conditions prior to the consummation of the Distribution. The NCR Board shall have the sole discretion to determine the date of consummation of the Distribution. The obligations of the parties to consummate the Distribution shall be conditioned on the satisfaction, or waiver by NCR, of the following conditions:

(a) The Information Statement shall have been filed and declared effective by the Commission, and there shall be no stop-order in effect with respect thereto.

(b) Any required actions and filings with regard to state securities and blue sky laws of the United States (and any comparable laws under any foreign jurisdictions) shall have been taken and, where applicable, have become effective or been accepted.

(c) The Teradata Common Stock shall have been accepted for listing on the NYSE, on official notice of issuance.

(d) NCR shall have received a private letter ruling from the Internal Revenue Service substantially to the effect that the Distribution, together with certain related transactions, will qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code and such ruling shall be in form and substance satisfactory to NCR in its sole discretion;

(e) NCR shall have received an opinion of Wachtell, Lipton, Rosen & Katz substantially to the effect that the Distribution, together with certain related transactions, will qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code and such opinion shall be in form and substance satisfactory to NCR in its sole discretion;

(f) No order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Separation, the Distribution or any of the other transactions contemplated by this Agreement or any Ancillary Agreement shall be in effect.

(g) Such other actions as the parties hereto may reasonably request to be taken prior to the Separation in order to assure the successful completion of the Separation and the other transactions contemplated by this Agreement shall have been taken.

(h) This Agreement shall not have been terminated.

(i) Any material Governmental Approvals and Consents necessary to consummate the Distribution shall have been obtained and be in full force and effect; and

(j) No other events or developments shall have occurred subsequent to the date hereof that, in the judgment of the Board of Directors of NCR, would result in the Distribution having a material adverse effect on NCR or on the shareholders of NCR.

The foregoing conditions are for the sole benefit of NCR and shall not give rise to or create any duty on the part of NCR or the NCR Board of Directors to waive or not waive any such condition.

ARTICLE IV
THE DISTRIBUTION

4.1 The Distribution. (a) Subject to Section 4.3 hereof, on or prior to the Distribution Date, NCR will deliver to the Agent for the benefit of holders of record of NCR

Common Stock on the Record Date, a single stock certificate, endorsed by NCR in blank, representing all of the outstanding shares of Teradata Common Stock then owned by NCR or any member of the NCR Group, and shall cause the transfer agent for the shares of NCR Common Stock to instruct the Agent to distribute on the Distribution Date the appropriate number of such shares of Teradata Common Stock to each such holder or designated transferee or transferees of such holder.

(b) Each holder of NCR Common Stock on the Record Date (or such holder's designated transferee or transferees) will be entitled to receive in the Distribution a number of shares of Teradata Common Stock equal to the number of shares of NCR Common Stock held by such holder on the Record Date multiplied by a fraction the numerator of which is the number of shares of Teradata Common Stock beneficially owned by NCR or any other member of the NCR Group on the Record Date and the denominator of which is the number of shares of NCR Common Stock outstanding on the Record Date.

(c) Teradata and NCR, as the case may be, will provide to the Agent all share certificates and any information required in order to complete the Distribution on the basis specified above.

4.2 Actions Prior to the Distribution. (a) NCR and Teradata shall prepare and mail, prior to the Distribution Date, to the holders of NCR Common Stock, such information concerning Teradata, its business, operations and management, the Distribution and such other matters as NCR shall reasonably determine and as may be required by law. NCR and Teradata will prepare, and Teradata will, to the extent required under applicable law, file with the Commission any such documentation and any requisite no action letters which NCR determines are necessary or desirable to effectuate the Distribution and NCR and Teradata shall each use its reasonable best efforts to obtain all necessary approvals from the Commission with respect thereto as soon as practicable.

(b) NCR and Teradata shall take all such action as may be necessary or appropriate under the securities or blue sky laws of the United States (and any comparable laws under any foreign jurisdiction) in connection with the Distribution.

(c) Teradata shall prepare and file, and shall use its reasonable best efforts to have approved, an application for the listing of the Teradata Common Stock to be distributed in the Distribution on the NYSE, subject to official notice of distribution.

4.3 Sole Discretion of NCR. NCR shall, in its sole and absolute discretion, determine the Distribution Date and all terms of the Distribution, including the form, structure and terms of any transactions and/or offerings to effect the Distribution and the timing of and conditions to the consummation thereof. In addition, NCR may at any time and from time to time until the completion of the Distribution decide to abandon the Distributions or modify or change the terms of the Distribution, including by accelerating or delaying the timing of the consummation of all or part of the Distribution.

ARTICLE V
MUTUAL RELEASES; INDEMNIFICATION

5.1 Release of Pre-Closing Claims. (a) Except as provided in Section 5.1(c), effective as of the Effective Time, Teradata does hereby, for itself and each other member of the Teradata Group, their respective Affiliates (other than any member of the NCR Group), successors and assigns, and all Persons who at any time prior to the Effective Time have been shareholders, partners, members, directors, officers, agents or employees of any member of the Teradata Group (in each case, in their respective capacities as such), remise, release and forever discharge NCR, the members of the NCR Group, their respective Affiliates (other than any member of the Teradata Group), successors and assigns, and all Persons who at any time prior to the Effective Time have been shareholders, partners, members, directors, officers, agents or employees of any member of the NCR Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Effective Time, including in connection with the transactions and all other activities to implement any of the Separation and the Distribution.

(b) Except as provided in Section 5.1(c), effective as of the Effective Time, NCR does hereby, for itself and each other member of the NCR Group, their respective Affiliates (other than any member of the Teradata Group), successors and assigns, and all Persons who at any time prior to the Effective Time have been shareholders, partners, members, directors, officers, agents or employees of any member of the NCR Group (in each case, in their respective capacities as such), remise, release and forever discharge Teradata, the respective members of the Teradata Group, their respective Affiliates (other than any member of the NCR Group), successors and assigns, and all Persons who at any time prior to the Effective Time have been shareholders, partners, members, directors, officers, agents or employees of any member of the Teradata Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Effective Time, including in connection with the transactions and all other activities to implement any of the Separation and the Distribution.

(c) Nothing contained in Section 5.1(a) or (b) shall impair any right of any Person to enforce this Agreement (including the indemnification provisions hereof), any Ancillary Agreement or any agreements, arrangements, commitments or understandings that are specified in Section 2.4(b) or the applicable Schedules thereto not to terminate as of the Effective Time, in each case in accordance with its terms. Nothing contained in Section 5.1(a) or (b) shall release any Person from:

(i) any Liability provided in or resulting from any agreement among any members of the NCR Group or the Teradata Group that is specified in Section 2.4(b) or the applicable Schedules thereto as not to terminate as of the Effective Time, or any other Liability specified in such Section 2.4(b) as not to terminate as of the Effective Time;

(ii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any Ancillary Agreement;

(iii) any Liability that the parties may have with respect to indemnification or contribution pursuant to this Agreement for claims brought against the parties by third Persons, which Liability shall be governed by the provisions of this Article V and, if applicable, the appropriate provisions of the Ancillary Agreements; or

(iv) any Liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 5.1; provided that the parties agree not to bring suit or permit any of their Subsidiaries to bring suit against any Person with respect to any Liability to the extent that such Person would be released with respect to such Liability by this Section 5.1 but for the provisions of this clause (iv).

(d) Teradata shall not make, and shall not permit any member of the Teradata Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against NCR or any member of the NCR Group, or any other Person released pursuant to Section 5.1(a), with respect to any Liabilities released pursuant to Section 5.1(a). NCR shall not, and shall not permit any member of the NCR Group, to make any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Teradata or any member of the Teradata Group, or any other Person released pursuant to Section 5.1(b), with respect to any Liabilities released pursuant to Section 5.1(b).

(e) It is the intent of each of NCR and Teradata by virtue of the provisions of this Section 5.1 to provide for a full and complete release and discharge of all Liabilities existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed on or before the Effective Time, between or among Teradata or any member of the Teradata Group, on the one hand, and NCR or any member of the NCR Group, on the other hand (including any contractual agreements or arrangements existing or alleged to exist between or among any such members on or before the Effective Time), except as expressly set forth in Section 5.1(c). At any time, at the request of any other party, each party shall cause each member of its respective Group to execute and deliver releases reflecting the provisions hereof.

5.2 Indemnification by Teradata. Teradata shall indemnify, defend and hold harmless NCR, each member of the NCR Group and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "NCR Indemnitees"), from and against any and all Liabilities of the

NCR Indemnitees relating to, arising out of or resulting from any of the following items (without duplication):

(a) the failure of Teradata or any other member of the Teradata Group or any other Person to pay, perform or otherwise promptly discharge any Teradata Liabilities or Teradata Contract in accordance with their respective terms, whether prior to or after the Effective Time or the date hereof;

(b) the Teradata Business, any Teradata Liability or any Teradata Contract or any action taken or omitted to be taken in connection with any of the foregoing;

(c) any breach by Teradata or any member of the Teradata Group of this Agreement or any of the Ancillary Agreements (except to the extent any Ancillary Agreement contains an express provision on the limitation of liability); and

(d) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in any Information Statement or any other Disclosure Document.

5.3 Indemnification by NCR. NCR shall indemnify, defend and hold harmless Teradata, each member of the Teradata Group and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Teradata Indemnitees"), from and against any and all Liabilities of the Teradata Indemnitees relating to, arising out of or resulting from any of the following items (without duplication):

(a) the failure of NCR or any other member of the NCR Group or any other Person to pay, perform or otherwise promptly discharge any Liabilities of the NCR Group other than the Teradata Liabilities, whether prior to or after the Effective Time or the date hereof;

(b) the NCR Self-Services Business or any Liability of the NCR Group other than the Teradata Liabilities or any action taken or omitted to be taken in connection with any of the foregoing; and

(c) any breach by NCR or any member of the NCR Group of this Agreement or any of the Ancillary Agreements (except to the extent any Ancillary Agreement contains an express provision on the limitation of liability).

5.4 Indemnification Obligations Net of Insurance Proceeds and Other Amounts. (a) The parties intend that any Liability subject to indemnification or reimbursement pursuant to this Article V will be net of Insurance Proceeds applicable to the Liability. Accordingly, the amount which any party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification hereunder (an "Indemnitee") will be reduced by any Insurance Proceeds theretofore actually recovered by or on behalf of the Indemnitee in reduction of the related Liability. If an Indemnitee receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives

Insurance Proceeds, then the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds recovery had been received, realized or recovered before the Indemnity Payment was made.

(b) An insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification provisions hereof, have any subrogation rights with respect thereto, it being expressly understood and agreed that no insurer or any other third party shall be entitled to a "windfall" (*i.e.* , a benefit they would not be entitled to receive in the absence of the indemnification provisions) by virtue of the indemnification provisions hereof. Nothing contained in this Agreement or any Ancillary Agreement shall obligate any member of any Group to seek to collect or recover any Insurance Proceeds.

5.5 Procedures for Indemnification of Third Party Claims. (a) If an Indemnitee shall receive notice or otherwise learn of the assertion by a Person (including any Governmental Authority) who is not a member of the NCR Group or the Teradata Group of any claim or of the commencement by any such Person of any Action (collectively, a "Third Party Claim") with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to Section 5.2 or 5.3, or any other Section of this Agreement or any Ancillary Agreement, such Indemnitee shall give such Indemnifying Party written notice thereof within 20 days after becoming aware of such Third Party Claim. Any such notice shall describe the Third Party Claim in reasonable detail. Notwithstanding the foregoing, the failure of any Indemnitee or other Person to give notice as provided in this Section 5.5(a) shall not relieve the related Indemnifying Party of its obligations under this Article V, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice.

(b) An Indemnifying Party may elect to defend (and, unless the Indemnifying Party has specified any reservations or exceptions, to seek to settle or compromise), at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel, any Third Party Claim. Within 30 days after the receipt of notice from an Indemnitee in accordance with Section 5.5(a) (or sooner, if the nature of such Third Party Claim so requires), the Indemnifying Party shall notify the Indemnitee of its election whether the Indemnifying Party will assume responsibility for defending such Third Party Claim, which election shall specify any reservations or exceptions. After notice from an Indemnifying Party to an Indemnitee of its election to assume the defense of a Third Party Claim, such Indemnitee shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the fees and expenses of such counsel shall be the expense of such Indemnitee except as set forth in the next sentence. In the event that the Indemnifying Party has elected to assume the defense of the Third Party Claim but has specified, and continues to assert, any reservations or exceptions in such notice, then, in any such case, the reasonable fees and expenses of one separate counsel for all Indemnitees shall be borne by the Indemnifying Party.

(c) If an Indemnifying Party elects not to assume responsibility for defending a Third Party Claim, or fails to notify an Indemnitee of its election as provided in Section 5.5(d), such Indemnitee may defend such Third Party Claim at the cost and expense (including allocated costs of in-house counsel and other personnel) of the Indemnifying Party.

(d) Unless the Indemnifying Party has failed to assume the defense of the Third Party Claim in accordance with the terms of this Agreement, no Indemnitee may settle or compromise any Third Party Claim without the consent of the Indemnifying Party.

(e) In the case of a Third Party Claim, no Indemnifying Party shall consent to entry of any judgment or enter into any settlement of the Third Party Claim without the consent of the Indemnitee if the effect thereof is to permit any injunction, declaratory judgment, other order or other nonmonetary relief to be entered, directly or indirectly, against any Indemnitee.

(f) The provisions of Section 5.5 (other than this Section 5.5(f)) and Section 5.6 shall not apply to Taxes (which are covered by the Tax Sharing Agreement).

(g) Schedule 5.5(g) sets forth certain additional rights and obligations of the parties with respect to the category of claims specified thereon.

5.6 Additional Matters. (a) Any claim on account of a Liability which does not result from a Third Party Claim shall be asserted by written notice given by the Indemnitee to the related Indemnifying Party. Such Indemnifying Party shall have a period of 30 days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such 30-day period, such Indemnifying Party shall be deemed to have refused to accept responsibility to make payment. If such Indemnifying Party does not respond within such 30-day period or rejects such claim in whole or in part, such Indemnitee shall be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the Ancillary Agreements.

(b) In the event of payment by or on behalf of any Indemnifying Party to or on behalf of any Indemnitee in connection with any Third Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense (including allocated costs of in-house counsel and other personnel) of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(c) In the event of an Action in which the Indemnifying Party is not a named defendant, if the Indemnifying Party shall so request, the parties shall endeavor to substitute the Indemnifying Party for the named defendant if at all practicable. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in this Section and the Indemnifying Party shall fully indemnify the named defendant against all costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts' fees and all other external expenses, and the allocated costs of in-house counsel and other personnel), the costs of any judgment or settlement, and the cost of any interest or penalties relating to any judgment or settlement.

(d) The indemnity obligations of this Article V shall apply as between the members of the NCR Group, on the one hand, and the Teradata Group, on the other hand, notwithstanding any contrary provision in any contract or agreement or other document with a third party allocating Liability in a different manner in order to obtain the consent of such third party to an assignment, novation or replication of a contract or agreement.

5.7 Remedies Cumulative. The remedies provided in this Article V shall be cumulative and, subject to the provisions of Article VIII, shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

5.8 Survival of Indemnities.

(a) The indemnity and contribution agreements contained in this Article V shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnitee; (ii) the knowledge by the Indemnitee of Indemnifiable Losses for which it might be entitled to indemnification or contribution hereunder; and (iii) any termination of this Agreement.

(b) The rights and obligations of each Party and their respective Indemnitees under this Article V shall survive the sale or other Transfer by any Party or its respective Subsidiaries of any Assets or businesses or the assignment by it of any Liabilities.

5.9 Limitation on Liability

Except as may expressly be set forth in this Agreement or any Ancillary Agreement, neither NCR nor Teradata nor any member of either Group shall in any event have any Liability to the other nor to any member of the other's Group for any incidental, indirect, special, punitive or consequential damages, whether or not caused by or resulting from negligence or breach of obligations hereunder or under any Ancillary Agreement and whether or not informed of the possibility of the existence of such damages, *provided however* that the limitation in this Section 5.9 shall not apply to an Indemnitor's indemnification obligations hereunder or in any Ancillary Agreement with respect to any Liability any Indemnitee may have to any third party not affiliated with any member of the NCR Group or the Teradata Group for any incidental, indirect, special, punitive or consequential damages.

ARTICLE VI
INSURANCE AND CERTAIN OTHER MATTERS

6.1 Insurance Matters. (a) NCR and Teradata agree to cooperate in good faith to provide for an orderly transition of insurance coverage from the date hereof through the Distribution Date and for the treatment of any Insurance Policies that will remain in effect following the Effective Time on a mutually agreeable basis, in each case subject to the terms and conditions hereof. In no event shall NCR, any other member of the NCR Group or any NCR Indemnitee or Teradata Indemnitee have liability or obligation whatsoever to any member of the Teradata Group in the event that any Insurance Policy or other contract or policy of insurance shall be terminated or otherwise cease to be in effect for any reason, shall be unavailable or

inadequate to cover any Liability of any member of the Teradata Group for any reason whatsoever or shall not be renewed or extended beyond the current expiration date.

(b) (i) Except as otherwise provided in any Ancillary Agreement, the parties intend by this Agreement that Teradata and each other member of the Teradata Group be successors-in-interest to all rights that any member of the Teradata Group may have as of the Effective Time as a subsidiary, affiliate, division or department of NCR prior to the Effective Time under any policy of insurance issued to NCR by any insurance carrier unaffiliated with NCR or under any agreements related to such policies executed and delivered prior to the Effective Time, including any rights such member of the Teradata Group may have, as an insured or additional named insured, subsidiary, affiliate, division or department, to avail itself of any such policy of insurance or any such agreements related to such policies as in effect prior to the Effective Time. At the request of Teradata, NCR shall take all reasonable steps, including the execution and delivery of any instruments, to effect the foregoing; provided however that NCR shall not be required to pay any amounts, waive any rights or incur any Liabilities in connection therewith.

(ii) Except as otherwise contemplated by any Ancillary Agreement, after the Effective Time, none of NCR or Teradata or any member of their respective Groups shall, without the consent of the other, provide any such insurance carrier with a release, or amend, modify or waive any rights under any such policy or agreement, if such release, amendment, modification or waiver would adversely affect any rights or potential rights of any member of the other Group thereunder; provided , however , that the foregoing shall not (A) preclude any member of any Group from presenting any claim or from impairing or exhausting any policy limit through actual loss payments, (B) require any member of any Group to pay any premium or other amount or to incur any Liability, or (C) require any member of any Group to renew, extend or continue any policy in force. Each of Teradata and NCR will share such information as is reasonably necessary in order to permit the other to manage and conduct its insurance matters in an orderly fashion.

(c) This Agreement shall not be considered as an attempted assignment of any interest under a policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of any member of the NCR Group in respect of any Insurance Policy or any other contract or policy of insurance.

(d) Teradata does hereby, for itself and each other member of the Teradata Group, agree that no member of the NCR Group or any NCR Indemnitee or Teradata Indemnitee shall have any Liability whatsoever as a result of the insurance policies and practices of NCR and its Affiliates as in effect at any time prior to the Effective Time, including as a result of the level or scope of any such insurance, the creditworthiness of any insurance carrier, the terms and conditions of any policy, the adequacy or timeliness of any notice to any insurance carrier with respect to any claim or potential claim or otherwise.

(e) Nothing in this Agreement shall be deemed to restrict any member of the Teradata Group from acquiring at its own expense any other insurance policy in respect of any Liabilities or covering any period.

(f) Additional provisions with respect to insurance matters, including the allocation of any deductibles or policy limits are set forth on Schedule 6.1 hereto.

6.2 Certain Business Matters. (a) No member of any Group shall have any duty to refrain from (i) engaging in the same or similar activities or lines of business as any member of any other Group, (ii) doing business with any potential or actual supplier or customer of any member of any other Group, or (iii) engaging in, or refraining from, any other activities whatsoever relating to any of the potential or actual suppliers or customers of any member of any other Group.

(b) Each of NCR and Teradata is aware that from time to time certain business opportunities may arise which more than one Group may be financially able to undertake, and which are, from their nature, in the line of more than one Group's business and are of practical advantage to more than one Group. In connection therewith, the parties agree that if either NCR or Teradata acquires knowledge of an opportunity that meets the foregoing standard with respect to more than one Group, neither NCR or Teradata shall have any duty to communicate or offer such opportunity to any of the others and may pursue or acquire such opportunity for itself, or direct such opportunity to any other Person.

6.3 Late Payments. Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement, any amount not paid when due pursuant to this Agreement or any Ancillary Agreement (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within 45 days of such bill, invoice or other demand) shall accrue interest at a rate per annum equal to the Prime Rate plus 2%.

ARTICLE VII
EXCHANGE OF INFORMATION; CONFIDENTIALITY

7.1 Agreement for Exchange of Information; Archives. (a) Each of NCR and Teradata, on behalf of its respective Group, agrees to provide, or cause to be provided, to each other Group, at any time before or after the Distribution Date, as soon as reasonably practicable after written request therefor, any Information in the possession or under the control of such respective Group which the requesting party reasonably needs (i) to comply with reporting, disclosure, filing or other requirements imposed on the requesting party (including under applicable securities laws) by a Governmental Authority having jurisdiction over the requesting party, (ii) for use in any other judicial, regulatory, administrative or other proceeding or in order to satisfy audit, accounting, claims, regulatory, litigation or other similar requirements, or (iii) to comply with its obligations under this Agreement or any Ancillary Agreement; provided , however , that in the event that any party determines that any such provision of Information could be commercially detrimental, violate any law or agreement, or waive any attorney-client privilege or work-product immunity, the parties shall take all reasonable measures to permit the compliance with such obligations in a manner that avoids any such harm or consequence.

(b) After the date hereof, (i) each of NCR and Teradata shall maintain in effect at its own cost and expense adequate systems and controls to the extent necessary to enable the members of the Teradata Group and the NCR Group, respectively, to satisfy their

respective reporting, accounting, audit and other obligations, and (ii) each of NCR and Teradata shall provide, or cause to be provided, to the other in such form as the other shall request, at no charge to the other party (except as may otherwise be specified in an Ancillary Agreement), all financial and other data and information as the other party determines necessary or advisable in order to prepare its financial statements, SEC filings and reports or filings with any Governmental Authority.

7.2 Ownership of Information. Any Information owned by one Group that is provided to a requesting party pursuant to Section 7.1 shall be deemed to remain the property of the providing party. Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any such Information.

7.3 Compensation for Providing Information. The party requesting such Information agrees to reimburse the other party for the reasonable costs, if any, of creating, gathering and copying such Information, to the extent that such costs are incurred for the benefit of the requesting party. Except as may be otherwise specifically provided elsewhere in this Agreement or in any other agreement between the parties, such costs shall be computed in accordance with the providing party's standard methodology and procedures.

7.4 Record Retention. To facilitate the possible exchange of Information pursuant to this Article VII and other provisions of this Agreement after the Distribution Date, the parties agree to use their reasonable best efforts to retain all Information in their respective possession or control on the Distribution Date in accordance with the policies of NCR as in effect on the Effective Time. No party will knowingly destroy, or permit any of its Subsidiaries to destroy, any Information which the other party may have the right to obtain pursuant to this Agreement prior to the later of (a) the first anniversary of the date hereof and (b) the applicable retention period set forth in such policies without first using its reasonable best efforts to notify the other party of the proposed destruction and giving the other party the opportunity to take possession of such information prior to such destruction; provided , however , that in the case of any Information relating to Environmental Liabilities, such period shall be extended to the expiration of the applicable statute of limitations (giving effect to any extensions thereof). The provisions of this Section 7.4 shall not apply to Taxes or any Information relating thereto, all of which shall be governed by the Tax Matters Agreement. Notwithstanding the foregoing, nothing in this Article VII shall require either party to retain electronic mail beyond the periods specified in relevant corporate policies, unless such electronic mail is subject, by virtue of its content, to other specific records retention provisions, or is subject to a litigation hold or document retention notice, or is otherwise known by its custodian to relate to a pending or threatened legal claim.

7.5 Limitation of Liability. No party shall have any liability to any other party in the event that any Information exchanged or provided pursuant to this Agreement which is an estimate or forecast, or which is based on an estimate or forecast, is found to be inaccurate or in the event such Information is destroyed in contravention of applicable records retention policies or contrary to the provisions of this Agreement, in each case, in the absence of willful misconduct by the party providing such Information.

7.6 Other Agreements Providing for Exchange of Information. The rights and obligations granted under this Article VII are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange or confidential treatment of Information set forth in any Ancillary Agreement.

7.7 Production of Witnesses; Records; Cooperation. (a) After the Effective Time, except in the case of an adversarial Action by one party against another party (which shall be governed by such discovery rules as may be applicable under Article VIII or otherwise), each party hereto shall use its reasonable best efforts to make available to each other party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action in which the requesting party may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting party shall bear all costs and expenses (including allocated costs of in-house counsel and other personnel) in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third Party Claim, the other parties shall make available to such Indemnifying Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be.

(c) Without limiting any provision of this Section, each of the parties agrees to cooperate, and to cause each member of its respective Group to cooperate, with each other in the defense of any infringement or similar claim with respect any intellectual property and shall not claim to acknowledge, or permit any member of its respective Group to claim to acknowledge, the validity or infringing use of any intellectual property of a third Person in a manner that would hamper or undermine the defense of such infringement or similar claim.

(d) The obligation of the parties to provide witnesses pursuant to this Section 7.7 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses inventors and other officers without regard to whether the witness or the employer of the witness could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 7.7(a)).

(e) In connection with any matter contemplated by this Section 7.7, the parties will enter into a mutually acceptable joint defense agreement so as to maintain to the extent

practicable any applicable attorney-client privilege or work product immunity of any member of any Group.

7.8 Confidentiality. (a) Subject to Article VIII, each of NCR and Teradata, on behalf of itself and each member of its respective Group, agrees to hold, and to cause its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives to hold, in strict confidence, with at least the same degree of care that applies to NCR's confidential and proprietary information pursuant to policies in effect as of the Effective Time, all Information concerning each such other Group that is either in its possession (including Information in its possession prior to any of the date hereof, the Effective Time or the Distribution Date) or furnished by any such other Group or its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives at any time pursuant to this Agreement, any Ancillary Agreement or otherwise, and shall not use any such Information other than for such purposes as shall be expressly permitted hereunder or thereunder, except, in each case, to the extent that such Information has been (i) in the public domain through no fault of such party or any member of such Group or any of their respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives, (ii) later lawfully acquired from other sources by such party (or any member of such party's Group) which sources are not themselves bound by a confidentiality obligation), or (iii) independently generated without reference to any proprietary or confidential Information of the other party.

(b) Each party agrees not to release or disclose, or permit to be released or disclosed, any such Information to any other Person, except its directors, officers, employees, agents, accountants, counsel and other advisors and representatives who need to know such Information (who shall be advised of their obligations hereunder with respect to such Information), except in compliance with Section 7.9. Without limiting the foregoing, when any Information is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, each party will promptly after request of the other party either return to the other party all Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other party that it has destroyed such Information (and such copies thereof and such notes, extracts or summaries based thereon).

(c) Notwithstanding Section 7.9(a) or (b), any express provision of any Ancillary Agreement providing for a shorter or longer period of survival of confidentiality obligations shall be given effect.

7.9 Protective Arrangements. In the event that any party or any member of its Group either determines on the advice of its counsel that it is required to disclose any Information pursuant to applicable law or receives any demand under lawful process or from any Governmental Authority to disclose or provide Information of any other party (or any member of any other party's Group) that is subject to the confidentiality provisions hereof, such party shall notify the other party prior to disclosing or providing such Information and shall cooperate at the expense of the requesting party in seeking any reasonable protective arrangements requested by such other party. Subject to the foregoing, the Person that received such request may thereafter disclose or provide Information to the extent required by such law (as so advised by counsel) or by lawful process or such Governmental Authority.

ARTICLE VIII
ARBITRATION; DISPUTE RESOLUTION

8.1 Agreement to Arbitrate. Except as otherwise specifically provided in any Ancillary Agreement, in a Schedule hereto or thereto or in Section 8.11, the procedures for discussion, negotiation and arbitration set forth in this Article VIII shall apply to all disputes, controversies or claims (whether sounding in contract, tort or otherwise) that may arise out of or relate to, or arise under or in connection with this Agreement or any Ancillary Agreement, or the transactions contemplated hereby or thereby (including all actions taken in furtherance of the transactions contemplated hereby or thereby on or prior to the date hereof), or the commercial or economic relationship of the parties relating hereto or thereto, between or among any member of the NCR Group and the Teradata Group (collectively, the "Covered Matters"). Except as expressly set forth in any Ancillary Agreement or in a Schedule hereto or thereto (which shall govern to the extent, if any, set forth therein), each party agrees on behalf of itself and each member of its respective Group that the procedures set forth in this Article VIII shall be the sole and exclusive remedy in connection with any dispute, controversy or claim relating to any of the foregoing matters and irrevocably waives any right to commence any Action in or before any Governmental Authority, except as expressly provided in Sections 8.7(b) and 8.8 and except to the extent provided under the Arbitration Act in the case of judicial review of arbitration results or awards and/or to enforce arbitrability. Each party on behalf of itself and each member of its respective Group irrevocably waives any right to any trial by jury with respect to any claim, controversy or dispute set forth in the first sentence of this Section 8.1.

8.2 Escalation. (a) It is the intent of the parties to use their respective reasonable best efforts to resolve expeditiously any dispute, controversy or claim between or among them with respect to the matters covered hereby that may arise from time to time on a mutually acceptable negotiated basis. In furtherance of the foregoing, any party involved in a dispute, controversy or claim may (but shall not be required to) deliver a notice (an "Escalation Notice") demanding an in person meeting involving representatives of the parties at a senior level of management of the parties (or if the parties agree, of the appropriate strategic business unit or division within such entity). A copy of any such Escalation Notice shall be given to the General Counsel, or like officer or official, of each party involved in the dispute, controversy or claim (which copy shall state that it is an Escalation Notice pursuant to this Agreement). Any agenda, location or procedures for such discussions or negotiations between the parties may be established by the parties from time to time; provided , however , that the parties shall use their reasonable best efforts to meet within 30 days of the Escalation Notice. Neither the decision not to deliver any Escalation Notice nor the failure of the parties to meet or to resolve any dispute, controversy or claim within such 30 day period shall limit any other right of any party hereunder, including any right to demand mediation and arbitration.

(b) At any time and in any event at least 45 days prior to the delivery of an Arbitration Demand Notice pursuant to Section 8.3, either party may deliver a notice to the other party requesting mediation of any dispute, controversy or claim that may arise out of or relate to, or arise under or in connection with any Covered Matter (a "Mediation Notice"). In such event, the parties shall retain a mediator to aid the parties in their discussions and negotiations by informally providing advice to the parties. The mediator may be chosen from a list of mediators

candidates previously selected by the parties or by other agreement of the parties. In the event that the parties are unable to agree on a mediator within 15 days after delivery of a Mediation Notice, either party may request that JAMS appoint an independent mediator from the JAMS panel of neutrals located in New York, NY. The parties will cooperate with JAMS and with one another in selecting a mediator from JAMS panel of neutrals, and in promptly scheduling the mediation proceedings. Any opinion expressed by the mediator shall be strictly advisory and shall not be binding on the parties, nor shall any opinion expressed by the mediator be admissible in any arbitration proceedings. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator or any JAMS employees, are confidential, privileged and inadmissible for any purpose, subject to protections afforded to compromise discussions under Federal Rule of Evidence 408 and applicable state and local law corollaries, including impeachment, in any arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. If the dispute is not resolved within 30 days of delivery of a Mediation Notice (or such later date as the parties may mutually agree in writing), the administration of the arbitration, if any, may proceed forthwith. The mediation may continue, if all the parties so agree, after the appointment of the arbitrator. Unless otherwise agreed by the parties, the mediator shall be disqualified from serving as arbitrator in the case. The pendency of a mediation shall not preclude a party from seeking provisional remedies in aid of the arbitration from a court of appropriate jurisdiction, and the parties agree not to defend against any application for provisional relief on the ground that a mediation is pending. Costs of the mediation shall be borne equally by the parties involved in the matter, except that each party shall be responsible for its own attorneys' fees, costs and expenses. Mediation is a prerequisite to a demand for arbitration under Section 8.3 and no such demand may be made until at least 45 days after delivery of a Mediation Notice with respect to the applicable matter.

8.3 Demand for Arbitration. (a) At any time after 45 days after the delivery of a Mediation Notice (as applicable, the "Arbitration Demand Date"), any party involved in the dispute, controversy or claim (regardless of whether such party delivered the Mediation Notice) may, unless the Applicable Deadline has occurred, make a written demand (the "Arbitration Demand Notice") that the dispute be resolved by binding arbitration, which Arbitration Demand Notice shall be given to the parties to the dispute, controversy or claim in the manner set forth in Section 11.5. In the event that any party shall deliver an Arbitration Demand Notice to another party, such other party may itself deliver an Arbitration Demand Notice to such first party with respect to any related dispute, controversy or claim with respect to which the Applicable Deadline has not passed without the requirement of delivering a Mediation Notice. No party may assert that the failure to resolve any matter during any discussions, negotiations or mediation, the course of conduct during the discussions, negotiations or mediation or the failure to agree on a mutually acceptable time, agenda, location or procedures for the meeting, in each case, as contemplated by Section 8.2, is a prerequisite to a demand for arbitration under Section 8.3.

(b) Except as may be expressly provided in any Ancillary Agreement, any Arbitration Demand Notice may be given until the expiration of the applicable statute of limitations under applicable law (as applicable and as it may in a particular case be specifically extended by the parties in writing, the "Applicable Deadline"). Any discussions, negotiations or

mediations between the parties pursuant to this Agreement or otherwise will not toll the Applicable Deadline unless expressly agreed in writing by the parties. Each of the parties agrees on behalf of itself and each member of its Group that if an Arbitration Demand Notice with respect to a dispute, controversy or claim is not given prior to the expiration of the Applicable Deadline, as between or among the parties and the members of their Groups, such dispute, controversy or claim will be barred. Subject to Sections 8.7(d) and 8.8, upon delivery of an Arbitration Demand Notice pursuant to Section 8.3(a) prior to the Applicable Deadline, the dispute, controversy or claim shall be decided by a sole arbitrator in accordance with the rules set forth in this Article VIII.

8.4 Arbitrators. (a) Within 15 days after a valid Arbitration Demand Notice is given, the parties involved in the dispute, controversy or claim referenced therein shall attempt to select as a sole arbitrator either an individual from a list previously agreed to by the parties or a retired judge from the United States District Court for the Southern District of New York satisfactory to all such parties.

(b) In the event that such parties are not able jointly to select a sole arbitrator within such 15-day period, any party may request that JAMS appoint an independent retired judge from the United States District Court for the Southern District of New York as a sole arbitrator. In the event that JAMS is unable to appoint such an individual as an arbitrator within a 15-day period after any such request, JAMS shall appoint an independent arbitrator from its New York panel of neutrals.

(c) Any arbitrator selected pursuant to this Section 8.4 shall be disinterested with respect to any of the parties and the matter and shall be reasonably competent in the applicable subject matter.

(d) The sole arbitrator selected pursuant to paragraph (a) or (b) above will set a time for the hearing of the matter which will commence no later than 90 days after the date of appointment of the sole arbitrator and which hearing will be no longer than 30 days (unless (I) in the judgment of the arbitrator the matter is unusually complex and sophisticated and thereby requires a longer time, in which event such hearing shall be no longer than 90 days or (II) the parties involved in the arbitration agree in writing to a different time frame for the hearing). The final decision of such arbitrator will be rendered in writing to the parties not later than 60 days after the last hearing date, unless otherwise agreed by the parties in writing.

(e) The place of any arbitration hereunder will be New York, New York, unless otherwise agreed by the parties in writing.

8.5 Hearings. Within the time period specified in Section 8.4(d), the matter shall be presented to the arbitrator at a hearing by means of written submissions of memoranda and verified witness statements, filed simultaneously, and responses, if necessary in the judgment of the arbitrator or both the parties. If the arbitrator deems it to be advisable to a fair resolution of the dispute, live cross-examination or direct examination may be permitted. The arbitrator shall actively manage the arbitration with a view to achieving a just, speedy and cost-effective resolution of the dispute, claim or controversy. The arbitrator may, in his or her discretion, set time and other limits on the presentation of each party’s case, its memoranda or

other submissions, and refuse to receive any proffered evidence, which the arbitrator, in his or her discretion, finds to be cumulative, unnecessary, irrelevant or of low probative nature. Except as otherwise set forth herein, any arbitration hereunder will be conducted in accordance with the JAMS Rules for Comprehensive Arbitration Rules and Procedures then prevailing (except that the arbitration will not be conducted under the auspices of JAMS and the fee schedule of JAMS will not apply, unless the parties involved in the arbitration otherwise agree in writing). Except as expressly set forth in Section 8.8(b), the decision of the arbitrator will be final and binding on the parties, and judgment thereon may be had and will be enforceable in any court having jurisdiction over the parties. Arbitration awards will bear interest at an annual rate of the Prime Rate plus 2% per annum commencing on the 30 th day after the date of the issuance of the award. To the extent that the provisions of this Agreement and the prevailing rules of the JAMS conflict, the provisions of this Agreement shall govern.

8.6 Discovery and Certain Other Matters. (a) Any party involved in the applicable dispute may request discovery in accordance with the Federal Rules of Civil Procedures. The arbitrator shall have the power to issue subpoenas to compel the production of documents or testimony relevant to the dispute, controversy or claim and may limit discovery in his or her discretion, or upon motion by a party with an opportunity to be heard by any other parties.

(b) The arbitrator shall have full power and authority to determine issues of arbitrability but shall otherwise be limited to interpreting or construing the applicable provisions of this Agreement or any Ancillary Agreement, and will have no authority or power to limit, expand, alter, amend, modify, revoke or suspend any condition or provision of this Agreement or any Ancillary Agreement; it being understood, however, that the arbitrator will have full authority to implement the provisions of this Agreement or any Ancillary Agreement, and to fashion appropriate remedies for breaches of this Agreement (including interim or permanent injunctive relief); provided that the arbitrator shall not have (i) any authority in excess of the authority a court having jurisdiction over the parties and the controversy or dispute would have absent these arbitration provisions or (ii) any right or power to award any incidental, indirect, special, punitive or consequential damages (unless the same are expressly provided for in this Agreement or any Ancillary Agreement, whether in provisions for indemnification or otherwise) *provided however* that the limitation in this clause (ii) shall not apply to an Indemnitor's indemnification obligations under this Agreement or any Ancillary Agreement with respect to any Liability any Indemnitee may have to any third party not affiliated with any member of the NCR Group or the Teradata Group for any incidental, indirect, special, punitive or consequential damages. It is the intention of the parties that in rendering a decision the arbitrator give effect to the applicable provisions of this Agreement and the Ancillary Agreements and follow applicable law (it being understood and agreed that this sentence shall not give rise to a right of judicial review of the arbitrator's award).

(c) If a party fails or refuses to appear at and participate in an arbitration hearing after due notice, the arbitrator may hear and determine the controversy upon evidence produced by the appearing party.

(d) Arbitration costs and arbitrator compensation will be borne equally by each party involved in the matter, except that each party will be responsible for its own

attorney's fees and other costs and expenses, including the costs of witnesses selected by such party.

8.7 Certain Additional Matters. (a) Unless either party shall, prior to the closing of the arbitration hearing, request a supplemental written opinion, which the arbitrator in his or her discretion may grant or refuse, any arbitration award shall be a bare award limited to a holding for or against a party and shall be without findings as to facts, issues or conclusions of law (including with respect to any matters relating to the validity or infringement of patents or patent applications) and shall be without a statement of the reasoning on which the award rests, but must be in adequate form so that a judgment of a court may be entered thereupon. Judgment upon any arbitration award hereunder may be entered in any court having jurisdiction thereof. To the extent that a supplemental written opinion is requested as set forth above and is provided by the arbitrator, then such shall be separate and apart from the remainder of the bare arbitration award itself, and shall not be considered part of the award and shall be deemed merely advisory unless the amount of the award exceeds $25 million and further judicial review of the award is sought as set forth below in this Article.

(b) Prior to the time at which an arbitrator is appointed pursuant to Section 8.4, any party may seek one or more temporary restraining orders in a court of competent jurisdiction if necessary in order to preserve and protect the status quo. Neither the request for, or grant or denial of, any such temporary restraining order shall be deemed a waiver of the obligation to arbitrate as set forth herein and the arbitrator may dissolve, continue or modify any such order. Any such temporary restraining order shall remain in effect until the first to occur of the expiration of the order in accordance with its terms or the dissolution thereof by the arbitrator.

(c) Except as required by law, the parties shall hold, and shall cause their respective officers, directors, employees, agents and other representatives to hold, the existence, content and result of any mediations and arbitrations hereunder in confidence in accordance with the provisions of Article VIII, except as may be required in order to challenge, enforce or seek other judicial review of any award. Each of the parties shall request that any mediator or arbitrator comply with such confidentiality requirement.

(d) In the event that at any time the sole arbitrator shall fail to serve as an arbitrator for any reason, the parties shall select a new arbitrator who shall be disinterested as to the parties and the matter in accordance with the procedures set forth herein for the selection of the initial arbitrator. The extent, if any, to which testimony previously given shall be repeated or as to which the replacement arbitrator elects to rely on the stenographic record (if there is one) of such testimony shall be determined by the replacement arbitrator.

8.8 Limited Court Actions. (a) Notwithstanding anything herein to the contrary, in the event that any party reasonably determines the amount in controversy in any dispute, controversy or claim (or any series of related disputes, controversies or claims) under this Agreement or any Ancillary Agreement is, or is reasonably likely to be, in excess of $25 million and if such party desires to commence an Action in lieu of complying with the arbitration provisions of this Article, such party shall so state in its Arbitration Demand Notice. If the other parties to the arbitration do not agree that the amount in controversy in such dispute, controversy

or claim (or such series of related disputes, controversies or claims) is, or is reasonably likely to be, in excess of $25 million, the arbitrator selected pursuant to Section 8.4 hereof shall decide whether the amount in controversy in such dispute, controversy or claim (or such series of related disputes, controversies or claims) is, or is reasonably likely to be, in excess of $25 million. The arbitrator shall set a date that is no later than ten days after the date of his or her appointment for submissions by the parties with respect to such issue. There shall not be any discovery in connection with such issue. The arbitrator shall render his or her decision on such issue within five days of such date so set by the arbitrator. In the event that the arbitrator determines that the amount in controversy in such dispute, controversy or claim (or such series of related disputes, controversies or claims) is or is reasonably likely to be in excess of $25 million, any party to the arbitration may elect, within 30 days after such determination by the arbitrator, in lieu of arbitration, to commence an Action with respect to such dispute, controversy or claim (or such series of related disputes, controversies or claims) in any court of competent jurisdiction. If the arbitrator does not so determine, or if a party does not elect to initiate an Action within 30 days after such determination by the arbitrator, the provisions of this Article (including with respect to time periods) shall apply as if no determinations were sought or made pursuant to this Section 8.8(a). All Applicable Deadlines shall be tolled from the date of submission of the Arbitration Demand Notice under this Section 8.8(a), until and through the close of the thirtieth day after the Arbitrator's determination under this Section 8.8(a).

(b) In the event that an arbitration award in excess of $25 million is issued in any arbitration proceeding commenced hereunder, any party may, within 60 days after the date of such award, submit the dispute, controversy or claim (or series of related disputes, controversies or claims) giving rise thereto to a court of competent jurisdiction, regardless of whether such party or any other party sought to commence an Action in lieu of proceeding with arbitration in accordance with Section 8.8(a). In such event, the applicable court may elect to rely on the record developed in the arbitration or, if it determines that it would be advisable in connection with the matter, allow the parties to seek additional discovery and/or to present additional evidence. Each party shall be entitled to present arguments to the court with respect to whether any such additional discovery and/or evidence shall be permitted and with respect to all other matters relating to the applicable dispute, controversy or claim (or series of related disputes, controversies or claims). Provided review is sought within such 60-day period, all Applicable Deadlines shall be deemed to have been tolled as of the initial submission of the Arbitration Demand Notice under Section 8.3.

8.9 Continuity of Service and Performance. Unless otherwise agreed in writing, the parties will continue to provide service and honor all other commitments under this Agreement and each Ancillary Agreement during the course of dispute resolution pursuant to the provisions of this Article VIII with respect to all matters not subject to such dispute, controversy or claim.

8.10 Law Governing Arbitration Procedures. The interpretation of the provisions of this Article, only insofar as they relate to the agreement to arbitrate and any procedures pursuant thereto, shall be governed by the Arbitration Act and other applicable federal law. In all other respects, the interpretation of this Agreement shall be governed as set forth in Section 11.2.

8.11 Applicability to High-Level Disputes. The provisions of this Article VIII shall not apply to disputes, claims or controversies relating to Taxes other than High-Level Disputes (as defined in the Tax Sharing Agreement) to which it shall apply, to the extent and subject to the terms and conditions of the Tax Sharing Agreement.

ARTICLE IX
FURTHER ASSURANCES AND ADDITIONAL COVENANTS

9.1 Further Assurances. (a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the parties hereto shall use its reasonable best efforts, prior to, on and after the Effective Time, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements.

(b) Without limiting the foregoing, prior to, on and after the Effective Time, each party hereto shall cooperate with the other parties, and without any further consideration, but at the expense of the requesting party, to execute and deliver, or use its reasonable best efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all consents, approvals or authorizations of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument (including any Consents or Governmental Approvals), and to take all such other actions as such party may reasonably be requested to take by any other party hereto from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and the transfers of the Teradata Assets and the assignment and assumption of the Teradata Liabilities and the other transactions contemplated hereby and thereby. Without limiting the foregoing, each party will, at the reasonable request, cost and expense of any other party, take such other actions as may be reasonably necessary to vest in such other party good and marketable title, free and clear of any Security Interest, if and to the extent it is practicable to do so.

(c) On or prior to the Effective Time, NCR and Teradata in their respective capacities as direct and indirect stockholders of their respective Subsidiaries, shall each ratify any actions which are reasonably necessary or desirable to be taken by NCR, Teradata or any other Subsidiary of NCR, as the case may be, to effectuate the transactions contemplated by this Agreement. On or prior to the Effective Time, NCR and Teradata shall take all actions as may be necessary to approve the stock-based employee benefit plans of Teradata in order to satisfy the requirement of Rule 16b-3 under the Exchange Act and Section 162(m) of the Code and any other applicable shareholder approval requirements.

(d) NCR and Teradata, and each of the members of their respective Groups, waive (and agree not to assert against any of the others) any claim or demand that any of them may have against any of the others for any Liabilities or other claims relating to or arising out of: (i) the failure of Teradata or any member of the Teradata Group, on the one hand, or of NCR, Teradata or any member of the NCR Group, on the other hand, to provide any notification or disclosure required under any state Environmental Law in connection with the Separation or the

other transactions contemplated by this Agreement, including the transfer by any member of any Group to any member of any other Group of ownership or operational control of any Assets not previously owned or operated by such transferee; or (ii) any inadequate, incorrect or incomplete notification or disclosure under any such state Environmental Law by the applicable transferor. To the extent any Liability to any Governmental Authority or any third Person arises out of any action or inaction described in clause (i) or (ii) above, the transferee of the applicable Asset hereby assumes and agrees to pay any such Liability.

(e) Prior to the Effective Time, if one or more of the parties identifies any commercial or other service that is needed to assure a smooth and orderly transition of the businesses in connection with the consummation of the transactions contemplated hereby, and that is not otherwise governed by the provisions of this Agreement or any Ancillary Agreement, the parties will cooperate in determining whether there is a mutually acceptable arm's-length basis on which one or more of the other parties will provide such service.

ARTICLE X
TERMINATION

10.1 Termination by Mutual Consent. This Agreement may be terminated at any time prior to the Distribution Date by the mutual consent of NCR and Teradata.

10.2 Other Termination. This Agreement may be terminated by NCR at any time prior to the Effective Time. The obligations of the parties under Article IV (including the obligation to pursue or effect the Distribution) may be terminated by NCR if the Distribution Date shall not have occurred on or prior to December 31, 2007.

10.3 Effect of Termination. (a) In the event of any termination of this Agreement prior to the Effective Time, no party to this Agreement (or any of its directors or officers) shall have any Liability or further obligation to any other party.

(b) In the event of any termination of this Agreement on or after the Effective Time, only the provisions of Article IV will terminate and the other provisions of this Agreement and each Ancillary Agreement shall remain in full force and effect.

ARTICLE XI
MISCELLANEOUS

11.1 Counterparts; Entire Agreement; Corporate Power. (a) This Agreement and each Ancillary Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

(b) This Agreement, and the Ancillary Agreements and the Exhibits, Schedules and Appendices hereto and thereto contain the entire agreement between the parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such

subject matter and there are no agreements or understandings between the parties other than those set forth or referred to herein or therein.

(c) NCR represents on behalf of itself and each other member of the NCR Group and Teradata represents on behalf of itself and each other member of the Teradata Group as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform each of this Agreement and each other Ancillary Agreements to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

(d) Each party hereto acknowledges that it and each other party hereto is executing certain of the Ancillary Agreements by facsimile, stamp or mechanical signature. Each party hereto expressly adopts and confirms each such facsimile, stamp or mechanical signature made in its respective name as if it were a manual signature, agrees that it will not assert that any such signature is not adequate to bind such party to the same extent as if it were signed manually and agrees that at the reasonable request of any other party hereto at any time it will as promptly as reasonably practicable cause each such Ancillary Agreement to be manually executed (any such execution to be as of the date of the initial date thereof).

11.2 Governing Law. Except as set forth in Article VIII, this Agreement and, unless expressly provided therein, each Ancillary Agreement, shall be governed by and construed and interpreted in accordance with the laws of the State of New York (other than as to its laws of arbitration which shall be governed under the Arbitration Act or other applicable federal law pursuant to Section 8.10), irrespective of the choice of laws principles of the State of New York, as to all matters, including matters of validity, construction, effect, enforceability, performance and remedies.

11.3 Assignability. Except as set forth in any Ancillary Agreement, this Agreement and each Ancillary Agreement shall be binding upon and inure to the benefit of the parties hereto and thereto, respectively, and their respective successors and assigns; provided , however , that no party hereto or thereto may assign its respective rights or delegate its respective obligations under this Agreement or any Ancillary Agreement without the express prior written consent of the other parties hereto or thereto or except in connection with a merger or similar business combination involving a party if the successor under applicable law expressly assumes all rights and obligations of such party hereunder and under each Ancillary Agreement as if it were such party.

11.4 Third Party Beneficiaries. Except for the indemnification rights under this Agreement of any NCR Indemnitee or Teradata Indemnitee in their respective capacities as such (who shall be express third party beneficiaries hereof), (a) the provisions of this Agreement and each Ancillary Agreement are solely for the benefit of the parties and are not intended to

confer upon any Person except the parties any rights or remedies hereunder, and (b) there are no third party beneficiaries of this Agreement or any Ancillary Agreement and neither this Agreement nor any Ancillary Agreement shall provide any third person with any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement or any Ancillary Agreement.

11.5 Notices. All notices or other communications under this Agreement or any Ancillary Agreement shall be in writing and shall be deemed to be duly given when (a) delivered in person or (b) deposited in the United States mail or private express mail, postage prepaid, addressed as follows:

If to NCR , to:

NCR Corporation
1700 South Patterson Blvd.
Dayton, Oh 45479
Attention: General Counsel

If to Teradata , to:

Teradata Corporation
1700 South Patterson Blvd.
Dayton, Oh 45479
Attention: General Counsel

Any party may, by notice to the other party, change the address to which such notices are to be given.

11.6 Severability. If any provision of this Agreement or any Ancillary Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby or thereby, as the case may be, is not affected in any manner adverse to any party. Upon such determination, the parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the parties.

11.7 Force Majeure. No party shall be deemed in default of this Agreement or any Ancillary Agreement to the extent that any delay or failure in the performance of its obligations under this Agreement or any Ancillary Agreement results from any cause beyond its reasonable control (or the reasonable control of any person acting on its behalf) and without its fault or negligence (or the fault or negligence of such other person acting on its behalf), which by its nature could not have been foreseen by such party (or such other person acting on its behalf), or, if it could have been foreseen, was unavoidable, such as acts of God, pandemics, sabotage, acts of civil or military authority, embargoes, epidemics, civil commotion or civil unrest, acts of

war (declared or undeclared) or armed hostilities or other national or international calamity or one or more acts of terrorism or failure of energy sources or distribution facilities, riots, terrorism, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions, labor problems or unavailability of parts, or, in the case of computer systems, any failure in electrical or air conditioning equipment. In the event of any such excused delay, the time for performance shall be extended for a period equal to the time lost by reason of the delay. A party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event: (a) notify the other applicable parties of the nature and extent of any such force majeure condition and (b) use due diligence to remove any such causes and resume performance under this Agreement as soon as feasible.

11.8 Expenses. Except as expressly set forth in this Agreement or in any Ancillary Agreement, whether or not the Distribution is consummated, all one-time, non-recurring third party fees, costs, expenses and expenditures paid or incurred in connection with the Distribution in each case on or prior to the Effective Time, including those listed on Schedule 11.8 hereto, will be paid by NCR.

11.9 Headings. The article, section and paragraph headings contained in this Agreement and in the Ancillary Agreements are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or any Ancillary Agreement.

11.10 Survival of Covenants. Except as expressly set forth in any Ancillary Agreement, the covenants, representations and warranties contained in this Agreement and each Ancillary Agreement, and liability for the breach of any obligations contained herein, shall survive each of the Separation and the Distribution.

11.11 Waivers of Default. Waiver by any party of any default by the other party of any provision of this Agreement or any Ancillary Agreement shall not be deemed a waiver by the waiving party of any subsequent or other default, nor shall it prejudice the rights of the other party.

11.12 Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any Ancillary Agreement, the party or parties who are or are to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement or such Ancillary Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived.

11.13 Amendments. (a) No provisions of this Agreement or any Ancillary Agreement shall be deemed waived, amended, supplemented or modified by any party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the party against whom it is sought to enforce such waiver, amendment, supplement or modification.

(b) Without limiting the foregoing, the parties anticipate that, prior to the Effective Time, some or all of the Schedules to this Agreement may be amended or supplemented and, in such event, such amended or supplemented Schedules shall be attached hereto in lieu of the original Schedules.

11.14 Interpretation. Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other genders as the context requires. The terms “hereof,” “herein,” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement (or the applicable Ancillary Agreement) as a whole (including all of the Schedules, Exhibits and Appendices hereto and thereto) and not to any particular provision of this Agreement (or such Ancillary Agreement). Article, Section, Exhibit, Schedule and Appendix references are to the Articles, Sections, Exhibits, Schedules and Appendices to this Agreement (or the applicable Ancillary Agreement) unless otherwise specified. The word “including” and words of similar import when used in this Agreement (or the applicable Ancillary Agreement) shall mean “including, without limitation,” unless the context otherwise requires or unless otherwise specified. The word “or” shall not be exclusive.

IN WITNESS WHEREOF, the parties have caused this Separation and Distribution Agreement to be executed by their duly authorized representatives.

NCR CORPORATION

By: _____
Name:
Title:

TERADATA CORPORATION

By: _____
Name:
Title:

Exhibit 3.1

FORM OF AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF TERADATA CORPORATION

Teradata Corporation (the " Corporation "), a corporation organized and existing under the General Corporation Law of the State of Delaware (the " DGCL "), does hereby certify as follows:

(1) The name of the Corporation is Teradata Corporation. The Corporation was originally incorporated under the name Teradata Corporation. The original Certificate of Incorporation of the Corporation was filed with the office of the Secretary of State of the State of Delaware on March 27, 2007.

(2) This Amended and Restated Certificate of Incorporation was duly adopted by the Board of Directors of the Corporation (the " Board of Directors ") and by the sole stockholder of the Corporation in accordance with Sections 228, 242 and 245 of the DGCL.

(3) This Amended and Restated Certificate of Incorporation restates and integrates and amends the Certificate of Incorporation of the Corporation in its entirety.

(4) The text of the Certificate of Incorporation of the Corporation hereby is amended and restated in its entirety as follows:

FIRST : The name of the Corporation is Teradata Corporation.

SECOND : The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, Wilmington, Delaware 19801. The name of its registered agent at that address is The Corporation Trust Company.

THIRD : The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the DGCL.

FOURTH :

(1) Authorized Capital Stock . The total number of shares of stock which the Corporation shall have authority to issue is 600,000,000 shares of capital stock, consisting of (a) 500,000,000 shares of common stock, $0.01 par value per share (the " Common Stock ") and (b) 100,000,000 shares of preferred stock, $0.01 par value per share (the " Preferred Stock ").

(2) Common Stock . The powers, preferences and rights, and the qualifications, limitations and restrictions of the Common Stock are as follows:

(a) Voting . Each stockholder represented at a meeting of the stockholders shall be entitled to cast one (1) vote in person or by proxy for each share of the Common Stock entitled to vote thereat held by such stockholder.

(b) No Cumulative Voting . The holders of shares of Common Stock shall not have cumulative voting rights.

(c) Dividends; Stock Splits . Subject to the rights of the holders of Preferred Stock, and subject to any other provisions of this Amended and Restated Certificate of Incorporation, as it may be amended from time to time, holders of shares of the Common Stock shall be entitled to receive such dividends and other distributions in cash, stock or property of the Corporation when, as and if declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefor.

(d) No Preemptive or Subscription Rights . No holder of shares of Common Stock shall be entitled to preemptive or subscription rights by virtue of their ownership of shares of Common Stock.

(e) Fractional Shares . The provisions of Section 155 of the DGCL apply with respect to fractional shares.

(3) Preferred Stock . The Board of Directors is expressly authorized to provide for the issuance of all or any shares of the Preferred Stock in one or more classes or series, and to fix for each such class or series such voting powers, full or limited, or no voting powers, and such distinctive designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such class or series. The authority of the Board of Directors with respect to each class or series shall include, but not be limited to, determination of the following:

(a) The designation of the class or series, which may be by distinguishing number, letter or title.

(b) The number of shares of the class or series, which number the Board of Directors may thereafter (except where otherwise provided in the Preferred Stock Designation) increase or decrease (but not below the number of shares thereof then outstanding).

(c) Whether dividends, if any, shall be cumulative or noncumulative and the dividend rate of the class or series.

(d) The dates on which dividends, if any, shall be payable.

(e) The redemption rights and price or prices, if any, for shares of the class or series.

(f) The terms and amount of any sinking fund provided for the purchase or redemption of shares of the class or series.

(g) The amounts payable on, and the preferences, if any, of, shares of the class or series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

(h) Whether the shares of the class or series shall be convertible into shares of any other class or series, or any other security, of the Corporation or any other corporation, and, if so, the specification of such other class or series of such other security, the conversion price or prices or rate or rates, any adjustments thereof, the date or dates at which such shares shall be convertible and all other terms and conditions upon which such conversion may be made.

(i) Restrictions on the issuance of shares of the same class or series or of any other class or series.

(j) The voting rights, if any, of the holders of shares of the class or series.

FIFTH : The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

(1) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

(2) The number of members of the Board of Directors shall be fixed, from time to time, exclusively pursuant to a resolution adopted by the affirmative vote of a majority of the entire Board of Directors, subject to the rights of the holders of Preferred Stock, if any. As used in this Article FIFTH and in Article TENTH, the term “entire Board of Directors” means the total number of directors which the Corporation would have if there were no vacancies.

(3) The directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. The initial division of the members of the Board of Directors into classes shall be made by the decision of the affirmative vote of a majority of the entire Board of Directors. The term of the initial Class I directors shall terminate on the date of the 2008 annual meeting; the term of the initial Class II directors shall terminate on the date of the 2009 annual meeting; and the term of the initial Class III directors shall terminate on the date of the 2010 annual meeting. At each succeeding annual meeting of stockholders beginning in 2008, successors to the class of directors whose term expires at that annual meeting shall be elected for a three-year term. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of directors shorten the term of any incumbent director.

(4) A director shall hold office until the annual meeting for the year in which his or her term expires and thereafter until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office. Directors need not be stockholders.

(5) Subject to applicable law and to the terms of any one or more classes or series of Preferred Stock, any vacancy on the Board of Directors that results from an increase in the number of directors may be filled only by a majority of the Board of Directors then in office, provided that a quorum is present, and any other vacancy occurring on the Board of Directors may be filled only by a majority of the Board of Directors then in office, even if less than a quorum, or by a sole remaining director. Any director of any class elected to fill a vacancy resulting from an increase in the number of directors of such class shall hold office for a term that shall coincide with the remaining term of that class. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his predecessor. Except as otherwise required by applicable law and subject to the rights, if any, of the holders of shares of Preferred Stock then outstanding, any or all of the directors of the Corporation may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least eighty percent (80%) of the voting power of the Corporation's then outstanding capital stock entitled to vote generally in the election of directors. Notwithstanding the foregoing, whenever the holders of any one or more classes or series of Preferred Stock issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of the resolution or resolutions adopted by the Board of Directors providing for the issuance of such class or series, and such directors so elected shall not be divided into classes pursuant to this Article FIFTH unless expressly provided by such terms.

(6) In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the DGCL, this Amended and Restated Certificate of Incorporation, and any By-Laws adopted by the stockholders; provided , however , that no By-Laws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such By-Laws had not been adopted.

SIXTH : No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as the same exists or may hereafter be amended. If the DGCL is amended hereafter to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent authorized by the DGCL, as so amended. Any repeal or modification of this Article SIXTH shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

SEVENTH : The Corporation shall indemnify its directors and officers to the fullest extent authorized or permitted by law, as now or hereafter in effect, and such right to indemnification shall continue as to a person who has ceased to be a director or officer of the Corporation and shall inure to the benefit of his or her heirs, executors and personal and legal representatives;

provided , however , that, except for proceedings to enforce rights to indemnification, the Corporation shall not be obligated to indemnify any director or officer (or his or her heirs, executors or personal or legal representatives) in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors. The right to indemnification conferred by this Article SEVENTH shall include the right to be paid by the Corporation the expenses incurred in defending or otherwise participating in any proceeding in advance of its final disposition. The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article SEVENTH to directors and officers of the Corporation. The rights to indemnification and to the advancement of expenses conferred in this Article SEVENTH shall not be exclusive of any other right which any person may have or hereafter acquire under this Amended and Restated Certificate of Incorporation, the By-Laws of the Corporation, any statute, agreement, vote of stockholders or disinterested directors or otherwise. Any repeal or modification of this Article SEVENTH shall not adversely affect any rights to indemnification and to the advancement of expenses of a director or officer of the Corporation existing at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification.

EIGHTH : Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation, and the ability of the stockholders to consent in writing to the taking of any action is hereby specifically denied. Unless otherwise required by law or the terms of the resolution or resolutions adopted by the Board of Directors providing for the issuance of a class or series of Preferred Stock, special meetings of stockholders, for any purpose or purposes, may be called by either the (1) Chairman of the Board of Directors, if there be one, or (2) the Chief Executive Officer, and shall be called by the Chief Executive Officer at the request in writing made pursuant to a resolution of (a) a majority of the members of the Board of Directors or (b) a committee of the Board of Directors that has been duly designated by the Board of Directors and whose powers and authority include the power to call such meetings. Such request shall state the purpose or purposes of the proposed meeting. The ability of the stockholders to call a special meeting of stockholders is hereby specifically denied. At a special meeting of stockholders, only such business shall be conducted as shall be specified in the notice of meeting (or any supplement thereto).

NINTH : Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the DGCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation.

TENTH : In furtherance and not in limitation of the powers conferred upon it by the laws of the State of Delaware, the Board of Directors shall have the power to adopt, amend, alter or repeal the Corporation’s By-Laws. The affirmative vote of at least a majority of the entire Board of Directors shall be required to adopt, amend, alter or repeal the Corporation’s By-Laws. The Corporation’s By-Laws also may be adopted, amended, altered or repealed by the affirmative vote of the holders of at least a majority of the outstanding shares of voting power of

the shares entitled to vote at an election of directors, except that unless approved by a majority of the entire Board of Directors the affirmative vote of the holders of at least eighty percent (80%) of the voting power of the shares entitled to vote at an election of directors shall be required to amend, alter, change or repeal, or to adopt any provision as part of the By-Laws inconsistent with the purpose and intent of any provision of any of Article II, Section 3, 9, 13, 15 or 16 or Article III, Section 1, 2 or 6, Article VIII and Article IX of the By-Laws.

ELEVENTH : The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation or a Preferred Stock Designation in the manner now or hereafter prescribed in this Amended and Restated Certificate of Incorporation, the Corporation's By-Laws or the DGCL, and all rights herein conferred upon stockholders are granted subject to such reservation; provided , however , that, notwithstanding any other provision of this Amended and Restated Certificate of Incorporation (and in addition to any other vote that may be required by law), the affirmative vote of the holders of at least eighty percent (80%) of the voting power of the shares entitled to vote generally in the election of directors shall be required to amend, alter, change or repeal, or to adopt any provision as part of this Amended and Restated Certificate of Incorporation inconsistent with the purpose and intent of Articles FIFTH, SIXTH, SEVENTH, EIGHTH and TENTH of this Amended and Restated Certificate of Incorporation or this Article ELEVENTH; and provided further that no Preferred Stock Designation shall be amended after the issuance of any shares of the class or series of Preferred Stock created thereby, except in accordance with the terms of such Preferred Stock Designation and the requirements of applicable law.

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be executed on its behalf this [•] day of [•], 2007.

TERADATA CORPORATION

By: _____
Name:
Title:

Exhibit 3.2

FORM OF AMENDED AND RESTATED BY-LAWS

OF

TERADATA CORPORATION

(hereinafter called the " Corporation ")

ARTICLE I

OFFICES

Section 1. Registered Office . The registered office of the Corporation shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. Other Offices . The Corporation may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Place of Meetings . Meetings of the stockholders for the election of directors or for any other purpose shall be held at such time and place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors.

Section 2. Annual Meetings . The annual meeting of stockholders for the election of directors shall be held on such date and at such time as shall be designated from time to time by the Board of Directors. Any other proper business may be transacted at the annual meeting of stockholders.

Section 3. Special Meetings . Unless otherwise required by law or by the certificate of incorporation of the Corporation, as amended and restated from time to time (the " Certificate of Incorporation "), special meetings of stockholders, for any purpose or purposes, may be called by either the (i) Chairman of the Board of Directors, if there be one, or (ii) the Chief Executive Officer, and shall be called by the Chief Executive Officer at the request in writing made pursuant to a resolution of (a) a majority of the members of the Board of Directors or (b) a committee of the Board of Directors that has been duly designated by the Board of Directors and whose powers and authority include the power to call such meetings. Such request shall state the purpose or purposes of the proposed meeting. The ability of the stockholders to call a special meeting of stockholders is hereby specifically denied. At a special meeting of stockholders, only such business shall be conducted as shall be specified in the notice of meeting (or any supplement thereto).

Section 4. Notice . Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called and the means of remote communications, if any, by which stockholders and proxy holders may be deemed present in person and vote at such meeting. Unless otherwise required by law, written notice of any meeting shall be given either personally, by mail or by electronic transmission not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to notice of and to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at his address at it appears on the stock transfer books of the Corporation. If notice is given by means of electronic transmission, such notice shall be deemed to be given at the times provided in the General Corporation Law of the State of Delaware (" DGCL ").

Section 5. Adjournments . Any meeting of the stockholders may be adjourned from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting in accordance with the requirements of Section 4 hereof shall be given to each stockholder of record entitled to notice of and to vote at the meeting.

Section 6. Quorum . Unless otherwise required by applicable law or the Certificate of Incorporation, the holders of a majority of the Corporation's capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at a meeting of stockholders. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, in the manner provided in Section 5 hereof, until a quorum shall be present or represented. A quorum, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum.

Section 7. Voting . Unless otherwise required by law, the Certificate of Incorporation or these By-Laws, any question brought before any meeting of the stockholders, other than the election of directors, shall be decided by the vote of the holders of a majority of the total number of votes of the Corporation's capital stock represented and entitled to vote thereat, voting as a single class. Unless otherwise provided in the Certificate of Incorporation, each stockholder represented at a meeting of the stockholders shall be entitled to cast one (1) vote for each share of the capital stock entitled to vote thereat held by such stockholder. Such votes may be cast in person or by proxy as provided in Section 8 of this Article II. The Board of Directors, in its discretion, or the officer of the Corporation presiding at a meeting of the stockholders, in such officer's discretion, may require that any votes cast at such meeting shall be cast by written ballot.

Section 8. Proxies . At all meetings of stockholders, a stockholder may vote by proxy executed in writing (or in such manner prescribed by the DGCL) by the stockholder, or by his or her duly authorized attorney in fact.

Section 9. No Consent of Stockholders in Lieu of Meeting . Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation, and the ability of the stockholders to consent in writing to the taking of any action is hereby specifically denied.

Section 10. List of Stockholders Entitled to Vote . The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting either (i) at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held or (ii) during ordinary business hours, at the principal place of business of the Corporation. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 11. Record Date . In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of the stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of the stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of the stockholders shall apply to any adjournment of the meeting; provided , however , that the Board of Directors may fix a new record date for the adjourned meeting.

Section 12. Stock Ledger . The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by Section 10 of this Article II or the books of the Corporation, or to vote in person or by proxy at any meeting of the stockholders.

Section 13. Organization and Conduct of Meetings . The Chairman of the Board of Directors shall act as chairman of meetings of the stockholders. The Board of Directors may designate any other officer or director of the Corporation to act as chairman of any meeting in the absence of the Chairman of the Board of Directors, and the Board of Directors may further provide for determining who shall act as chairman of any stockholders meeting in the absence of the Chairman and such designee. The Board of Directors of the Corporation may adopt by resolution such rules and regulations for the conduct of any meeting of the stockholders as

it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of the stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (iii) rules and procedures for maintaining order at the meeting and the safety of those present; (iv) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (v) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (vi) limitations on the time allotted to questions or comments by participants.

Section 14. Inspectors of Election . In advance of any meeting of the stockholders, the Board of Directors, by resolution, the Chairman or the Chief Executive Officer shall appoint one or more inspectors to act at the meeting and make a written report thereof. One or more other persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of the stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Unless otherwise required by applicable law, inspectors may be officers, employees or agents of the Corporation. Each inspector, before entering upon the discharge of the duties of inspector, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspector shall have the duties prescribed by law and shall take charge of the polls and, when the vote is completed, shall make a certificate of the result of the vote taken and of such other facts as may be required by applicable law.

Section 15. Nature of Business at Meetings of Stockholders . No business may be transacted at an annual meeting of stockholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof), or (c) otherwise properly brought before the annual meeting by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 15 and on the record date for the determination of stockholders entitled to notice of and to vote at such annual meeting, (ii) who is entitled to vote at such annual meeting and (iii) who complies with the notice procedures set forth in this Section 15.

In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

To be timely, a stockholder's notice must be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary

of the preceding year's annual meeting; provided , however , that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so received not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which notice of the date of the meeting was mailed or public disclosure of the date of the meeting was made, whichever occurs first. In no event shall the public disclosure of an adjournment of a meeting commence a new time period for the giving of a stockholder's notice as described above. For purposes of this Section 15 and Section 16, (x) the term "public disclosure" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the " Exchange Act ") and (y) the Corporation's annual meeting in 2006 shall be deemed to have occurred on April 26, 2006.

To be in proper written form, a stockholder's notice to the Secretary must set forth as to each matter such stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made, (iii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder and such beneficial owner, (iv) a description of all arrangements or understandings between such stockholder and beneficial owner and any other person or persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder and such beneficial owner in such business and (v) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

No business shall be conducted at the annual meeting of stockholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 15. If the chairman of an annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

Section 16. Nomination of Directors . Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation, except as may be otherwise provided in the Certificate of Incorporation with respect to the right, if any, of holders of preferred stock of the Corporation to nominate and elect a specified number of directors in certain circumstances. Nominations of persons for election to the Board of Directors may be made at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors, (i) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (ii) by any stockholder of the Corporation (a) who is a stockholder of record on the date of the giving of the notice provided for in this Section 16 and on the record date for the determination of stockholders entitled to notice of and to vote at such meeting, (b) who is entitled to vote at such meeting and (c) who complies with the notice procedures set forth in this Section 16.

In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

To be timely, a stockholder's notice must be received by the Secretary at the principal executive offices of the Corporation (i) in the case of an annual meeting, not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided , however , that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so received not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which notice of the date of the meeting was mailed or public disclosure of the date of the meeting was made, whichever occurs first; and (ii) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever occurs first. In no event shall the public disclosure of an adjournment of a meeting commence a new time period for the giving of a stockholder's notice as described above.

To be in proper written form, a stockholder's notice to the Secretary must set forth (i) as to each person whom the stockholder proposes to nominate for election as a director (a) the name, age, business address and residence address of the person, (b) the principal occupation or employment of the person, (c) the class or series and number of shares of capital stock (if any) of the Corporation which are owned beneficially or of record by the person and (d) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors required pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder; and (ii) as to the stockholder giving the notice (a) the name and record address of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made, (b) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder and such beneficial owner, (c) a description of all arrangements or understandings between such stockholder and beneficial owner and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (d) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice and (e) any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 16. If the chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

Notwithstanding the foregoing provisions of Section 15 and this Section 16, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this By-Law. Nothing in this By-Law shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) the holders of any series of Preferred Stock to elect directors under specified circumstances.

ARTICLE III

DIRECTORS

Section 1. Number and Election of Directors . The number of members of the Board of Directors shall be fixed, from time to time, exclusively pursuant to a resolution adopted by the affirmative vote of a majority of the entire Board of Directors, subject to the rights of the holders of Preferred Stock, if any. Except as provided in Section 2 of this Article III, other than in a Contested Election of Directors (as defined below), directors shall be elected by the affirmative vote of a majority of shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. In a Contested Election of Directors, directors shall be elected by the plurality of the votes cast on the election of directors. The term "Contested Election of Directors" shall mean an annual or special meeting of the Corporation at which directors are to be elected if the number of individuals nominated in accordance with these By-Laws for election as director exceeds the number of directors to be elected at the applicable meeting. A director shall hold office until the annual meeting for the year in which his or her term expires and thereafter until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office. Directors need not be stockholders. The directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. The initial division of the members of the Board of Directors into classes shall be made by the decision of the affirmative vote of a majority of the entire Board of Directors. The term of the initial Class I directors shall terminate on the date of the 2008 annual meeting; the term of the initial Class II directors shall terminate on the date of the 2009 annual meeting; and the term of the initial Class III directors shall terminate on the date of the 2010 annual meeting. At each succeeding annual meeting of stockholders beginning in 2008, successors to the class of directors whose term expires at that annual meeting shall be elected for a three-year term. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of directors shorten the term of any incumbent director.

Section 2. Vacancies . Subject to the terms of any one or more classes or series of preferred stock, any vacancy on the Board of Directors that results from an increase in the number of directors may be filled by a majority of the Board of Directors then in office, provided

that a quorum is present, and any other vacancy occurring on the Board of Directors may be filled by a majority of the Board of Directors then in office, even if less than a quorum, or by a sole remaining director. Any director of any class elected to fill a vacancy resulting from an increase in the number of directors of such class shall hold office for a term that shall coincide with the remaining term of that class. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his predecessor.

Section 3. Duties and Powers . The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws required to be exercised or done by the stockholders.

Section 4. Meetings . The Board of Directors may hold meetings, both regular and special, either within or without the State of Delaware. Regular meetings of the Board of Directors may be held without notice at such time and at such place as may from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called by the Chairman, if there be one, or the Chief Executive Officer. Notice thereof stating the place, date and hour of the meeting shall be given to each director either by mail posted not less than five (5) days before the date of the meeting, by telephone, email, facsimile or telegram or other means of electronic communication delivered or sent not less than twelve (12) hours before the date and time of the meeting, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances.

Section 5. Organization . At each meeting of the Board of Directors, the Chairman of the Board of Directors, or, in his or her absence, a director chosen by a majority of the directors present, shall act as chairman. The Secretary of the Corporation shall act as secretary at each meeting of the Board of Directors. In case the Secretary shall be absent from any meeting of the Board of Directors, an Assistant Secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the Secretary and all the Assistant Secretaries, the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 6. Resignations and Removals of Directors . Any director of the Corporation may resign at any time, by giving notice in writing to the Chairman of the Board of Directors, the Chief Executive Officer or the Secretary of the Corporation. Such resignation shall take effect at the time therein specified or upon the conditions therein specified or, if no time or conditions are specified, immediately; and, unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective. Except as otherwise required by applicable law and subject to the rights, if any, of the holders of shares of preferred stock then outstanding, any director or the entire Board of Directors may be removed from office at any time, but only for cause, and only by the affirmative vote of the holders of at least eighty percent (80%) of the voting power of the Corporation’s then outstanding capital stock entitled to vote generally in the election of directors.

Section 7. Quorum . Except as otherwise required by law or the Certificate of Incorporation, at all meetings of the Board of Directors, a majority of the entire Board of

Directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting of the time and place of the adjourned meeting, until a quorum shall be present.

Section 8. Actions of the Board by Written Consent . Unless otherwise provided in the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all the members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

Section 9. Meetings by Means of Conference Telephone . Unless otherwise provided in the Certificate of Incorporation or these By-Laws, members of the Board of Directors of the Corporation, or any committee thereof, may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 9 shall constitute presence in person at such meeting.

Section 10. Committees . The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. Any committee, to the extent permitted by law and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. Each committee shall keep regular minutes and report to the Board of Directors when required.

A majority of any committee may determine its action and fix the time and place of its meetings, unless the Board of Directors shall otherwise provide. Notice of such meetings shall be given to each member of the committee in the manner provided for in Section 4 of this Article. The Board of Directors shall have power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee. Nothing herein shall be deemed to prevent the Board of Directors from appointing one or more committees consisting in whole or in part of persons who are not directors of the Corporation; provided , however , that no such committee shall have or may exercise any authority of the Board of Directors.

Section 11. Compensation . The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary for service as director, payable in cash or securities. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for service as committee members. No elected officer shall have any contractual rights against the Corporation for compensation by virtue of such election beyond the date of the election of his successor, his death, his resignation or his removal, whichever event shall first occur, except as otherwise provided in an employment contract or under an employee deferred compensation plan.

Section 12. Interested Directors . No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are directors or officers or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because any such director's or officer's vote is counted for such purpose if: (i) the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

ARTICLE IV

OFFICERS

Section 1. General . The officers of the Corporation shall be chosen by the Board of Directors and shall be a Chief Executive Officer, President, a Secretary and a Treasurer. The Board of Directors, in its discretion, also may choose a Chairman of the Board of Directors (who must be a director), a Vice Chairman of the Board of Directors (who must be a director) and one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers and such other officers as the Board of Directors from time to time may deem proper. Any number of offices may be held by the same person, unless otherwise prohibited by law, the Certificate of Incorporation or these By-Laws. The officers of the Corporation need not be stockholders of the Corporation nor, except in the case of the Chairman of the Board of Directors and the Vice Chairman of the Board of Directors, need such officers be directors of the Corporation.

Section 2. Election . The Board of Directors, at its first meeting held after each annual meeting of stockholders, as necessary, shall elect the officers of the Corporation who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors; and each officer of the Corporation shall hold office until such officer's successor is elected and qualified, or until such officer's earlier death, resignation or removal. Any officer elected by the Board of Directors may be removed at any time by the Board of Directors or, except in the case of an officer or agent elected by the Board, by the Chairman of the Board or President. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors. The salaries of all officers of the Corporation shall be fixed by the Board of Directors.

Section 3. Voting Securities Owned by the Corporation . Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the Chief Executive Officer, President or any Vice President or any other officer authorized to do so by the Board of Directors and any such officer may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities and at any such meeting shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed if present. The Board of Directors may, by resolution, from time to time confer like powers upon any other person or persons.

Section 4. Chairman of the Board of Directors . The Chairman of the Board of Directors, if there be one, shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman of the Board of Directors shall perform such other duties and may exercise such other powers as may from time to time be assigned by these By-Laws or by the Board of Directors.

Section 5. Vice Chairman of the Board of Directors . The Vice Chairman of the Board of Directors, if there be one, shall assume all of the duties of the Chairman of the Board of Directors assigned by these By-Laws in the event of the absence or disability of the Chairman of the Board of Directors. The Vice Chairman of the Board of Directors shall also perform such other duties and may exercise such other powers as may from time to time be assigned by these By-Laws or by the Board of Directors.

Section 6. Chief Executive Officer . The Chief Executive Officer shall, subject to the control of the Board of Directors and, if there be one, the Chairman of the Board of Directors, have general supervision of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. The Chief Executive Officer shall execute all bonds, mortgages, contracts and other instruments of the Corporation requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except that the other officers of the Corporation may sign and execute documents when so authorized by these By-Laws, the Board of Directors or the Chief Executive Officer. In the absence or disability of the Chairman of the Board of Directors, or if there be none, the Chief Executive Officer shall preside at all meetings of the stockholders. The Chief Executive Officer shall also perform such other duties and may exercise such other powers as may from time to time be assigned to such officer by these By-Laws or by the Board of Directors.

Section 7. President . At the request of the Chief Executive Officer, or in the absence of the Chief Executive Officer, or in the event of his or her inability or refusal to act, the President shall perform the duties of the Chief Executive Officer, and when so acting, shall have all the powers of and be subject to all the restrictions upon such office. The President shall perform such other duties and have such other powers as the Board of Directors from time to time may prescribe, and shall, in general, have such other duties and responsibilities as are assigned consistent with the authority of a President of a corporation.

Section 8. Vice Presidents . Each Vice President shall have such powers and shall perform such duties as shall be assigned to him by the Board of Directors.

Section 9. Secretary . The Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings thereat in a book or books to be kept for that purpose; the Secretary shall also perform like duties for committees of the Board of Directors when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors, the Chairman of the Board of Directors or the Chief Executive Officer, under whose supervision the Secretary shall be. If the Secretary shall be unable or shall refuse to cause to be given notice of all meetings of the stockholders and special meetings of the Board of Directors, and if there be no Assistant Secretary, then either the Board of Directors or the Chief Executive Officer may choose another officer to cause such notice to be given. The Secretary shall have custody of the seal of the Corporation and the Secretary or any Assistant Secretary, if there be one, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the signature of the Secretary or by the signature of any such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest to the affixing by such officer's signature. The Secretary shall see that all books, reports, statements, certificates and other documents and records required by law to be kept or filed are properly kept or filed, as the case may be.

Section 10. Treasurer . The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chief Executive Officer and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all transactions as Treasurer and of the financial condition of the Corporation.

Section 11. Assistant Secretaries . Assistant Secretaries, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the Chief Executive Officer, President, any Vice President, if there be one, or the Secretary, and in the absence of the Secretary or in the event of the Secretary's inability or refusal to act, shall perform the duties of the Secretary, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary.

Section 12. Assistant Treasurers . Assistant Treasurers, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the Chief Executive Officer, President, any Vice President, if there be one, or the Treasurer, and in the absence of the Treasurer or in the event of the Treasurer's inability or refusal to act, shall perform the duties of the Treasurer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer.

Section 13. Other Officers . Such other officers as the Board of Directors may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors. The Board of Directors may delegate to any other officer of the Corporation the power to choose such other officers and to prescribe their respective duties and powers.

ARTICLE V

STOCK

Section 1. Uncertificated Shares . Unless otherwise provided by resolution of the Board of Directors, each class or series of the shares of capital stock in the Corporation shall be issued in uncertificated form pursuant to the customary arrangements for issuing shares in such form. Shares shall be transferable only on the books of the Corporation by the holder thereof in person or by attorney upon presentment of proper evidence of succession, assignation or authority to transfer in accordance with the customary procedures for transferring shares in uncertificated form.

Section 2. Dividend Record Date . In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 3. Record Owners . The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by law.

Section 4. Transfer and Registry Agents . The Corporation may from time to time maintain one or more transfer offices or agencies and registry offices or agencies at such place or places as may be determined from time to time by the Board of Directors.

ARTICLE VI

NOTICES

Section 1. Notices . Whenever written notice is required by law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, such notice may be given either personally, by mail, facsimile, telegraph or other means of electronic communication or by other lawful means.

Section 2. Waivers of Notice . Whenever any notice is required by applicable law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, a waiver thereof in writing, signed by the person or persons entitled to notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a person at a meeting, present in person or represented by proxy, shall constitute a waiver of notice of such meeting, except where the person attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of stockholders or any regular or special meeting of the directors or members of a committee of directors need be specified in any written waiver of notice unless so required by law, the Certificate of Incorporation or these By-Laws.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Dividends . Dividends upon the capital stock of the Corporation, subject to the requirements of the DGCL and the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting of the Board of Directors (or any action by written consent in lieu thereof in accordance with Section 8 of Article III hereof), and may be paid in cash, in property, or in shares of the Corporation's capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for purchasing any of the shares of capital stock, warrants, rights, options, bonds, debentures, notes, scrip or other securities or evidences of indebtedness of the Corporation, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 2. Disbursements . All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 3. Fiscal Year . The fiscal year of the Corporation shall end on the 31 st day of December in each year, or on such other day as may be fixed from time to time by resolution of the Board of Directors.

Section 4. Corporate Seal . The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE VIII

INDEMNIFICATION

Section 1. Power to Indemnify in Actions, Suits or Proceedings other than Those by or in the Right of the Corporation . Subject to Section 3 of this Article VIII, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

Section 2. Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation . Subject to Section 3 of this Article VIII, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 3. Authorization of Indemnification . To obtain indemnification under this By-Law, a claimant shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to the claimant and is

reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Any indemnification under this Article VIII (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the present or former director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VIII, as the case may be. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (i) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion or (iv) by the stockholders. Such determination shall be made, with respect to former directors and officers, by any person or persons having the authority to act on the matter on behalf of the Corporation. To the extent, however, that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, without the necessity of authorization in the specific case.

Section 4. Good Faith Defined . For purposes of any determination under Section 3 of this Article VIII, a person shall be deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe such person's conduct was unlawful, if such person's action was based on the records or books of account of the Corporation or another enterprise, or on information supplied to such person by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The provisions of this Section 4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VIII, as the case may be.

Section 5. Indemnification by a Court . Notwithstanding any contrary determination in the specific case under Section 3 of this Article VIII, and notwithstanding the absence of any determination thereunder, any director or officer may apply to the Court of Chancery of the State of Delaware or any other court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Section 1 or Section 2 of this Article VIII. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VIII, as the case may be. Neither a contrary determination in the specific case under Section 3 of this Article VIII nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the director or officer seeking indemnification has not met any applicable standard of conduct. Notice of any application for indemnification pursuant to this Section 5 shall be given to the Corporation promptly upon the filing of such application. If successful, in whole or in part, the director or officer seeking indemnification shall also be entitled to be paid the expense of prosecuting such application.

Section 6. Expenses Payable in Advance . Expenses (including attorneys' fees) incurred by a director or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Article VIII. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the Corporation deems appropriate.

Section 7. Nonexclusivity of Indemnification and Advancement of Expenses . The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Certificate of Incorporation, these By-Laws, any statute, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of the persons specified in Section 1 and Section 2 of this Article VIII shall be made to the fullest extent permitted by law. The provisions of this Article VIII shall not be deemed to preclude the indemnification of any person who is not specified in Section 1 or Section 2 of this Article VIII but whom the Corporation has the power or obligation to indemnify under the provisions of the DGCL, or otherwise.

Section 8. Insurance . The Corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article VIII.

Section 9. Certain Definitions . For purposes of this Article VIII, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors or officers, so that any person who is or was a director or officer of such constituent corporation, or is or was a director or officer of such constituent corporation serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. The term "another enterprise" as used in this Article VIII shall mean any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise of

which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. For purposes of this Article VIII, references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article VIII.

Section 10. Survival of Indemnification and Advancement of Expenses . The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person. No repeal or modification of this Article VIII shall in any way diminish or adversely affect the rights of any director, officer, employee or agent of the Corporation hereunder in respect of any occurrence or matter arising prior to any such repeal or modification.

Section 11. Limitation on Indemnification . Notwithstanding anything contained in this Article VIII to the contrary, except for proceedings to enforce rights to indemnification (which shall be governed by Section 5 of this Article VIII), the Corporation shall not be obligated to indemnify any director or officer (or his or her heirs, executors or personal or legal representatives) or advance expenses in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Corporation.

Section 12. Indemnification of Employees and Agents . The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article VIII to directors and officers of the Corporation.

ARTICLE IX

AMENDMENTS

Section 1. Amendments . In furtherance and not in limitation of the powers conferred upon it by the laws of the State of Delaware, the Board of Directors shall have the power to adopt, amend, alter or repeal the Corporation's By-Laws. The affirmative vote of at least a majority of the entire Board of Directors shall be required to adopt, amend, alter or repeal the Corporation's By-Laws. The Corporation's By-Laws also may be adopted, amended, altered or repealed by the affirmative vote of the holders of at least two-thirds of the voting power of the shares entitled to vote at an election of directors, except that unless approved by a majority of the entire Board of Directors the affirmative vote of the holders of at least eighty percent (80%) of the voting power of the shares entitled to vote at an election of directors shall be required to amend, alter, change or repeal, or to adopt any provision as part of these By-Laws inconsistent with the purpose and intent of any provision of any of Article II, Section 3, 9, 13, 15 or 16 or Article III, Section 1, 2 or 6, Article VIII and this Article IX of these By-Laws.

Section 2. Entire Board of Directors . As used in this Article IX and in these By-Laws generally, the term “entire Board of Directors” means the total number of directors which the Corporation would have if there were no vacancies.

* * *

Adopted as of: _____, 2007

Exhibit 10.1

FORM OF TAX SHARING AGREEMENT

DATED AS OF [_____]

BY AND AMONG

NCR CORPORATION

AND

TERADATA CORPORATION

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TAX SHARING AGREEMENT

This TAX SHARING AGREEMENT (this **"Agreement"**) is entered into as of [ ], 2007 by and between NCR Corporation, a Maryland corporation (**"NCR"**), and Teradata Corporation, a Delaware corporation and a wholly owned subsidiary of NCR (**"Teradata"**).

RECITALS

WHEREAS, the Board of Directors of NCR has determined that it would be appropriate and desirable to completely separate the Teradata Business (as defined below) from NCR;

WHEREAS, as of the date hereof, NCR is the common parent of an affiliated group of corporations, including Teradata, which has elected to file consolidated Federal income tax returns;

WHEREAS, NCR and Teradata have entered into the Separation and Distribution Agreement (as defined below), pursuant to which NCR agreed to contribute and otherwise transfer to Teradata, and Teradata agreed to receive and assume, the assets and liabilities then associated with the Teradata Business as described therein;

WHEREAS, NCR intends to distribute to shareholders of NCR all the outstanding shares of Teradata Common Stock;

WHEREAS, pursuant to the Distribution (as defined in the Separation and Distribution Agreement), Teradata and its subsidiaries will cease to be members of the affiliated group (as that term is defined in Section 1504 of the Code) of which NCR is the common parent; and

WHEREAS, the Companies desire to provide for and agree upon the allocation between the parties of liabilities for Taxes arising prior to, as a result of, and subsequent to the Distribution, and to provide for and agree upon other matters relating to Taxes;

NOW THEREFORE, in consideration of the mutual agreements contained herein, the Companies hereby agree as follows:

Section 1. Definition of Terms . For purposes of this Agreement (including the recitals hereof), the following terms have the following meanings, and capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Separation and Distribution Agreement:

"Accountant" shall have the meaning set forth in Section 8.02(c) of this Agreement.

"Accounting Cutoff Date" means, with respect to Teradata, any date as of the end of which there is a closing of the financial accounting records for such entity.

"Active Trade or Business" means the active conduct (within the meaning of Section 355(b) of the Code and the regulations thereunder) by Teradata of the Teradata Business.

"Adjustment Request" means any formal or informal claim or request filed with any Tax Authority, or with any administrative agency or court, for the adjustment, refund, or credit

of Taxes, including (a) any amended Tax return claiming adjustment to the Taxes as reported on the Tax Return or, if applicable, as previously adjusted, (b) any claim for equitable recoupment or other offset, and (c) any claim for refund or credit of Taxes previously paid.

"Affiliate" means any entity that is directly or indirectly "controlled" by either the person in question or an Affiliate of such person. For purposes of the definition of "Affiliate," "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" shall mean this Tax Sharing Agreement.

"Bermuda Entity" shall have the meaning ascribed to it in the Ruling Request that culminated in the Ruling received by NCR on or before the date hereof. For the avoidance of doubt, the Bermuda Entity is the controlled corporation in the CV Spin-Off.

"Board Certificate" shall have the meaning set forth in Section 7.02(d) of this Agreement.

" **Business Day"** has the meaning set forth in the Separation and Distribution Agreement.

"Closing Date" means the date of the Distribution.

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Companies" means NCR and Teradata, collectively, and **"Company"** , as the context requires, means either NCR or Teradata.

"Contribution" means the contribution of assets by NCR itself directly to Teradata itself pursuant to Section 2.1 of the Separation and Distribution Agreement.

"CV" shall have the meaning ascribed to it in the Ruling Request that culminated in the Ruling received by NCR on or before the date hereof. For the avoidance of doubt, the CV is the distributing corporation in the CV Spin-Off.

"CV Spin-Off" shall have the meaning ascribed to it in the Ruling Request.

"Distribution" has the meaning set forth in the Separation and Distribution Agreement.

"Distribution-Related Proceeding" shall mean any Tax Contest in which the IRS, another Tax Authority or any other party asserts a position that could reasonably be expected to adversely affect the Tax-Free Status.

"DGCL" means the Delaware General Corporation Law.

"Fifty-Percent or Greater Interest" shall have the meaning ascribed to such term for purposes of Sections 355(d) and (e) of the Code.

"Filing Date" shall have the meaning set forth in Section 7.04(d) of this Agreement.

"Final Determination" means the final resolution of liability for any Tax, which resolution may be for a specific issue or adjustment or for a taxable period, (a) by IRS Form 870 or 870-AD (or any successor forms thereto), on the date of acceptance by or on behalf of the taxpayer, or by a comparable form under the laws of a State, local, or foreign taxing jurisdiction, except that a Form 870 or 870-AD or comparable form shall not constitute a Final Determination to the extent that it reserves (whether by its terms or by operation of law) the right of the taxpayer to file a claim for refund or the right of the Tax Authority to assert a further deficiency in respect of such issue or adjustment or for such taxable period (as the case may be); (b) by a

decision, judgment, decree, or other order by a court of competent jurisdiction, which has become final and unappealable; (c) by a closing agreement or accepted offer in compromise under Sections 7121 or 7122 of the Code, or a comparable agreement under the laws of a State, local, or foreign taxing jurisdiction; (d) by any allowance of a refund or credit in respect of an overpayment of Tax, but only after the expiration of all periods during which such refund may be recovered (including by way of offset) by the jurisdiction imposing such Tax; (e) by a final settlement resulting from a treaty-based competent authority determination; or (f) by any other final disposition, including by reason of the expiration of the applicable statute of limitations or by mutual agreement of the parties.

"First Contribution" shall have the meaning ascribed to it in the Ruling Request that culminated in the Ruling received by NCR on or before the date hereof.

"Group" means the NCR Group or the Teradata Group, or both, as the context requires.

"High-Level Dispute" means any dispute or disagreement (a) relating to liability under Section 7.04 of this Agreement or (b) in which the amount of the liability in dispute exceeds $two (2) million.

"Indemnitee" shall have the meaning set forth in Section 13.03 of this Agreement.

"Indemnitor" shall have the meaning set forth in Section 13.03 of this Agreement.

"Internal Restructuring" shall mean any internal restructuring (including making or revoking any election under Treasury Regulation Section 301.7701-3 and contributing or distributing any assets that were contributed to Teradata in the Contribution).

"Internal Spin-Off" shall have the meaning ascribed to it in the Ruling Request that culminated in the Ruling received by NCR on or before the date hereof. For the avoidance of doubt, NCR International, Inc. is the distributing corporation in the Internal Spin-Off, and Teradata is the controlled corporation in the Internal Spin-Off.

"IRS" means the United States Internal Revenue Service.

"Joint Return" shall mean any Return that includes at least one member of the NCR Group and at least one member of the Teradata Group.

"NCR" shall have the meaning provided in the first sentence of this Agreement.

"NCR Affiliated Group" shall have the meaning provided in the definition of "NCR Federal Consolidated Income Tax Return."

"NCR Federal Consolidated Income Tax Return" means any United States federal income Tax Return for the affiliated group (as that term is defined in Code Section 1504 and the regulations thereunder) of which NCR is the common parent (the " **NCR Affiliated Group** ").

"NCR Group" means NCR and its Subsidiaries, excluding any entity that is a member of the Teradata Group.

"NCR Separate Return" means any Separate Return of NCR or any member of the NCR Group.

"NCR State Combined Income Tax Return" means a consolidated, combined or unitary State Income Tax Return that actually includes, by election or otherwise, one or more members of the NCR Group together with one or more members of the Teradata Group.

"Notified Action" shall have the meaning set forth in Section 7.03(a) of this Agreement.

"Past Practices" shall have the meaning set forth in Section 4.04(a) of this Agreement.

"Payment Date" means (i) with respect to any NCR Federal Consolidated Income Tax Return, the due date for any required installment of estimated taxes determined under Code Section 6655, the due date (determined without regard to extensions) for filing the return determined under Code Section 6072, and the date the return is filed, and (ii) with respect to any other Tax Return, the corresponding dates determined under the applicable Tax Law.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof, without regard to whether any entity is treated as disregarded for U.S. federal income tax purposes.

"Post-Closing Period" means any Tax Period that, to the extent it relates to a member of the Teradata Group, begins after the Closing Date.

"Pre-Closing Period" means any Tax Period that, to the extent it relates to a member of the Teradata Group, ends on or before the Closing Date.

"Prime Rate" means the base rate on corporate loans charged by JPMorgan Chase (or any successor thereto or other major money center commercial bank agreed to by the parties hereto) from time to time, compounded daily on the basis of a year of 365 or 366 (as applicable) days and actual days elapsed.

"Privilege" means any privilege that may be asserted under applicable law, including, any privilege arising under or relating to the attorney-client relationship (including the attorney-client and work product privileges), the accountant-client privilege and any privilege relating to internal evaluation processes.

"Proposed Acquisition Transaction" means a transaction or series of transactions (or any agreement, understanding or arrangement, within the meaning of Section 355(e) of the Code and Treasury Regulation Section 1.355-7, or any other regulations promulgated thereunder, to enter into a transaction or series of transactions), whether such transaction is supported by Teradata management or shareholders, is a hostile acquisition, or otherwise, as a result of which Teradata would merge or consolidate with any other Person or as a result of which one or more Persons would (directly or indirectly) acquire, or have the right to acquire, from Teradata and/or one or more holders of outstanding shares of Teradata Capital Stock, a number of shares of Teradata Capital Stock that would, when combined with any other changes in ownership of Teradata Capital Stock pertinent for purposes of Section 355(e) of the Code, comprise 40% or more of (A) the value of all outstanding shares of stock of Teradata as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series, or (B) the total combined voting power of all outstanding shares of voting stock of Teradata as of the date of such transaction, or in the case of a series of transactions, the date of

the last transaction of such series. Notwithstanding the foregoing, a Proposed Acquisition Transaction shall not include (A) the adoption by Teradata of a shareholder rights plan or (B) issuances by Teradata that satisfy Safe Harbor VIII (relating to acquisitions in connection with a person's performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulation Section 1.355-7(d). For purposes of determining whether a transaction constitutes an indirect acquisition, any recapitalization resulting in a shift of voting power or any redemption of shares of stock shall be treated as an indirect acquisition of shares of stock by the non-exchanging shareholders. This definition and the application thereof is intended to monitor compliance with Section 355(e) of the Code and shall be interpreted accordingly. Any clarification of, or change in, the statute or regulations promulgated under Section 355(e) of the Code shall be incorporated in this definition and its interpretation.

"Representation Letters" means the representation letters and any other materials delivered or deliverable by NCR, Teradata or others in connection with the rendering by Tax Advisors of any opinions in connection with the Distribution.

"Responsible Company" means, with respect to any Tax Return, the Company having responsibility for preparing and filing such Tax Return under this Agreement.

"Ruling" means (a) the private letter ruling (and any supplemental private letter ruling) issued by the IRS to NCR in connection with the Transactions and (b) any similar ruling (including any supplemental ruling) issued by any Tax Authority other than the IRS in connection with the Transactions.

"Ruling Documents" means the Ruling and the Ruling Request.

"Ruling Request" means any letter filed by NCR with the IRS or any other Tax Authority requesting a ruling regarding certain tax consequences of the Transactions (including all attachments, exhibits, and other materials submitted with such ruling request letter) and any amendment or supplement to such ruling request letter.

"Section 7.02(d) Acquisition Transaction" means any transaction or series of transactions that is not a Proposed Acquisition Transaction but would be a Proposed Acquisition Transaction if the percentage reflected in the definition of Proposed Acquisition Transaction were 25% instead of 40%.

"Separate Return" means (a) in the case of any Tax Return of any member of the Teradata Group (including any consolidated, combined or unitary return), any such Tax Return that does not include any member of the NCR Group and (b) in the case of any Tax Return of any member of the NCR Group (including any consolidated, combined or unitary return), any such Tax Return that does not include any member of the Teradata Group.

"Separation and Distribution Agreement" means the Separation and Distribution Agreement, as amended from time to time, by and between NCR and Teradata dated [ ], 2007.

"Signing Group" shall have the meaning set forth in Section 8.03 of this Agreement.

"State Income Tax" means any Tax imposed by any State of the United States or by any political subdivision of any such State (or by the District of Columbia) which is imposed on or measured by net income, including state and local franchise or similar Taxes measured by net income, and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

"Supplier Group" shall have the meaning set forth in Section 8.03 of this Agreement.

"Tax" or **"Taxes"** means any income, gross income, gross receipts, profits, capital stock, franchise, withholding, payroll, social security, workers compensation, unemployment, disability, property, *ad valorem* , stamp, excise, severance, occupation, service, sales, use, license, lease, transfer, import, export, value added, alternative minimum, estimated or other tax (including any fee, assessment, or other charge in the nature of or in lieu of any tax) imposed by any governmental entity or political subdivision thereof, and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

"Tax Advisor" means a United States tax counsel or accountant of recognized national standing.

"Tax Arbitrator" shall have the meaning set forth in Section 14 of this Agreement.

"Tax Arbitrator Dispute" shall have the meaning set forth in Section 14 of this Agreement.

"Tax Attribute" or "Attribute" shall mean a net operating loss, net capital loss, unused investment credit, unused foreign tax credit, excess charitable contribution, general business credit, Tax basis or any other Tax Item that could reduce a Tax.

"Tax Authority" means, with respect to any Tax, the governmental entity or political subdivision thereof that imposes such Tax, and the agency (if any) charged with the collection of such Tax for such entity or subdivision.

"Tax Benefit" means any refund, credit, or other reduction in otherwise required Tax payments.

"Tax Contest" means an audit, review, examination, or any other administrative or judicial proceeding with the purpose or effect of redetermining Taxes (including any administrative or judicial review of any claim for refund).

"Tax Detriment" means any increase in required Tax payments (or, without duplication, the reduction in any refund or credit).

"Tax-Free Status" means the qualification of the First Contribution and the Internal Spin-Off, taken together, and the Contribution and Distribution, taken together, and the CV Spin-Off and related transactions, taken together, respectively, each (a) as a reorganization described in Sections 355(a) and 368(a)(1)(D) of the Code, (b) as a transaction in which the stock distributed thereby is "qualified property" for purposes of Sections 355(d), 355(e) and 361(c) of the Code and (c) as a transaction in which NCR, NCR International, Inc., Teradata, the CV, the Bermuda Entity and the shareholders of NCR recognize no income or gain for U.S. federal income

tax purposes pursuant to Sections 355, 361 and 1032 of the Code, other than, in the case of NCR, NCR International, Inc. and Teradata, intercompany items or excess loss accounts taken into account pursuant to the Treasury Regulations promulgated pursuant to Section 1502 of the Code.

"Tax Item" means, with respect to any income Tax, any item of income, gain, loss, deduction, or credit.

"Tax Law" means the law of any governmental entity or political subdivision thereof relating to any Tax.

"Tax Opinions/Rulings" means the opinions of Tax Advisors and the Ruling deliverable to NCR in connection with the Transactions.

"Tax Period" means, with respect to any Tax, the period for which the Tax is reported as provided under the Code or other applicable Tax Law.

"Tax Records" means Tax Returns, Tax Return workpapers, documentation relating to any Tax Contests, and any other books of account or records required to be maintained under the Code or other applicable Tax Laws or under any record retention agreement with any Tax Authority.

"Tax-Related Losses" means (i) all federal, state and local Taxes (including interest and penalties thereon) imposed pursuant to any settlement, Final Determination, judgment or otherwise; (ii) all reasonable accounting, legal and other professional fees, and court costs incurred in connection with such Taxes; and (iii) all reasonable costs and expenses and all damages associated with stockholder litigation or controversies and any amount paid by NCR (or any NCR Affiliate) or Teradata (or any Teradata Affiliate) in respect of the liability of shareholders, whether paid to shareholders or to the IRS or any other Tax Authority, in each case, resulting from the failure of the First Contribution and the Internal Spin-Off, taken together, the Contribution and the Distribution, taken together, or the CV Spin-Off and related transactions, taken together, to have Tax-Free Status.

"Tax Return" or **"Return"** means any report of Taxes due, any claim for refund of Taxes paid, any information return with respect to Taxes, or any other similar report, statement, declaration, or document required to be filed under the Code or other Tax Law, including any attachments, exhibits, or other materials submitted with any of the foregoing, and including any amendments or supplements to any of the foregoing.

"Teradata" shall have the meaning provided in the first sentence of this Agreement.

"Teradata Affiliated Group" shall have the meaning provided in the definition of "Teradata Federal Consolidated Income Tax Return."

"Teradata Business" means the enterprise analytics and data warehousing business.

"Teradata Capital Stock" means all classes or series of capital stock of Teradata, including (i) the Teradata Common Stock, (ii) all options, warrants and other rights to acquire such capital stock and (iii) all instruments properly treated as stock in Teradata for U.S. federal income tax purposes.

"Teradata Carryback" means any net operating loss, net capital loss, excess tax credit, or other similar Tax item of any member of the Teradata Group which may or must be carried from one Tax Period to another prior Tax Period under the Code or other applicable Tax Law.

"Teradata Common Stock" has the meaning set forth in the Separation and Distribution Agreement.

"Teradata Federal Consolidated Income Tax Return" shall mean any United States federal income Tax Return for the affiliated group (as that term is defined in Code Section 1504) of which Teradata is the common parent (the " **Teradata Affiliated Group** ").

"Teradata Group" means Teradata and its Subsidiaries, as determined immediately after the Distribution.

"Teradata Separate Return" means any Separate Return of Teradata or any member of the Teradata Group.

"Transactions" means the Contribution, the Distribution and the other transactions contemplated by the Separation and Distribution Agreement.

"Treasury Regulations" means the regulations promulgated from time to time under the Code as in effect for the relevant Tax Period.

"Unqualified Tax Opinion" means a "will" opinion, without qualifications, of a Tax Advisor, which Tax Advisor is reasonably acceptable to NCR, on which NCR may rely to the effect that a transaction will not affect the Tax-Free Status. Any such opinion must assume that the First Contribution and the Internal Spin-Off, taken together, the Contribution and Distribution, taken together, and the CV Spin-Off and related transactions, taken together, would have qualified for Tax-Free Status if the transaction in question did not occur.

Section 2. Allocation of Tax Liabilities.

Section 2.01 General Rule.

(a) NCR Liability . NCR shall be liable for, and shall indemnify and hold harmless the Teradata Group from and against any liability for, Taxes which are allocated to NCR under this Section 2.

(b) Teradata Liability . Teradata shall be liable for, and shall indemnify and hold harmless the NCR Group from and against any liability for, Taxes which are allocated to Teradata under this Section 2.

Section 2.02 Allocations of Taxes. Except as provided in Section 2.03, Taxes shall be allocated as follows:

(a) Allocation of Taxes to NCR. NCR shall be responsible for any and all Taxes due or required to be reported on any Joint Return or NCR Separate Return (including any increase in such Tax as a result of a Final Determination).

(b) Allocation of Taxes to Teradata. Teradata shall be responsible for any and all Taxes due or required to be reported on any Teradata Separate Return (including any increase in such Tax as a result of a Final Determination).

Section 2.03 Certain Transaction and Other Taxes.

(a) Teradata Liability . Teradata shall be liable for, and shall indemnify and hold harmless the NCR Group from and against any liability for:

(i) any Tax resulting from a breach by Teradata of any covenant in this Agreement, the Separation and Distribution Agreement or any Ancillary Agreement; and

(ii) any Tax-Related Losses for which Teradata is responsible pursuant to Section 7.04 of this Agreement.

(b) NCR Liability . NCR shall be liable for, and shall indemnify and hold harmless the Teradata Group from and against any liability for:

(i) any Taxes imposed pursuant to Treasury Regulation Section 1.1502-6 (or any similar provision of foreign, State or local Tax law) on any member of the Teradata Group solely as a result of such member's being a member of the NCR Affiliated Group (or similar group under foreign, State or local Tax law);

(ii) any Tax resulting from a breach by NCR of any covenant in this Agreement, the Separation and Distribution Agreement or any Ancillary Agreement; and

(iii) any Tax-Related Losses for which NCR is responsible pursuant to Section 7.04 of this Agreement.

Section 3. Proration of Tax Items.

(a) General Method of Proration . Tax Items shall be apportioned between Pre-Closing Periods and Post-Closing Periods in accordance with the principles of Treasury Regulation Section 1.1502-76(b) as reasonably interpreted and applied by NCR. No election shall be made under Treasury Regulation Section 1.1502-76(b)(2)(ii) (relating to ratable allocation of a year's items). If the Closing Date is not an Accounting Cutoff Date, the provisions of Treasury Regulation Section 1.1502-76(b)(2)(iii) will be applied to allocate ratably the items (other than extraordinary items) for the month which includes the Closing Date.

(b) Transaction Treated as Extraordinary Item . In determining the apportionment of Tax Items between Pre-Closing Periods and Post-Closing Periods, any Tax Items relating to the Transactions shall be treated as extraordinary items described in Treasury Regulation Section 1.1502-76(b)(2)(ii)(C) and shall (to the extent occurring on or prior to the Closing Date) be allocated to Pre-Closing Periods, and any Taxes related to such items shall be treated under Treasury Regulation Section 1.1502-76(b)(2)(iv) as relating to such extraordinary item and shall (to the extent occurring on or prior to the Closing Date) be allocated to Pre-Closing Periods.

Section 4. Preparation and Filing of Tax Returns.

Section 4.01 General . Except as otherwise provided in this Section 4, Tax Returns shall be prepared and filed when due (including extensions) by the person obligated to file such Tax Returns under the Code or applicable Tax Law. The Companies shall provide, and shall cause their Affiliates to provide, assistance and cooperation to one another in accordance with Section 8 with respect to the preparation and filing of Tax Returns, including providing information required to be provided in Section 8.

Section 4.02 NCR's Responsibility. NCR has the exclusive obligation and right to prepare and file, or to cause to be prepared and filed:

(a) NCR Federal Consolidated Income Tax Returns for any Tax Periods ending on, before or after the Closing Date;

(b) NCR State Combined Income Tax Returns and any other Joint Returns which NCR reasonably determines are required to be filed (or which NCR chooses to be filed) by the Companies or any of their Affiliates for Tax Periods ending on, before or after the Closing Date; *provided, however* , that NCR shall provide written notice (no later than 60 days prior to the date such Returns are due, including extensions) of such determination to file such NCR State Combined Income Tax Returns or other Joint Returns to Teradata; and

(c) NCR Separate Returns and Teradata Separate Returns which NCR reasonably determines are required to be filed by the Companies or any of their Affiliates for Tax Periods ending on, before or after the Closing Date (limited, in the case of Teradata Separate Returns, to such Returns as are filed on or prior to the Closing Date).

Section 4.03 Teradata's Responsibility . Teradata shall prepare and file, or shall cause to be prepared and filed, all Teradata Separate Returns other than those Tax Returns filed on or prior to the Closing Date. The Tax Returns required to be prepared and filed by Teradata under this Section 4.03 shall include (a) any Teradata Federal Consolidated Income Tax Return and (b) Teradata Separate Returns required to be filed for Tax periods ending after the Closing Date.

Section 4.04 Tax Accounting Practices.

(a) General Rule . Except as provided in Section 4.04(b), with respect to any Tax Return that Teradata has the obligation and right to prepare and file, or cause to be prepared and filed, under Section 4.03, for any Pre-Closing Period (and the portion, ending on the Closing Date, of any Tax Period that includes but does not end on the Closing Date), such Tax Return shall be prepared in accordance with past practices, accounting methods, elections or conventions (**"Past Practices"**) used by NCR and its Subsidiaries with respect to the Tax Returns in question (unless there is no reasonable basis for the use of such Past Practices), and to the extent any items are not covered by Past Practices (or in the event that there is no reasonable basis for the use of such Past Practices), in accordance with reasonable Tax accounting practices. Except as provided in Section 4.04(b), NCR shall prepare any Tax Return which it has the obligation and right to prepare and file, or cause to be prepared and filed, under Section 4.02, in accordance with reasonable Tax accounting practices selected by NCR.

(b) Reporting of Transaction Tax Items . Teradata shall file all Tax Returns consistent with the Tax treatment of the Transactions set forth in the Ruling Requests and the Tax Opinions/Rulings. To the extent there is a Tax treatment relating to the Transactions which is not covered by the Ruling Requests or Tax Opinions/Rulings, the Tax treatment shall be determined by NCR with respect to such Tax Return and shall be agreed to by Teradata, and Teradata shall file all Tax Returns for which it is responsible consistent with such treatment, unless either (i) there is no reasonable basis for such Tax treatment, or (ii) such Tax treatment is inconsistent with the Tax treatment contemplated in the Ruling Requests and/or the Tax Opinions/Rulings.

Section 4.05 Consolidated or Combined Tax Returns . Teradata shall elect and join, and shall cause its respective Affiliates to elect and join, in filing any NCR State Combined Income Tax Returns and any Joint Returns that NCR determines are required to be filed or that NCR chooses to file pursuant to Section 4.02(b).

Section 4.06 Right to Review Tax Returns.

(a) General . The Responsible Company with respect to any material Tax Return shall make such Tax Return and related workpapers available for review by the other Company, if requested, to the extent (i) such Tax Return relates to Taxes for which the requesting party would reasonably be expected to be liable, (ii) such Tax Return relates to Taxes and the requesting party would reasonably be expected to be liable in whole or in part for any additional Taxes owing as a result of adjustments to the amount of such Taxes reported on such Tax Return, (iii) such Tax Return relates to Taxes for which the requesting party would reasonably be expected to have a claim for Tax Benefits under this Agreement, or (iv) the requesting party reasonably determines that it must inspect such Tax Return to confirm compliance with the terms of this Agreement. The Responsible Company shall use its reasonable best efforts to make such Tax Return available for review as required under this paragraph sufficiently in advance of the due date (including extensions) for filing of such Tax Return to provide the requesting party with a meaningful opportunity to analyze and comment on such Tax Return.

(b) Execution of Returns Prepared by Other Party . In the case of any Tax Return which is required to be prepared and filed by the Responsible Company under this Agreement and which is required by law to be signed by the other Company (or by its authorized representative), the Company which is legally required to sign such Tax Return shall be required to sign such Tax Return unless there is no reasonable basis for the Tax treatment of an item reported on the Tax Return or the Tax treatment of an item reported on the Tax Return should, in the opinion (reasonably acceptable in form and substance to the Responsible Company) of a Tax advisor from a nationally recognized legal or accounting firm, subject the other Company (or its authorized representatives) to material penalties.

Section 4.07 Teradata Carrybacks and Claims for Refund. Teradata hereby agrees that, unless NCR consents in writing, no Adjustment Request with respect to any Tax Return for the Pre-Closing Period shall be filed; *provided, however,* that upon the reasonable request of Teradata, NCR shall use reasonable best efforts to make an Adjustment Request claiming a refund of Taxes for the Pre-Closing Period with respect to a Teradata Carryback arising in a Post-Closing Period related to U.S. federal or State Taxes (any such Adjustment Request to be prepared and filed by NCR).

Section 4.08 Apportionment of Earnings and Profits and Tax Attributes. NCR shall in good faith advise Teradata in writing of the portion, if any, of any earnings and profits, Tax Attribute, overall foreign loss, capitalized research and development expenditures or other consolidated, combined or unitary attribute which NCR determines shall be allocated or apportioned to the Teradata Group under applicable law. Teradata and all members of the Teradata Group shall prepare all Tax Returns in accordance with such written notice. As soon as practicable after receipt of a written request from Teradata, NCR shall provide copies of any studies, reports, and workpapers supporting such allocations and apportionments. In the event of a subsequent adjustment by the applicable Tax Authority to such allocations and apportionments, NCR shall promptly notify Teradata in writing of such adjustment. For the absence of doubt, NCR shall not be liable to Teradata or any member of the Teradata Group for any failure of any determination under this Section 4.08 to be accurate under applicable Tax Law.

Section 5. Tax Payments.

Section 5.01 Payment of Taxes With Respect to Tax Returns Reflecting Taxes of the Other Company. In the case of any Tax Return reflecting Taxes allocated hereunder to the Company that is not the Responsible Company:

(a) Computation and Payment of Tax Due. At least three Business Days prior to any Payment Date for any Tax Return, the Responsible Company shall compute the amount of Tax required to be paid to the applicable Tax Authority (taking into account the requirements of Section 4.04 relating to consistent accounting practices) with respect to such Tax Return on such Payment Date. The Responsible Company shall pay such amount to such Tax Authority on or before such Payment Date (and provide notice and proof of payment to the other Company).

(b) Computation and Payment of Liability With Respect To Tax Due . Within 30 days following the earlier of (i) the due date (including extensions) for filing any such Tax Return (excluding any Tax Return with respect to payment of estimated Taxes or Taxes due with a request for extension of time to file) or (ii) the date on which such Tax Return is filed, if NCR is the Responsible Company, then Teradata shall pay to NCR the amount allocable to the Teradata Group under the provisions of Section 2, and if Teradata is the Responsible Company, then NCR shall pay to Teradata the amount allocable to the NCR Group under the provisions of Section 2, in each case, plus interest computed at the Prime Rate on the amount of the payment based on the number of days from the earlier of (i) the due date of the Tax Return (including extensions) or (ii) the date on which such Tax Return is filed, to the date of payment.

(c) Adjustments Resulting in Underpayments . In the case of any adjustment pursuant to a Final Determination with respect to any such Tax Return, the Responsible Company shall pay to the applicable Tax Authority when due any additional Tax due with respect to such

Return required to be paid as a result of such adjustment pursuant to a Final Determination. The Responsible Company shall compute the amount attributable to the Teradata Group in accordance with Section 2 and Teradata shall pay to NCR any amount due NCR (or NCR shall pay Teradata any amount due Teradata) under Section 2 within 30 days from the later of (i) the date the additional Tax was paid by the Responsible Company or (ii) the date of receipt of a written notice and demand from the Responsible Company for payment of the amount due, accompanied by evidence of payment and a statement detailing the Taxes paid and describing in reasonable detail the particulars relating thereto. Any payments required under this Section 5.01(c) shall include interest computed at the Prime Rate based on the number of days from the date the additional Tax was paid by the Responsible Company to the date of the payment under this Section 5.01(c).

Section 5.02 Indemnification Payments .

All indemnification payments under this Agreement shall be made by NCR directly to Teradata and by Teradata directly to NCR; *provided, however*, that if the Companies mutually agree with respect to any such indemnification payment, any member of the NCR Group, on the one hand, may make such indemnification payment to any member of the Teradata Group, on the other hand, and vice versa.

Section 6. Tax Benefits.

Section 6.01 Tax Refunds in General. Except as set forth below, NCR shall be entitled to any refund (and any interest thereon received from the applicable Tax Authority) of Taxes for which NCR is liable hereunder, Teradata shall be entitled to any refund (and any interest thereon received from the applicable Tax Authority) of Taxes for which Teradata is liable hereunder and a Company receiving a refund to which another Company is entitled hereunder shall pay over such refund to such other Company within thirty days after such refund is received (together with interest computed at the Prime Rate based on the number of days from the date the refund was received to the date the refund was paid over).

Section 6.02 Timing Differences and Reverse Timing Differences.

(a) If a member of the Teradata Group actually realizes in cash pursuant to a Final Determination any Tax Benefit as a result of an adjustment pursuant to a Final Determination to any Taxes for which a member of the NCR Group is liable hereunder (or Tax Attribute of a member of the NCR Group) and such Tax Benefit would not have arisen but for such adjustment (determined on a with or without basis), or if a member of the NCR Group actually realizes in cash pursuant to a Final Determination any Tax Benefit as a result of an adjustment pursuant to a Final Determination to any Taxes for which a member of the Teradata Group is liable hereunder (or Tax Attribute of a member of the Teradata Group) and such Tax Benefit would not have arisen but for such adjustment (determined on a with or without basis), Teradata or NCR, as the case may be, shall make a payment to either NCR or Teradata, as appropriate, within 30 days following such actual realization of the Tax Benefit, in an amount equal to such Tax Benefit actually realized in cash (including any Tax Benefit actually realized as a result of the payment), plus interest on such amount computed at the Prime Rate based on the number of days from the date of such actual realization of the Tax Benefit to the date of payment of such amount under this Section 6.02(a).

(b) If a member of the Teradata Group actually realizes in cash pursuant to a Final Determination any Tax Detriment as a result of an adjustment pursuant to a Final Determination to any Taxes for which a member of the NCR Group is liable hereunder (or Tax Attribute of a member of the NCR Group) (in such circumstance, NCR being the **"Adjusted Party"**) and such Tax Detriment would not have arisen but for such adjustment (determined on a with and without basis), or if a member of the NCR Group actually realizes in cash pursuant to a Final Determination any Tax Detriment as a result of an adjustment pursuant to a Final Determination to any Taxes for which a member of the Teradata Group is liable hereunder (or Tax Attribute of a member of the Teradata Group) (in such circumstance, Teradata being the **"Adjusted Party"**) and such Tax Detriment would not have arisen but for such adjustment (determined on a with and without basis), the Adjusted Party shall make a payment to the other party within 30 days following the later of such actual realization of the Tax Detriment and the Adjusted Party's actual realization of the corresponding Tax Benefit, in an amount equal to the lesser of such Tax Detriment actually realized in cash and the Tax Benefit, if any, actually realized in cash by the Adjusted Party pursuant to such adjustment (which would not have arisen but for such adjustment), plus interest on such amount computed at the Prime Rate based on the number of days from the later of the date of such actual realization of the Tax Detriment and the Adjusted Party's actual realization of the corresponding Tax Benefit to the date of payment of such amount under this Section 6.02(b).

(c) No later than 30 days after a Tax Benefit or Tax Detriment described in Section 6.02(a) or (b) is actually realized in cash by a member of the NCR Group or a member of the Teradata Group, NCR (if a member of the NCR Group actually realizes such Tax Benefit or Tax Detriment) or Teradata (if a member of the Teradata Group actually realizes such Tax Benefit or Tax Detriment) shall provide the other Company with a written calculation of the amount payable pursuant to this Section 6.02. In the event that NCR or Teradata disagrees with any such calculation described in this Section 6.02(c), NCR or Teradata shall so notify the other Company in writing within 30 days of receiving the written calculation set forth above in this Section 6.02(c). NCR and Teradata shall endeavor in good faith to resolve such disagreement.

Section 6.03 Teradata Carrybacks. Teradata shall be entitled to any refund actually received in cash that is attributable to, and would not have arisen but for (determined on a with and without basis), a Teradata Carryback pursuant to the proviso set forth in Section 4.07, *provided* that the refund is a refund of Taxes for the Tax Period to which the Teradata Carryback is carried or the first or second immediately following Tax Periods. Any such payment of such refund made by NCR to Teradata pursuant to this Section 6.03 shall be recalculated in light of any Final Determination (or any other facts that may arise or come to light after such payment is made, such as a carryback or carryforward of a NCR Group Tax Attribute to a Tax Period in respect of which such refund is received) that would affect the amount to which Teradata is entitled, and an appropriate adjusting payment shall be made by Teradata to NCR such that the aggregate amounts paid pursuant to this Section 6.03 equals such recalculated amount (with interest computed at the Prime Rate).

Section 7. Tax-Free Status.

Section 7.01 Tax Opinions/Rulings and Representation Letters.

Each of Teradata and NCR hereby represents and agrees that (A) it has examined the Ruling Documents and the Representation Letters prior to the date hereof and (B) all information contained in such Ruling Documents or Representation Letters that concerns or relates to such Company or any member of its Group will be true, correct and complete.

Section 7.02 Restrictions on Teradata .

(a) Teradata agrees that it will not take or fail to take, or permit any Teradata Affiliate to take or fail to take, any action where such action or failure to act would be inconsistent with or cause to be untrue any material, information, covenant or representation in any Representation Letters, Ruling Documents or Tax Opinions/Rulings. Teradata agrees that it will not take or fail to take, or permit any Teradata Affiliate to take or fail to take, any action which prevents or could reasonably be expected to prevent (A) the Tax-Free Status, or (B) any transaction contemplated by the Separation and Distribution Agreement which is intended by the parties to be tax-free (including, but not limited to, those transactions listed on Schedule 7.02(a)) from so qualifying, including issuing any Teradata Capital Stock that would prevent the Distribution from qualifying as a tax-free distribution within the meaning of Section 355 of the Code.

(b) Teradata agrees that, from the date hereof until the first day after the two-year anniversary of the Closing Date, it will (i) maintain its status as a company whose separate affiliated group, within the meaning of Code Section 355(b)(3), is engaged in the Active Trade or Business and (ii) not engage in any transaction that would result in it ceasing to be a company whose separate affiliated group is so engaged in the Active Trade or Business.

(c) Teradata agrees that, from the date hereof until the first day after the two-year anniversary of the Closing Date, it will not (i) enter into any Proposed Acquisition Transaction or, to the extent Teradata has the right to prohibit any Proposed Acquisition Transaction, permit any Proposed Acquisition Transaction to occur (whether by (a) redeeming rights under a shareholder rights plan, (b) finding a tender offer to be a "permitted offer" under any such plan or otherwise causing any such plan to be inapplicable or neutralized with respect to any Proposed Acquisition Transaction, or (c) approving any Proposed Acquisition Transaction, whether for purposes of Section 203 of the DGCL or any similar corporate statute, any "fair price" or other provision of Teradata's charter or bylaws or otherwise), (ii) merge or consolidate with any other Person or liquidate or partially liquidate, (iii) in a single transaction or series of transactions sell or transfer (other than sales or transfers of inventory in the ordinary course of business) all or substantially all of the assets that were transferred to Teradata pursuant to the Contribution (or pursuant to the First Contribution) or sell or transfer 60% or more of the gross assets of the Active Trade or Business or 60% or more of the consolidated gross assets of Teradata and its Affiliates (such percentages to be measured based on fair market value as of the Closing Date), (iv) redeem or otherwise repurchase (directly or through a Teradata Affiliate) any Teradata stock, or rights to acquire stock, except to the extent such repurchases satisfy Section 4.05(1)(b) of Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by Revenue Procedure 2003-48), (v) amend its certificate of incorporation (or other organizational documents), or take any other action, whether through a stockholder vote or otherwise, affecting the relative voting rights of Teradata Capital Stock (including, without limitation, through the conversion of any Teradata Capital Stock into another class of Teradata Capital Stock) or (vi) take any other action or actions (including any action or transaction that would be reasonably likely to be inconsistent with any representation made in the Representation

Letters, Ruling Documents or the Tax Opinions/Rulings) which in the aggregate (and taking into account any other transactions described in this subparagraph (c)) would be reasonably likely to have the effect of causing or permitting one or more persons (whether or not acting in concert) to acquire directly or indirectly stock representing a Fifty-Percent or Greater Interest in Teradata or otherwise jeopardize the Tax-Free Status, unless prior to taking any such action set forth in the foregoing clauses (i) through (vi), (A) Teradata shall have requested that NCR obtain a supplemental Ruling in accordance with Section 7.03(b) and (d) of this Agreement to the effect that such transaction will not affect the Tax-Free Status and NCR shall have received such a supplemental Ruling in form and substance satisfactory to NCR in its sole and absolute discretion, which discretion shall be exercised in good faith solely to preserve the Tax-Free Status (and in determining whether such a Ruling is satisfactory, NCR may consider, among other factors, the appropriateness of any underlying assumptions and management's representations made in connection with such Ruling), or (B) Teradata shall provide NCR with an Unqualified Tax Opinion in form and substance satisfactory to NCR in its sole and absolute discretion, which discretion shall be exercised in good faith solely to preserve the Tax-Free Status (and in determining whether an opinion is satisfactory, NCR may consider, among other factors, the appropriateness of any underlying assumptions and management's representations if used as a basis for the opinion and NCR may determine that no opinion would be acceptable to NCR) or (C) NCR shall have waived the requirement to obtain such ruling or opinion.

(d) Certain Issuances of Teradata Capital Stock . If Teradata proposes to enter into any Section 7.02(d) Acquisition Transaction or, to the extent Teradata has the right to prohibit any Section 7.02(d) Acquisition Transaction, proposes to permit any Section 7.02(d) Acquisition Transaction to occur, in each case, during the period from the date hereof until the first day after the two-year anniversary of the Closing Date, Teradata shall provide NCR, no later than ten days following the signing of any written agreement with respect to the Section 7.02(d) Acquisition Transaction, with a written description of such transaction (including the type and amount of Teradata Capital Stock to be issued in such transaction) and a certificate of the Board of Directors of Teradata to the effect that the Section 7.02(d) Acquisition Transaction is not a Proposed Acquisition Transaction or any other transaction to which the requirements of Section 7.02(c) apply (a **"Board Certificate"**).

(e) Distributions by Foreign Teradata Subsidiaries. Until January 1 st of the calendar year immediately following the calendar year in which the Distribution occurs, Teradata shall neither cause nor permit any foreign subsidiary of Teradata to enter into any transaction or take any action that would be considered under the Code to constitute the declaration or payment of a dividend (including pursuant to Section 304 of the Code) without obtaining the prior written consent of NCR (such prior written consent not to be unreasonably withheld).

Section 7.03 Procedures Regarding Opinions and Rulings.

(a) If Teradata notifies NCR that it desires to take one of the actions described in clauses (i) through (vi) of Section 7.02(c) (a **"Notified Action"**), NCR and Teradata shall reasonably cooperate to attempt to obtain the ruling or opinion referred to in Section 7.02(c), unless NCR shall have waived the requirement to obtain such ruling or opinion.

(b) Rulings or Unqualified Tax Opinions at Teradata's Request. NCR agrees that at the reasonable request of Teradata pursuant to Section 7.02(c), NCR shall cooperate with

Teradata and use its reasonable best efforts to seek to obtain, as expeditiously as possible, a supplemental Ruling from the IRS or an Unqualified Tax Opinion for the purpose of permitting Teradata to take the Notified Action. In no event shall NCR be required to file any Ruling Request under this Section 7.03(b) unless Teradata represents that (A) it has read the Ruling Request, and (B) all information and representations, if any, relating to any member of the Teradata Group, contained in the Ruling Request documents are (subject to any qualifications therein) true, correct and complete. Teradata shall reimburse NCR for all reasonable costs and expenses incurred by the NCR Group in obtaining a Ruling or Unqualified Tax Opinion requested by Teradata within ten Business Days after receiving an invoice from NCR therefor.

(c) Rulings or Unqualified Tax Opinions at NCR's Request . NCR shall have the right to obtain a supplemental Ruling or an Unqualified Tax Opinion at any time in its sole and absolute discretion. If NCR determines to obtain a supplemental Ruling or an Unqualified Tax Opinion, Teradata shall (and shall cause each Affiliate of Teradata to) cooperate with NCR and take any and all actions reasonably requested by NCR in connection with obtaining the Ruling or Unqualified Tax Opinion (including, without limitation, by making any representation or reasonable covenant or providing any materials or information requested by the IRS or Tax Advisor; *provided* that Teradata shall not be required to make (or cause any Affiliate of Teradata to make) any representation or covenant that is inconsistent with historical facts or as to future matters or events over which it has no control). NCR and Teradata shall each bear its own costs and expenses in obtaining a Ruling or an Unqualified Tax Opinion requested by NCR.

(d) Teradata hereby agrees that NCR shall have sole and exclusive control over the process of obtaining any Ruling, and that only NCR shall apply for a Ruling. In connection with obtaining a Ruling pursuant to Section 7.04(b), (A) NCR shall keep Teradata informed in a timely manner of all material actions taken or proposed to be taken by NCR in connection therewith; (B) NCR shall (1) reasonably in advance of the submission of any Ruling Request documents provide Teradata with a draft copy thereof, (2) reasonably consider Teradata's comments on such draft copy, and (3) provide Teradata with a final copy; and (C) NCR shall provide Teradata with notice reasonably in advance of, and Teradata shall have the right to attend, any formally scheduled meetings with the IRS (subject to the approval of the IRS) that relate to such Ruling. Neither Teradata nor any Teradata Affiliate shall seek any guidance from the IRS or any other Tax Authority (whether written, verbal or otherwise) at any time concerning the Transactions (including the impact of any transaction on the Transactions).

Section 7.04 Liability for Tax-Related Losses.

(a) Notwithstanding anything in this Agreement or the Separation and Distribution Agreement to the contrary, Teradata shall be responsible for, and shall indemnify and hold harmless NCR and its Affiliates and each of their respective officers, directors and employees from and against, one hundred percent (100%) of any Tax-Related Losses that are attributable to or result from any one or more of the following: (A) the acquisition of all or a portion of the stock or assets of any member of the Teradata Group by any means whatsoever by any Person, (B) any negotiations, understandings, agreements or arrangements by Teradata with respect to transactions or events (including, without limitation, stock issuances, pursuant to the exercise of stock options or otherwise, option grants, capital contributions or acquisitions, or a series of such transactions or events) that cause the Distribution to be treated as part of a plan pursuant to which one or more Persons acquire directly or indirectly stock of Teradata representing a Fifty-Percent or Greater

Interest therein, (C) any action or failure to act by Teradata after the Distribution (including, without limitation, any amendment to Teradata's certificate of incorporation (or other organizational documents), whether through a stockholder vote or otherwise) affecting the relative voting rights of Teradata stock (including, without limitation, through the conversion of any Teradata Capital Stock into another class of Teradata Capital Stock), (D) any act or failure to act by Teradata or any Teradata Affiliate described in Section 7.02 (regardless whether such act or failure to act is covered by a Ruling, Unqualified Tax Opinion or waiver described in clause (A), (B) or (C) of Section 7.02(c), a Board Certificate described in Section 7.02(d) or a consent described in Section 7.02(f)) or (E) any breach by Teradata of its agreement and representation set forth in Section 7.01.

(b) For purposes of calculating the amount and timing of any Tax-Related Loss for which Teradata is responsible under this Section 7.04, Tax-Related Losses shall be calculated by assuming that NCR, the NCR Affiliated Group and each member of the NCR Group (I) pay Tax at the highest marginal corporate Tax rates in effect in each relevant taxable year and (II) have no Tax Attributes in any relevant taxable year.

(c) Teradata shall not be entitled to any refund (or any interest thereon received from the applicable Tax Authority) of Taxes for which Teradata is responsible under this Section 7.04, and Section 6.02 shall not apply to any Tax Benefit that NCR realizes as a result of an adjustment to any Taxes for which a member of the Teradata Group is responsible under this Section 7.04.

(d) Teradata shall pay NCR the amount of any Tax-Related Losses for which Teradata is responsible under this Section 7.04: (A) in the case of Tax-Related Losses described in clause (i) of the definition of Tax-Related Losses no later than two Business Days prior to the date NCR files, or causes to be filed, the applicable Tax Return for the year of the Distribution (the **"Filing Date"**) (provided that if such Tax-Related Losses arise pursuant to a Final Determination described in clause (a), (b) or (c) of the definition of "Final Determination", then Teradata shall pay NCR no later than two Business Days after the date of such Final Determination with interest calculated at the Prime Rate plus two percent, compounded semiannually, from the date that is two Business Days prior to the Filing Date through the date of such Final Determination) and (B) in the case of Tax-Related Losses described in clause (ii) or (iii) of the definition of Tax-Related Losses, no later than two Business Days after the date NCR pays such Tax-Related Losses.

Section 8. Assistance and Cooperation.

Section 8.01 Assistance and Cooperation.

(a) After the Distribution, the Companies shall cooperate (and cause their respective Affiliates to cooperate) with each other and with each other's agents, including accounting firms and legal counsel, in connection with Tax matters relating to the Companies and their Affiliates including (i) preparation and filing of Tax Returns, (ii) determining the liability for and amount of any Taxes due (including estimated Taxes) or the right to and amount of any refund of Taxes, (iii) examinations of Tax Returns, and (iv) any administrative or judicial proceeding in respect of Taxes assessed or proposed to be assessed. Such cooperation shall include making all information and documents in their possession relating to the other Company and its Affiliates

available to such other Company as provided in Section 9. Each of the Companies shall also make available to the other, as reasonably requested and available, personnel (including officers, directors, employees and agents of the Companies or their respective Affiliates) responsible for preparing, maintaining, and interpreting information and documents relevant to Taxes, and personnel reasonably required as witnesses or for purposes of providing information or documents in connection with any administrative or judicial proceedings relating to Taxes.

(b) Any information or documents provided under this Section 8 shall be kept confidential by the Company receiving the information or documents, except as may otherwise be necessary in connection with the filing of Tax Returns or in connection with any administrative or judicial proceedings relating to Taxes. Notwithstanding any other provision of this Agreement or any other agreement, (i) neither NCR nor any NCR Affiliate shall be required to provide Teradata, any Teradata Affiliate or any other Person access to or copies of any information or procedures (including the proceedings of any Tax Contest) other than information or procedures that relate solely to Teradata, a Teradata Affiliate or the business or assets of Teradata or any Teradata Affiliate and (ii) in no event shall NCR or any NCR Affiliate be required to provide Teradata, any Teradata Affiliate or any other Person access to or copies of any information if such action could reasonably be expected to result in the waiver of any Privilege. In addition, in the event that NCR determines that the provision of any information to Teradata or any Teradata Affiliate could be commercially detrimental, violate any law or agreement or waive any Privilege, the parties shall use reasonable best efforts to permit compliance with its obligations under this Section 8 in a manner that avoids any such harm or consequence.

Section 8.02 Income Tax Return Information. Teradata and NCR acknowledge that time is of the essence in relation to any request for information, assistance or cooperation made by NCR or Teradata pursuant to Section 8.01 or this Section 8.02. Teradata and NCR acknowledge that failure to conform to the deadlines set forth herein or reasonable deadlines otherwise set by NCR or Teradata could cause irreparable harm.

(a) Each Company shall provide to the other Company information and documents relating to its Group required by the other Company to prepare Tax Returns. Any information or documents the Responsible Company requires to prepare such Tax Returns shall be provided in such form as the Responsible Company reasonably requests and in sufficient time for the Responsible Company to file such Tax Returns on a timely basis.

(b) At Teradata's sole expense, Teradata shall provide to NCR the information set forth on Schedule 8.02(b) in accordance with the deadlines set forth on such Schedule, and shall provide such other information reasonably requested in writing by NCR in connection with the preparation of Tax Returns in accordance with the deadlines set forth in such written request.

(c) In the event that Teradata fails to provide any information requested by NCR pursuant to Section 8.01 or this Section 8.02, within the deadlines as set forth herein (or otherwise reasonably set by NCR and agreed to by Teradata, such agreement not to be unreasonably withheld), NCR shall have the right to engage a nationally recognized public accounting firm of its choice (the **"Accountant"**), in its sole and absolute discretion, to gather such information directly from Teradata or any other members of the Teradata Group. Teradata and all members of the Teradata Group agree, upon ten Business Days' notice by NCR, in the

case of a failure by Teradata to provide information pursuant to Section 8.01 or this Section 8.02, to permit any such Accountant full access to all records or other information requested by such Accountant that are in the possession of Teradata or any member of the Teradata Group during reasonable business hours. Teradata agrees promptly to pay NCR all reasonable costs and expenses incurred by NCR in connection with the engagement of such Accountant.

Section 8.03 Reliance. If any member of one Group (the **"Supplier Group"**) supplies information to a member of the other Group (the **"Signing Group"**) in connection with a Tax liability and an officer of a member of the Signing Group signs a statement or other document under penalties of perjury in reliance upon the accuracy of such information, then upon the written request of such member of the Signing Group identifying the information being so relied upon, the chief financial officer of the Supplier Group (or any officer of the Supplier Group as designated by the chief financial officer of the Supplier Group) shall certify in writing that to his or her knowledge (based upon consultation with appropriate employees) the information so supplied is accurate and complete. The Company that is a member of the Supplier Group agrees to indemnify and hold harmless each member of the Signing Group and its directors, officers and employees from and against any fine, penalty, or other cost or expense of any kind attributable to a member of the Supplier Group having supplied, pursuant to this Section 8, a member of the Signing Group with inaccurate or incomplete information in connection with a Tax liability.

Section 9. Tax Records.

Section 9.01 Retention of Tax Records . Each Company shall preserve and keep all Tax Records exclusively relating to the assets and activities of its Group for Pre-Closing Periods (and the portion, ending on the Closing Date, of any Tax Period that includes but does not end on the Closing Date), and NCR shall preserve and keep all other Tax Records relating to Taxes of the Groups for Pre-Closing Periods until the earlier of (i) the expiration of any applicable statutes of limitation, and (ii) [seven] years after the Closing Date. After such earlier date, each Company may dispose of such records upon 90 days' prior written notice to the other Company. If, prior to the expiration of the applicable statute of limitation or such seven-year period, a Company reasonably determines that any Tax Records which it would otherwise be required to preserve and keep under this Section 9 are no longer material in the administration of any matter under the Code or other applicable Tax Law and the other Company agrees, then such first Company may dispose of such records upon 90 days' prior notice to the other Company. Any notice of an intent to dispose given pursuant to this Section 9.01 shall include a list of the records to be disposed of describing in reasonable detail each file, book, or other record accumulation being disposed. The notified Company shall have the opportunity, at its cost and expense, to copy or remove, within such 90-day period, all or any part of such Tax Records.

Section 9.02 Access to Tax Records. The Companies and their respective Affiliates shall make available to each other for inspection and copying during normal business hours upon reasonable notice all Tax Records in their possession to the extent reasonably required by the other Company in connection with the preparation of Tax Returns, audits, litigation, or the resolution of items under this Agreement.

Section 10. Tax Contests.

Section 10.01 Notice . Each of the parties shall provide prompt notice to the other party of any written communication from a Tax Authority regarding any pending or threatened Tax audit, assessment or proceeding or other Tax Contest of which it becomes aware related to Taxes for Tax Periods for which it is indemnified by the other party hereunder. Such notice shall attach copies of the pertinent portion of any written communication from a Tax Authority and contain factual information (to the extent known) describing any asserted Tax liability in reasonable detail and shall be accompanied by copies of any notice and other documents received from any Tax Authority in respect of any such matters.

Section 10.02 Control of Tax Contests.

(a) NCR Returns. In the case of any Tax Contest with respect to any (i) NCR Federal Consolidated Income Tax Return, (ii) NCR State Combined Income Tax Return, (iii) any other Joint Return or (iv) any NCR Separate Return, NCR shall have exclusive control over the Tax Contest, including exclusive authority with respect to any settlement of such Tax liability. NCR shall keep Teradata informed in a timely manner regarding such Tax Contests to the extent relating to the Teradata Business, the Teradata Group or the assets transferred to Teradata pursuant to the Transactions insofar as such Tax Contests would reasonably be expected to affect the Teradata Group.

(b) Teradata Separate Returns. In the case of any Tax Contest with respect to a Teradata Separate Return, Teradata shall have exclusive control over the Tax Contest, including exclusive authority with respect to any settlement of such Tax liability.

(c) Distribution-Related Proceedings. In the event of any Distribution-Related Proceeding as a result of which Teradata could reasonably be expected to become liable for any Tax-Related Losses that NCR is entitled to control under this Article 10, (A) NCR shall consult with Teradata reasonably in advance of taking any significant action in connection with such Distribution-Related Proceeding, (B) NCR shall consult with Teradata and offer Teradata a reasonable opportunity to comment before submitting any written materials prepared or furnished in connection with such Distribution-Related Proceeding, (C) NCR shall defend such Distribution-Related Proceeding diligently and in good faith, and (D) NCR shall provide Teradata copies of any written materials relating to such Distribution-Related Proceeding received from the relevant Tax Authority.

Section 11. Effective Date; Termination of Prior Intercompany Tax Allocation Agreements . This Agreement shall be effective as of the date hereof. As of the date hereof, all prior intercompany Tax allocation agreements or arrangements relating to one or more members of the NCR Group, on the one hand, and one or more members of the Teradata Group, on the other hand, shall be terminated, and no member of any Group shall have any right or obligation in respect of any member of the other Group thereunder.

Section 12. Survival of Obligations. The representations, warranties, covenants and agreements set forth in this Agreement shall be unconditional and absolute and shall remain in effect without limitation as to time.

Section 13. Treatment of Payments; Tax Gross Up.

Section 13.01 Treatment of Tax Indemnity and Tax Benefit Payments . In the absence of any change in Tax treatment under the Code or other applicable Tax Law:

(a) any Tax indemnity payments made by a Company under Section 5 shall be reported for Tax purposes by the payor and the recipient as distributions or capital contributions, as appropriate, occurring immediately before the Closing (but only to the extent the payment does not relate to a Tax allocated to the payor in accordance with Section 1552 of the Code or the regulations thereunder or Treasury Regulation Section 1.1502-33(d) (or under corresponding principles of other applicable Tax Laws)) or as payments of an assumed or retained liability, and

(b) any Tax Benefit payments made by a Company under Section 6, shall be reported for Tax purposes by the payor and the recipient as distributions or capital contributions, as appropriate, occurring immediately before the Closing (but only to the extent the payment does not relate to a Tax allocated to the payor in accordance with Section 1552 of the Code or the regulations thereunder or Treasury Regulation Section 1.1502-33(d) (or under corresponding principles of other applicable Tax Laws)) or as payments of an assumed or retained liability.

Section 13.02 Tax Gross Up . If, notwithstanding the manner in which Tax indemnity payments and Tax Benefit payments were reported, there is an adjustment to the Tax liability of a Company as a result of its receipt of a payment pursuant to this Agreement, such payment shall be appropriately adjusted so that the amount of such payment, reduced by the amount of all income Taxes payable with respect to the receipt thereof (but taking into account all correlative Tax Benefits resulting from the payment of such income Taxes), shall equal the amount of the payment which the Company receiving such payment would otherwise be entitled to receive pursuant to this Agreement.

Section 13.03 Interest Under This Agreement . Anything herein to the contrary notwithstanding, to the extent one Company (**"Indemnitor"**) makes a payment of interest to another Company (**"Indemnitee"**) under this Agreement with respect to the period from the date that the Indemnitee made a payment of Tax to a Tax Authority to the date that the Indemnitor reimbursed the Indemnitee for such Tax payment, the interest payment shall be treated as interest expense to the Indemnitor (deductible to the extent provided by law) and as interest income by the Indemnitee (includible in income to the extent provided by law). The amount of the payment shall not be adjusted under Section 13.02 to take into account any associated Tax Benefit to the Indemnitor or Tax Detriment to the Indemnitee.

Section 14. Disagreements. The Companies mutually desire that collaboration will continue between them. Accordingly, they will try, and they will cause their respective Group members to try, to resolve in an amicable manner all disagreements and misunderstandings connected with their respective rights and obligations under this Agreement, including any amendments hereto. In furtherance thereof, in the event of any dispute or disagreement (other than a High-Level Dispute) (a **"Tax Arbitrator Dispute"**) between the Companies as to the interpretation of any provision of this Agreement or the performance of obligations hereunder, the Tax departments of the Companies shall negotiate in good faith to resolve the Tax Arbitrator Dispute. If such good faith negotiations do not resolve the Tax Arbitrator Dispute, then the matter, upon written request of either Company, will be referred to a tax lawyer or accountant

acceptable to each of the Companies (the **"Tax Arbitrator"**). The Tax Arbitrator may, in its discretion, obtain the services of any third-party appraiser, accounting firm or consultant that the Tax Arbitrator deems necessary to assist it in resolving such disagreement. The Tax Arbitrator shall furnish written notice to the Companies of its resolution of any such Tax Arbitrator Dispute as soon as practical, but in any event no later than 45 days after its acceptance of the matter for resolution. Any such resolution by the Tax Arbitrator will be conclusive and binding on the Companies. Following receipt of the Tax Arbitrator's written notice to the Companies of its resolution of the Tax Arbitrator Dispute, the Companies shall each take or cause to be taken any action necessary to implement such resolution of the Tax Arbitrator. In accordance with Section 16, each Company shall pay its own fees and expenses (including the fees and expenses of its representatives) incurred in connection with the referral of the matter to the Tax Arbitrator. All fees and expenses of the Tax Arbitrator in connection with such referral shall be shared equally by the Companies. Any High-Level Dispute shall be resolved pursuant to the procedures set forth in Section 8.11 of the Separation and Distribution Agreement. Nothing in this Section 14 will prevent either Company from seeking injunctive relief if any delay resulting from the efforts to resolve the Tax Arbitrator Dispute through the Tax Arbitrator (or any delay resulting from the efforts to resolve any High-Level Dispute through the procedures set forth in Section 8.11 of the Separation and Distribution Agreement) could result in serious and irreparable injury to either Company.

Section 15. Late Payments. Any amount owed by one party to another party under this Agreement which is not paid when due shall bear interest at the Prime Rate plus 2 percent, compounded semiannually, from the due date of the payment to the date paid. To the extent interest required to be paid under this Section 15 duplicates interest required to be paid under any other provision of this Agreement, interest shall be computed at the higher of the interest rate provided under this Section 15 or the interest rate provided under such other provision.

Section 16. Expenses . Except as otherwise provided in this Agreement, each party and its Affiliates shall bear their own expenses incurred in connection with preparation of Tax Returns, Tax Contests, and other matters related to Taxes under the provisions of this Agreement.

Section 17. General Provisions.

Section 17.01 Addresses and Notices . All notices or other communications under this Agreement or any Ancillary Agreement shall be in writing and shall be deemed to be duly given when (a) delivered in person or (b) deposited in the United States mail or private express mail, postage prepaid, addressed as follows:

If to NCR, to: [ ]

If to Teradata, to: [ ]

Any party may, by notice to the other party, change the address to which such notices are to be given.

Section 17.02 Binding Effect . This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

Section 17.03 Waiver. The parties may waive a provision of this Agreement only by a writing signed by the party intended to be bound by the waiver. A party is not prevented from enforcing any right, remedy or condition in the party's favor because of any failure or delay in exercising any right or remedy or in requiring satisfaction of any condition, except to the extent that the party specifically waives the same in writing. A written waiver given for one matter or occasion is effective only in that instance and only for the purpose stated. A waiver once given is not to be construed as a waiver for any other matter or occasion. Any enumeration of a party's rights and remedies in this Agreement is not intended to be exclusive, and a party's rights and remedies are intended to be cumulative to the extent permitted by law and include any rights and remedies authorized in law or in equity.

Section 17.04 Severability. If any provision of this Agreement is determined to be invalid, illegal or unenforceable, the remaining provisions of this Agreement remain in full force, if the essential terms and conditions of this Agreement for each party remain valid, binding and enforceable.

Section 17.05 Authority. Each of the parties represents to the other that (a) it has the corporate or other requisite power and authority to execute, deliver and perform this Agreement, (b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate or other action, (c) it has duly and validly executed and delivered this Agreement, and (d) this Agreement is a legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equity principles.

Section 17.06 Further Action. The parties shall execute and deliver all documents, provide all information, and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement, including the execution and delivery to the other parties and their Affiliates and representatives of such powers of attorney or other authorizing documentation as is reasonably necessary or appropriate in connection with Tax Contests (or portions thereof) under the control of such other parties in accordance with Section 10.

Section 17.07 Integration . This Agreement, together with each of the exhibits and schedules appended hereto, constitutes the final agreement between the parties, and is the complete and exclusive statement of the parties' agreement on the matters contained herein. All prior and contemporaneous negotiations and agreements between the parties with respect to the matters contained herein are superseded by this Agreement, as applicable. In the event of any inconsistency between this Agreement and the Separation and Distribution Agreement, or any other agreements relating to the transactions contemplated by the Separation and Distribution Agreement, with respect to matters addressed herein, the provisions of this Agreement shall control.

Section 17.08 Construction . The language in all parts of this Agreement shall in all cases be construed according to its fair meaning and shall not be strictly construed for or against any party. The captions, titles and headings included in this Agreement are for convenience only, and do not affect this Agreement's construction or interpretation. Unless otherwise indicated, all "Section" references in this Agreement are to sections of this Agreement.

Section 17.09 No Double Recovery . No provision of this Agreement shall be construed to provide an indemnity or other recovery for any costs, damages, or other amounts for which the damaged party has been fully compensated under any other provision of this Agreement or under any other agreement or action at law or equity. Unless expressly required in this Agreement, a party shall not be required to exhaust all remedies available under other agreements or at law or equity before recovering under the remedies provided in this Agreement.

Section 17.10 Counterparts. The parties may execute this Agreement in multiple counterparts, each of which constitutes an original as against the party that signed it, and all of which together constitute one agreement. This Agreement is effective upon delivery of one executed counterpart from each party to the other party. The signatures of both parties need not appear on the same counterpart. The delivery of signed counterparts by facsimile or email transmission that includes a copy of the sending party's signature is as effective as signing and delivering the counterpart in person.

Section 17.11 Governing Law. The internal laws of the State of New York (without reference to its principles of conflicts of law) govern the construction, interpretation and other matters arising out of or in connection with this Agreement and each of the exhibits and schedules hereto and thereto (whether arising in contract, tort, equity or otherwise).

Section 17.12 Jurisdiction. If any dispute arises out of or in connection with this Agreement, except as expressly contemplated by another provision of this Agreement, the parties irrevocably (and the parties will cause each other member of their respective Group to irrevocably) (a) consent and submit to the exclusive jurisdiction of federal and state courts located in New York, (b) waive any objection to that choice of forum based on venue or to the effect that the forum is not convenient, and (c) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO TRIAL OR ADJUDICATION BY JURY.

Section 17.13 Amendment. The parties may amend this Agreement only by a written agreement signed by each party to be bound by the amendment and that identifies itself as an amendment to this Agreement.

Section 17.14 Teradata Subsidiaries . If, at any time, Teradata or NCR, respectively, acquires or creates one or more subsidiaries that are includable in the Teradata Group or the NCR Group, respectively, they shall be subject to this Agreement and all references to the Teradata Group or NCR Group, respectively, herein shall thereafter include a reference to such subsidiaries.

Section 17.15 Successors . This Agreement shall be binding on and inure to the benefit of any successor by merger, acquisition of assets, or otherwise, to any of the parties hereto (including but not limited to any successor of NCR or Teradata succeeding to the Tax attributes of either under Section 381 of the Code), to the same extent as if such successor had been an original party to this Agreement.

Section 17.16 Injunctions . The parties acknowledge that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with its specific terms or were otherwise breached. The parties hereto shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce

specifically the terms and provisions hereof in any court having jurisdiction, such remedy being in addition to any other remedy to which they may be entitled at law or in equity.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by the respective officers as of the date set forth above.

NCR Corporation

By: _____
Its: _____

Teradata Corporation

By: _____
Its: _____

Exhibit 10.2

FORM OF INTERIM SERVICES AND SYSTEMS REPLICATION AGREEMENT

THIS INTERIM SERVICES AND SYSTEMS REPLICATION AGREEMENT, dated as of _____, 2007 (the " Effective Date "), is by and between Teradata Corporation, a Delaware corporation (" Teradata "), and NCR Corporation, a Maryland corporation (" NCR "). Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them herein or as assigned to them in the Separation and Distribution Agreement (as defined below).

WHEREAS, the Board of Directors of NCR has determined that it is in the best interests of NCR and its shareholders to separate NCR's existing businesses into two independent businesses;

WHEREAS, in order to effectuate the foregoing, Teradata and NCR have entered into a Separation and Distribution Agreement, dated as of the date hereof (the " Separation and Distribution Agreement "), which provides, among other things, subject to the terms and conditions thereof, for the Separation of the Teradata Assets and Teradata Liabilities and the Distribution and the execution and delivery of certain other agreements in order to facilitate and provide for the foregoing; and

WHEREAS, in order to ensure an orderly transition under the Separation and Distribution Agreement it will be necessary for one or more of the parties to provide to one or both of the other parties the Services described herein for a transitional period.

NOW, THEREFORE, in consideration of the premises and for other good and valid consideration, the receipt and adequacy of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS

For the purpose of this Agreement the following terms shall have the following meanings:

1.1 " Additional Services " shall have the meaning set forth in subsection 2.1(c).

1.2 " Expiration Date " shall have the meaning set forth in Section 2.2.

1.3 " Impracticable " (and words of similar import) shall have the meaning set forth in subsection 2.5(b).

1.4 " Initial Services " shall have the meaning set forth in subsection 2.1(a).

1.5 " Providing Company " shall mean, with respect to any particular Service, the entity or entities identified on the applicable Exhibit as the party to provide such Service.

1.6 " Receiving Company " shall mean, with respect to any particular Service, the entity or entities identified on the applicable Exhibit as the party to receive such Service.

1.7 " Services " shall have the meaning set forth in subsection 2.1(c).

1.8 " System " shall mean the software, hardware, data store or maintenance and support components or portions of such components of a set of information technology assets identified in an Exhibit hereto.

1.9 " System Error " shall have the meaning set forth in subsection 2.4(d)(iii).

1.10 " Termination Date " shall have the meaning set forth in Section 2.2.

ARTICLE II
SERVICES

2.1 Services .

(a) Initial Services . Except as otherwise provided herein, for the term determined pursuant to Section 2.2 hereof, Providing Company shall provide or cause to be provided to Receiving Company, the services identified in the Exhibits attached hereto or subsequently agreed to prior to the Effective Date in accordance with the procedures set forth herein (collectively, the " Initial Services ").

(b) Final Exhibits . The parties have made good faith efforts as of the date hereof to identify each Initial Service and complete the content of each Exhibit pertaining to the Initial Services. To the extent an Exhibit is modified or supplemented on or after the date hereof and prior to the Effective Date with the mutual agreement of the parties, any services reflected on any such additional or amended Exhibit shall be deemed an " Initial Service " as if set forth on such Exhibit as of the date hereof.

(c) Additional Services . From time to time after the Effective Date, the parties by mutual agreement may identify additional services that one party will provide to one or both of the other parties in accordance with the terms of this Agreement (the " Additional Services " and, together with the Initial Services, the " Services "). In any such event, the parties shall create an Exhibit for each Additional Service setting forth the identities of the Providing Company and the Receiving Company, a description of the Service, the time period during which the Service will be provided, the charge, if any, for the Service and any other terms applicable thereto. No party shall be required to agree to provide any Additional Services during the term of this Agreement.

(d) Services Performed By Others . At its option and with reasonable prior notice to the Receiving Company, Providing Company may cause any Service it is required to provide hereunder to be provided by another member of its Group or by any other Person that is providing, or may from time to time provide, the same or similar services for the Providing Company. The Providing Company shall remain responsible, in accordance with the terms of this Agreement, for performance of any Service it causes to be so provided.

2.2 Term . The term of this Agreement shall commence on the Effective Date and shall remain in effect through the 18-month anniversary thereof (the " Expiration Date "), except to the extent earlier terminated under Section 2.7 (the " Termination Date "). This Agreement may be extended by mutual agreement of the parties in writing either in whole or with respect to one or more of the Services, provided , however , that such extension shall not exceed an additional 6-month period and any such extension shall only apply to the Service for which the Agreement was extended. The parties may agree on an earlier expiration date respecting a specific Service by specifying such date on the Exhibit for that Service. Services shall be provided up to and including the date set forth in the applicable Exhibit, subject to earlier termination as provided herein.

2.3 Charges And Payment .

(a) Charges For Initial Services . Receiving Company shall pay Providing Company the charges, if any, set forth on the Exhibit for each of the Services listed therein. Such charges are determined based on the general costing guidelines described in subsection 2.3(e) hereof.

(b) Charges For Additional Services . Receiving Company shall pay Providing Company the charges, if any, set forth on each Exhibit hereafter created for each of the Additional Services listed therein.

(c) Payment Terms . Providing Company shall bill Receiving Company monthly for all charges pursuant to this Agreement. Such bills shall be accompanied by reasonable documentation or other reasonable explanation supporting such charges. Receiving Company shall pay Providing Company for all Services provided hereunder within forty-five (45) days after receipt of an invoice therefor. Late payments shall bear interest at the Prime Rate plus two percent (2%) per annum.

(d) Performance Under Ancillary Agreements . Notwithstanding anything to the contrary contained herein, Receiving Company shall not be charged under this Agreement for any Services that are specifically required to be performed under the Separation and Distribution Agreement or any other Ancillary Agreement and any such other Services shall be performed and charged for in accordance with the terms of the Separation and Distribution Agreement or such other Ancillary Agreement.

(e) General Costing Guidelines . Fees for Services are determined by charging cost plus a defined mark up. Unless otherwise stated in an Exhibit, the "mark-up fee" is 25 percent of direct cost, which is comprised of (i) 15 percent attributed to achieving full cost as determined by Providing Company, plus (ii) 10 percent to account for the delivery risk costs associated with the provided Services . Providing Company may approve on a case by case basis mark-up fees of less than 25 percent of direct cost, and such determinations will be included in the fees listed on the applicable Exhibit.

2.4 General Obligations; Standard Of Care .

(a) Performance Metrics : Providing Company . Subject to subsection 2.5(c), the Providing Company shall maintain sufficient resources to perform its obligations hereunder. Specific performance metrics for the Providing Company may be set forth in Exhibits. Where none is set forth, the Providing Company shall use reasonable efforts to provide Services in accordance with the policies, procedures and practices in effect before the date hereof and shall exercise the same care and skill as it exercises in performing similar services for itself except that in the case of any System, except as may be provided on any Exhibit, the Providing Company will use reasonable efforts to replicate and transfer each System so that it has substantially the same functionality for Receiving Company as it did immediately before the date hereof taking into account changes reasonably expected and customary in a new operating environment.

(b) Performance Metrics : Receiving Company . Specific performance metrics for the Receiving Company may be set forth in Exhibits. Where none is set forth, the Receiving Company shall use reasonable efforts, in connection with receiving Services, to follow the policies, procedures and practices in effect before the date hereof including providing information and documentation sufficient for Providing Company to perform the Services as they were performed before the date hereof and making available, as reasonably requested by the Providing Company, sufficient resources and timely decisions, approvals and acceptances in order that Providing Company may accomplish its obligations hereunder in a timely manner.

(c) Transitional Nature Of Services; Changes . The parties acknowledge the transitional nature of the Services and that Providing Company may make changes from time to time in the manner of performing the Services if Providing Company is making similar changes in performing similar services for members of its own Group, if such changes do not alter the fundamental nature and quality of the Services, and if Providing Company furnishes to Receiving Company substantially the same notice (but in any event not less than thirty (30) days notice) Providing Company shall provide members of its own Group respecting such changes.

(d) Responsibility For Errors; Delays . Except as provided in an Exhibit expressly referencing this Section and approved in writing by the respective General Counsels of Providing Company and Receiving Company, Providing Company's sole responsibility to Receiving Company:

(i) for errors or omissions in Services, shall be to furnish correct information, payment and/or adjustment in the Services, at no additional cost or expense to Receiving Company; provided, Receiving Company must promptly advise Providing Company of any such error or omission of which it becomes aware after having used reasonable efforts to detect any such errors or omissions in accordance with the standard of care set forth in subsection 2.4(b);

(ii) for failure to deliver any Service because of Impracticability, shall be to use reasonable efforts, subject to subsection 2.5 (c), to make the Services available and/or to resume performing the Services as promptly as reasonably practicable;

(iii) for an error, bug, fault or deficiency in a replicated or transferred System (a " System Error ") that did not exist in the System immediately before the Effective Date, shall be to use reasonable efforts, subject to subsection 2.5(c) and taking into account the importance of the affected System to the Receiving Company's business operations, to cooperate with Receiving Company to correct such System Error at no additional cost or expense to Receiving Company (such correction may take the form of new or revised software or an appropriate work-around); provided, Receiving Company must advise Providing Company of any such System Error within sixty (60) days after completion of the activities set forth in (A) the Exhibit for the System containing a System Error or (B) the Exhibit for any feeder System that caused the System Error, whichever is later;

(iv) for failure to complete any of the Systems replication or transfer Services because of Impracticability, shall be to use reasonable efforts, subject to subsection 2.5(c), to make the Systems available to Receiving Company from a Providing Company facility until Providing Company can resume replication or transfer activities or until the parties devise an appropriate alternative approach pursuant to subsection 2.4(f).

(e) Good Faith Cooperation; Consents . The parties will use good faith efforts to cooperate with each other in all matters relating to the provision and receipt of Services. Such cooperation shall include exchanging information, providing electronic access to Systems used in connection with Services, performing true-ups and adjustments and obtaining all consents, licenses, sublicenses or approvals necessary to permit each party to perform its obligations hereunder. The costs of obtaining such consents, licenses, sublicenses or approvals shall be allocated to the Receiving Party. The parties will maintain documentation supporting the information contained in the Exhibits and cooperate with each other in making such information available as needed in the event of a tax audit, whether in the United States or any other country.

(f) Alternatives . If Providing Company reasonably believes it is unable to provide any Service because of a failure to obtain necessary consents, licenses, sublicenses or approvals pursuant to subsection 2.4(e) or because of Impracticability, the parties shall cooperate to determine the best alternative approach. Until such alternative approach is found or the problem otherwise resolved to the satisfaction of the parties, the Providing Party shall use reasonable efforts, subject to Section 2.5(b) and Section 2.5(c), to continue providing the Service or, in the case of Systems, to support the function to which the System relates or permit Receiving Party to have access to the System so Receiving Party can support the function itself. To the extent an agreed upon alternative approach requires payment above and beyond that which is included in the Providing Company's charge for the Service in question, the parties shall share equally in making any such payment unless they otherwise agree in writing.

2.5 Certain Limitations .

(a) Service Boundaries . Except as provided in an Exhibit for a specific Service: (i) Providing Company shall be required to provide the Services only to the extent and only at the locations such Services are being provided by Providing Company for the members of the Receiving Company's Group immediately prior to the Effective Date; and (ii) the Services will be available only for purposes of conducting the business of the Receiving Company substantially in the manner it was conducted prior to the Effective Date.

(b) Impracticability . Providing Company shall not be required to provide any Service to the extent the performance of such Service becomes " Impracticable " as a result of a cause or causes outside the reasonable control of Providing Company including unfeasible technological requirements, or to the extent the performance of such Services would require Providing Company to violate any applicable laws, rules or regulations or would result in the breach of any software license or other applicable contract.

(c) Additional Resources . Except as provided in an Exhibit for a specific Service, in providing the Services, Providing Company shall not be obligated to: (i) hire any additional employees; (ii) maintain the employment of any specific employee; (iii) purchase, lease or license any additional equipment or software; or (iv) pay any costs related to the transfer or conversion of Receiving Company's data to Receiving Company or any alternate supplier of Services.

(d) No Sale, Transfer, Assignment . Receiving Company may not sell, transfer, assign or otherwise use the Services provided hereunder, in whole or in part, for the benefit of any Person other than a member of the Receiving Company's Group.

2.6 Confidentiality .

(a) Information Subject To Other Obligations . Providing Company and Receiving Company agree that all Information provided to the other in connection with the Services and all Information regarding the Services, including, but not limited to, price, costs, methods of operation, and software, shall be maintained in confidence and shall be subject to Article VII, relating to preservation and exchange of information and protection of Proprietary Information, of the Separation and Distribution Agreement.

(b) All Information Confidential . Providing Company's Systems used to perform the Services provided hereunder are confidential and proprietary to Providing Company or third parties. Receiving Company shall treat these Systems and all related procedures and documentation as confidential and proprietary to Providing Company or its third party vendors.

(c) Internal Use; Title, Copies, Return . Subject to Intellectual Property Agreements and except as provided in an Exhibit expressly referencing this Section and approved in writing by the respective General Counsels of Providing Company and Receiving Company, Receiving Company agrees:

(i) all Systems, procedures and related materials provided to Receiving Company are for Receiving Company's internal use only and only as related to the Services or any of the underlying Systems used to provide the Services;

(ii) title to all Systems used in performing the Services provided hereunder shall remain in Providing Company or its third party vendors;

(iii) Receiving Company shall not copy, modify, reverse engineer, decompile or in any way alter Systems without Providing Company's express written consent;

(iv) Upon the termination of any of the Services, Receiving Company shall return to Providing Company, as soon as practicable, any equipment or other property of Providing Company relating to the Services which is owned or leased by it and is or was in Receiving Company's possession or control.

2.7 Termination .

(a) Receiving Company Termination . Receiving Party may terminate this Agreement either with respect to all, or with respect to any one or more, of the Services provided hereunder at any time and from time to time, for any reason or no reason, by giving written notice to the Providing Party at least thirty (30) days prior to the date of such termination. In the case of termination by Receiving Company, Receiving Company shall compensate Providing Party for the amounts owed to the Providing Party for performing such Service up to the effective date of such termination.

(b) Termination Of Less Than All Services . In the event of any termination with respect to one or more, but less than all, Services, this Agreement shall continue in full force and effect with respect to any Services not terminated hereby.

2.8 DISCLAIMER OF WARRANTIES, LIMITATION OF LIABILITY AND INDEMNIFICATION .

(a) DISCLAIMER OF WARRANTIES. PROVIDING COMPANY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE SERVICES. PROVIDING COMPANY MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE QUALITY, SUITABILITY OR ADEQUACY OF THE SERVICES FOR ANY PURPOSE OR USE.

(b) Limitation Of Liability; Indemnification Of Receiving Company . Providing Company shall have no Liability to Receiving Company with respect to its furnishing any of the Services hereunder except for Liabilities arising out of the willful misconduct or gross negligence occurring after the Effective Date of Providing Company or any member of the Providing Company's Group. Providing Company will indemnify, defend and hold harmless Receiving Company Indemnitees in respect of all Liabilities related to, arising from, asserted against or associated with such willful misconduct or gross negligence. Such indemnification obligation shall be a Liability of the Providing Company for purposes of the Separation and Distribution Agreement and the provisions of Article V with respect to indemnification shall govern with respect thereto. In no event shall Providing Company or any member of the Providing Company's Group have any Liability for any incidental, indirect, special or consequential damages, whether or not caused by or resulting from negligence or breach of obligations hereunder and whether or not informed of the possibility of the existence of such damages.

(c) Limitation Of Liability; Indemnification Of Providing Company . Receiving Company shall indemnify and hold harmless the Providing Company's Indemnitees in respect of all Liabilities related to, arising from, asserted against or associated with Providing

Company's furnishing or failing to furnish the Services provided for in this Agreement, other than Liabilities arising out of the willful misconduct or gross negligence following the Effective Date of Providing Company or any member of the Providing Company's Group. The provisions of this indemnity shall apply only to losses which relate directly to the provision of Services. Such indemnification obligation shall be a Liability of the Receiving Company for purposes of the Separation and Distribution Agreement and the provisions of Article V with respect to indemnification shall govern with respect thereto. In no event shall Receiving Company or any member of the Receiving Company's Group have any Liability for any incidental, indirect, special or consequential damages, whether or not caused by or resulting from negligence or breach of obligations hereunder and whether or not informed of the possibility of the existence of such damages.

(d) Subrogation Of Rights Vis-A-Vis Third Party Contractors . In the event any Liability arises from the performance of Services hereunder by a third party contractor, the Receiving Company shall be subrogated to such rights, if any, as the Providing Company may have against such third party contractor with respect to the Services provided by such third party contractor to or on behalf of the Receiving Company.

ARTICLE III
MISCELLANEOUS

3.1 Laws And Governmental Regulations . Providing Company shall comply with all laws and governmental regulations relating to or affecting the provision of Services. Receiving Company shall be responsible for (i) compliance with all laws and governmental regulations affecting its business and (ii) any use Receiving Company may make of the Services to assist it in complying with such laws and governmental regulations. While Providing Company shall not have any responsibility for Receiving Company's compliance with the laws and regulations referred to above, Providing Company agrees to use reasonable efforts, subject to subsection 2.5(c), to cause the Services to be designed in such manner that such Services shall be able to assist Receiving Company in complying with applicable legal and regulatory responsibilities. The Providing Company's charge, if any, for such Service may reflect its efforts under this Section 3.2. In no event, however, shall Receiving Company rely solely on its use of the Services in complying with any laws and governmental regulations.

3.2 Relationship Of Parties . Nothing in this Agreement shall be deemed or construed by the parties or any third party as creating the relationship of principal and agent, partnership or joint venture between the parties, it being understood and agreed that no provision contained herein, and no act of the parties, shall be deemed to create any relationship between the parties other than the relationship of independent contractor nor be deemed to vest any rights, interest or claims in any third parties.

3.3 Incorporation Of Provisions Of The Separation And Distribution Agreement .

The following provisions of the Separation and Distribution Agreement are hereby incorporated herein by reference, and unless otherwise expressly specified herein, such provisions shall apply as if they are fully set forth herein (references in paragraphs (a) through

(d) below to "Article" shall mean Articles of the Separation and Distribution Agreement, and except as expressly set forth below, references in the material incorporated herein by reference shall be references to the Separation and Distribution Agreement):

(a) Article V, relating to mutual releases and indemnification, including procedures;

(b) Article VII, relating to preservation and exchange of information and protection of proprietary information;

(c) Article VIII, relating to arbitration and dispute resolution; and

(d) Article XI, miscellaneous provisions.

3.4 References . All reference to Sections, Articles, Exhibits or Schedules contained herein mean Sections, Articles, Exhibits or Schedules of or to this Agreement, as the case may be, unless otherwise stated. When a reference is made in this Agreement to a "party" or "parties", such reference shall be to a party or parties to this Agreement unless otherwise indicated. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The use of the singular herein shall be deemed to be or include the plural (and vice versa) whenever appropriate. The use of the words "hereof", "herein", "hereunder", and words of similar import shall refer to this entire Agreement, and not to any particular article, section, subsection, clause, paragraph or other subdivision of this Agreement, unless the context clearly indicates otherwise. The word "or" shall not be exclusive; "may not" is prohibitive and not permissive.

3.5 Modification And Amendment . Except for modifications to Exhibits in accordance with the terms hereof, this Agreement may not be modified or amended, or any provision waived, except in the manner set forth in the Separation and Distribution Agreement.

3.6 Inconsistency . In the event of any inconsistency between the terms of this Agreement and any of the Exhibits hereto, the express terms of any Exhibit shall control.

IN WITNESS WHEREOF, the parties have executed this Interim Services and Systems Replication Agreement as of the date first above written.

TERADATA CORP.

By: _____

NCR CORPORATION

By: _____

Exhibit 10.3

FORM OF EMPLOYEE BENEFITS AGREEMENT

by and between

NCR CORPORATION

and

TERADATA CORPORATION

Dated as of
[ ], 2007

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EMPLOYEE BENEFITS AGREEMENT

This EMPLOYEE BENEFITS AGREEMENT, dated as of [ ], 2007 is by and between NCR Corporation, a Maryland corporation (" NCR "), and Teradata Corporation, a Delaware corporation (" Teradata "). Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article I hereof or assigned to them in the Separation and Distribution Agreement (as defined below), as applicable.

WHEREAS, the Board of Directors of NCR has determined that it is in the best interests of NCR and its stockholders to separate NCR's existing businesses into two independent companies;

WHEREAS, in furtherance of the foregoing, NCR and Teradata have entered into a Separation and Distribution Agreement, dated as of the date hereof (the " Separation and Distribution Agreement "), and other ancillary agreements that will govern certain matters relating to the Separation and the relationship of NCR, Teradata and their respective Subsidiaries following the Distribution Date (as such terms are defined below); and

WHEREAS, pursuant to the Separation and Distribution Agreement, NCR and Teradata have agreed to enter into this Agreement for the purpose of allocating Assets, Liabilities and responsibilities with respect to certain employee compensation and benefit plans and programs between and among them.

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS

For purposes of this Agreement, the following terms shall have the following meanings:

1.1 " Affiliate " has the meaning given that term in the Separation and Distribution Agreement.

1.2 " Agreement " means this Employee Benefits Agreement, including all the Schedules hereto.

1.3 " Ancillary Agreements " has the meaning given that term in the Separation and Distribution Agreement.

1.4 " Approved Leave of Absence " means an absence from active service (i) due to an individual's inability to perform his or her regular job duties by reason of illness or injury and resulting in eligibility to receive benefits pursuant to the terms of the NCR Short-Term Disability Program, or (ii) pursuant to an approved leave policy or arrangement with a guaranteed right of reinstatement.

1.5 " ASO Contract ," has the meaning set forth in Section 4.7.

1.6 " Auditing Party " has the meaning set forth in Section 6.4(a).

1.7 " Award ," when immediately preceded by "NCR," means NCR Restricted Stock, NCR Restricted Stock Units and NCR Option and, when immediately preceded by "Teradata," means Teradata Restricted Stock, Teradata Restricted Stock Units and Teradata Option.

1.8 " Benefit Plan " shall mean, with respect to an entity or any of its Subsidiaries, (a) each compensation or benefits plan, program, policy, arrangement or agreement including without limitation any "employee welfare benefit plan" (as defined in Section 3(1) of ERISA), severance pay, sick leave, vacation pay, car plans, salary continuation, disability, retirement, deferred compensation, bonus, stock option or other equity-based compensation, hospitalization, medical insurance or life insurance plan, program, policy, arrangement or agreement sponsored or maintained by such entity or by any of its Subsidiaries (or to which such entity or any of its Subsidiaries contributes or is required to contribute) and (b) all "employee pension benefit plans" (as defined in Section 3(2) of ERISA), occupational pension plan or arrangement or other pension arrangements sponsored, maintained or contributed to by such entity or any of its Subsidiaries (or to which such entity or any of its Subsidiaries contributes or is required to contribute). When immediately preceded by "NCR," Benefit Plan means any Benefit Plan sponsored, maintained or contributed to by NCR or a member of the NCR Group. When immediately preceded by "Teradata," Benefit Plan means any Benefit Plan sponsored, maintained or contributed to by Teradata or a member of the Teradata Group. The Teradata Benefit Plans in effect prior to the Distribution are listed in Schedule 1.8 hereto.

1.9 " COBRA " means the continuation coverage requirements for "group health plans" under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and as codified in Code Section 4980B and ERISA Sections 601 through 608.

1.10 " Code " means the Internal Revenue Code of 1986, as amended, or any successor federal income tax law. Reference to a specific Code provision also includes any proposed, temporary or final regulation in force under that provision.

1.11 " Combined Company Value " shall mean the sum of (i) the Teradata Value and (ii) the NCR Value.

1.12 " Committee " has the meaning set forth in Section 5.2(a).

1.13 " Covered Employees " has the meaning set forth in Section 4.2(i).

1.14 " Distribution " has the meaning given that term in the Separation and Distribution Agreement.

1.15 " Distribution Date " has the meaning given that term in the Separation and Distribution Agreement.

1.16 " Distribution Year " means the calendar year during which the Distribution Date occurs.

1.17 " Effective Time " means 11:59 p.m., Eastern Standard Time or Eastern Daylight Time (whichever shall be then in effect), on the Distribution Date.

1.18 " ERISA " means the Employee Retirement Income Security Act of 1974, as amended. Reference to a specific provision of ERISA also includes any proposed, temporary or final regulation in force under that provision.

1.19 " Former NCR Employee " means any individual who is a former employee of NCR or any of its Affiliates as of the Effective Time except for Teradata Employees and Former Teradata Employees.

1.20 " Former Teradata Employee " means any individual who is set forth on Exhibit A .

1.21 " Group Insurance Policies " has the meaning set forth in Section 4.7.

1.22 " Health and Welfare Plans " shall mean any plan, fund or program which was established or is maintained for the purpose of providing for its participants or their beneficiaries, through the purchase of insurance or otherwise, medical, dental, surgical or hospital care or benefits, or benefits in the event of sickness, accident, disability, death or unemployment, or vacation benefits, apprenticeship or other training programs or day care centers, scholarship funds, or prepaid legal services, including any such plan, fund or program as defined in Section 3(1) of ERISA. When immediately preceded by "NCR," Health and Welfare Plans means each Health and Welfare Plan that is a NCR Benefit Plan. When immediately preceded by "Teradata," Health and Welfare Plans means each Health and Welfare Plan that is a Teradata Benefit Plan.

1.23 " HIPAA " means the health insurance portability and accountability requirements for "group health plans" under the Health Insurance Portability and Accountability Act of 1996, as amended.

1.24 " HMO Agreements " has the meaning set forth in Section 4.7.

1.25 " Liabilities " has the meaning given that term in the Separation and Distribution Agreement.

1.26 " Match Date " has the meaning set forth in Section 3.2.

1.27 " NCR " is defined in the preamble to this Agreement.

1.28 " NCR Common Stock " has the meaning set forth in the Separation and Distribution Agreement.

1.29 " NCR Employee " means any individual who, (a) under the terms of Sections 4.1(e) is intended to, but has not yet, become a Teradata Employee; or, (b) immediately prior to the Effective Time, is either actively employed by, or then on Approved Leave of Absence from, NCR or any of its Affiliates (other than a Teradata Employee).

1.30 " NCR Employee Provident Fund " means and the Employees Provident Fund established under the Employees Provident Fund Act 1991 (Malaysia) in effect as of the time relevant to the applicable provision of this Agreement.

1.31 " NCR Flexible Benefit Plans " means the NCR Healthcare Flexible Spending Plan and the Dependent Care Spending Plan, as in effect as of the time relevant to the applicable provision of this Agreement.

1.32 " NCR Group " means NCR and each Person (other than any member of the Teradata Group) that is an Affiliate of NCR immediately after the Effective Time.

1.33 " NCR Long-Term Incentive Plans " means any of the NCR Corporation 2006 Stock Incentive Plan, the NCR Corporation Management Stock Plan and any other stock incentive plan of NCR, all as in effect as of the time relevant to the applicable provisions of this Agreement.

1.34 " NCR Non-Qualified Retirement Plans " means the Retirement Plan for Officers of NCR, the NCR Officer Plan, the NCR Supplemental Pension Plan for AT&T Transfers, the NCR Mid Career Hire Supplemental Pension Plan, the NCR Non-Qualified Excess Plan and the NCR Senior Executive Retirement, Death and Disability Plan in effect as of the time relevant to the applicable provision of this Agreement.

1.35 " NCR Non-Qualified Retirement Plan Participant " means any individual who has an accrued balance in any of the NCR Non-Qualified Retirement Plans as of the Distribution Date.

1.36 " NCR Pension Plan " means the NCR Corporation Pension Plan in effect as of the time relevant to the applicable provision of this Agreement.

1.37 " NCR Post-Retirement Welfare Benefits Plan " means the Health and Welfare Plan of NCR providing medical, dental, death or other welfare benefits for retirees.

1.38 " NCR Ratio " "NCR Ratio" shall mean the quotient obtained by dividing (i) the Combined Company Value by (ii) the NCR Value.

1.39 " NCR Savings Plan " means the NCR Corporation 401(k) Savings Plan as in effect as of the time relevant to the applicable provision of this Agreement.

1.40 " NCR Severance Pay Program " means the NCR Change in Control Severance Plan and the reduction in force program posted on NCR's employee intranet as in effect as of the time relevant to the applicable provision of this Agreement.

1.41 " NCR Value " shall mean the closing per-share price of NCR Common Stock as listed on the NYSE as of the close of trading on the first trading day following the Distribution Date; provided , however , that if the Distribution occurs at a time when the NYSE is open for trading, the price at which NCR Common Stock trades as of close of trading after the Distribution; and provided , further , that if the Distribution occurs prior to opening of trading on the NYSE on the Distribution Date, the closing per-share price of NCR Common Stock as listed on the NYSE as of the close of trading on the Distribution Date.

1.42 " Non-parties " has the meaning set forth in Section 6.4(b).

1.43 " Non-US Plan " has the meaning set forth in the Separation and Distribution Agreement.

1.44 " NYSE " means the New York Stock Exchange, Inc.

1.45 " Option ," (a) when immediately preceded by "Old NCR," means an option (either nonqualified or incentive) to purchase shares of NCR Common Stock prior to the Effective Time pursuant to a NCR Long-Term Incentive Plan, (b) when immediately preceded by "New NCR," means an option (either nonqualified or incentive) to purchase shares of NCR Common Stock following the Effective Time pursuant to a NCR Long-Term Incentive Plan ("New NCR Options," together with "Old NCR Options," "NCR Options") and (c) when immediately preceded by "Teradata," means an option (either nonqualified or incentive) to purchase shares of Teradata Common Stock pursuant to the Teradata Stock Incentive Plan.

1.46 " Participating Company " means (a) NCR, (b) any Person (other than an individual) that NCR has approved for participation in, and which is participating in, a plan sponsored by a member of the NCR Group, and (c) any Person (other than an individual) which, by the terms of such a plan, participates in such plan or any employees of which, by the terms of such plan, participate in or are covered by such plan.

1.47 " Person " has the meaning given that term in the Separation and Distribution Agreement.

1.48 " Restricted Period " has the meaning set forth in Section 6.7(a).

1.49 " Restricted Stock ," (a) when immediately preceded by "Old NCR," means shares of NCR Common Stock prior to the Effective Time pursuant to a NCR Long-Term Incentive Plan subject to forfeiture in the event that certain terms and conditions are not satisfied, (b) when immediately preceded by "New NCR," means shares of NCR Common Stock following the Effective Time pursuant to a NCR Long-Term Incentive Plan subject to forfeiture in the event that certain terms and conditions are not satisfied ("New NCR Restricted Stock," together with "Old NCR Restricted Stock," "NCR Restricted Stock"), and (c) when immediately preceded by "Teradata," means shares of Teradata Common Stock pursuant to the Teradata Stock Incentive Plan subject to forfeiture in the event that certain terms and conditions are not satisfied.

1.50 " Restricted Stock Unit " (a) when immediately preceded by "Old NCR," means units representing hypothetical shares of NCR Common Stock prior to the Effective Time pursuant to a NCR Long-Term Incentive Plan, (b) when immediately preceded by "New NCR," means units representing hypothetical shares of NCR Common Stock following the Effective Time pursuant to a NCR Long-Term Incentive Plan ("New NCR Restricted Stock Unit," together with "Old NCR Restricted Stock Unit," "NCR Restricted Stock Unit") and (c) when immediately preceded by "Teradata," means units representing hypothetical shares of Teradata Common Stock issued under the Teradata Stock Incentive Plan.

1.51 " Separation " has the meaning given that term in the Separation and Distribution Agreement.

1.52 " Separation and Distribution Agreement " is defined in the preamble to this Agreement.

1.53 " Subsidiaries " has the meaning given that term in the Separation and Distribution Agreement.

1.54 " Tax Sharing Agreement " means the Tax Sharing Agreement entered into as of the date hereof between NCR and Teradata.

1.55 " Teradata " is defined in the preamble to this Agreement.

1.56 " Teradata Business " has the meaning given to that term in the Separation and Distribution Agreement.

1.57 " Teradata Common Stock " has the meaning given to that term in the Separation and Distribution Agreement.

1.58 " Teradata Employee " means any individual who is set forth on Exhibit C (other than those employees on Approved Leave of Absence) or, in any non-U.S. jurisdiction, any individual who immediately prior to the Effective Time, is either actively employed by, or then on Approved Leave of Absence from, Teradata, each Subsidiary of Teradata and each other Person that is either controlled directly or indirectly by Teradata immediately before the Effective Time or that is contemplated to be controlled by Teradata pursuant to the Non-U.S. Plan.

1.59 " Teradata Flexible Benefit Plan " means the flexible benefit plan to be established by Teradata pursuant to Section 4.2 of this Agreement as in effect as of the time relevant to the applicable provision of this Agreement.

1.60 " Teradata Group " means Teradata, each Subsidiary of Teradata and each other Person that is either controlled directly or indirectly by Teradata immediately after the Effective Time or that is contemplated to be controlled by Teradata pursuant to the Non-U.S. Plan.

1.61 " Teradata Ratio " shall mean the quotient obtained by dividing (i) the Combined Company Value by (ii) the Teradata Stock Value.

1.62 " Teradata Stock Incentive Plan " means the long-term incentive plan or program to be established by Teradata, effective immediately prior to the Distribution Date, in connection with the treatment of Awards as described in Article V.

1.63 " Teradata Non-Qualified Retirement Plan " has the meaning set forth in Section 5.4.

1.64 " Teradata Savings Plan " means the 401(k) plan to be established by Teradata pursuant to Section 3.1 of this Agreement, as in effect as of the time relevant to the applicable provision of this Agreement.

1.65 " Teradata Savings Plan Trust " means a trust relating to the Teradata Savings Plan intended to qualify under Section 401(a) and be exempt under Section 501(a) of the Code.

1.66 " Teradata Stock Value " shall mean the closing per-share price of Teradata Common Stock as listed on the NYSE as of the close of trading on the first trading day following the Distribution Date; provided , however , that if the Distribution occurs at a time when the NYSE is open for trading, the price at which Teradata Common Stock trades as of close of trading after the Distribution; and provided , further , that if the Distribution occurs prior to opening of trading on the NYSE on the Distribution Date, the closing per-share price of Teradata Common Stock as listed on the NYSE as of the close of trading on the Distribution Date.

1.67 " Transferred Account Balances " has the meaning set forth in Section 4.2(i).

1.68 " U.S. " means the 50 United States of America and the District of Columbia.

ARTICLE II
GENERAL PRINCIPLES

2.1 Employment of Teradata Employees . Except as set forth in Sections 4.1(e) or Schedule VII hereto, which shall be incorporated in this Agreement and deemed a part hereof, or as required by applicable law, all Teradata Employees shall continue to be employees of Teradata or another member of the Teradata Group, as the case may be, immediately after the Distribution. Each of the parties hereto will use its commercially reasonable efforts to promptly take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to effectuate the foregoing, including obtaining any necessary consents or approvals from, and providing any required notifications to, affected employees, unions or works councils or providing required notices to any of them.

2.2 Assumption and Retention of Liabilities; Related Assets .

(a) On and after the Distribution Date, except as expressly provided in this Agreement or as required by applicable law, NCR shall assume or retain and NCR hereby agrees to pay, perform, fulfill and discharge, in due course in full (i) all Liabilities under all NCR Benefit Plans and all Liabilities that arise as a result of the actions contemplated by this Agreement, including without limitation, actions contemplated by Section 5.2, to NCR Employees or Former NCR Employees, (ii) all Liabilities with respect to the employment, hiring practices or termination of employment of all NCR Employees, Former NCR Employees and their respective dependents and beneficiaries and other service providers (including any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker, or non-payroll worker of any member of the NCR Group or in any other employment, non-employment, or retainer arrangement, or relationship with any member of the NCR Group) and their respective dependents and beneficiaries, in each case, whenever arising, to the extent arising in connection with or as a result of employment with or the performance of services to any member of the NCR Group, and (iii) any other Liabilities expressly assigned to NCR or any member of the NCR Group under this Agreement. All Assets held in trust to fund the NCR Benefit Plans and all insurance policies funding the NCR Benefit Plans shall be Assets of NCR and Excluded Assets (as defined in the Separation and Distribution Agreement), except to the extent specifically provided otherwise in this Agreement.

(b) From and after the Distribution Date, except as expressly provided in this Agreement or as required by applicable law, Teradata shall assume or retain, as applicable, and Teradata hereby agrees to pay, perform, fulfill and discharge, (i) all Liabilities under all Teradata Benefit Plans and all Liabilities that arise as a result of the actions contemplated by this Agreement, including without limitation, actions contemplated by Section 5.2, to Teradata Employees or Former Teradata Employees, (ii) all Liabilities with respect to the employment, hiring practices or termination of employment of all Teradata Employees, Former Teradata Employees and their respective dependents and beneficiaries, and other service providers (including any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker, or non-payroll worker of Teradata or a member of the Teradata Group or in any other employment, non-employment, or retainer arrangement, or relationship with Teradata or a member of the Teradata Group) and their respective dependents and beneficiaries, in each case, whenever arising, to the extent arising in connection with or as a result of employment with or the performance of services to any member of the Teradata Group and the NCR Group (other than, subject to Section 2.2(b)(i), any liabilities arising under Section 2.2(a)(ii)), and (iii) all Liabilities that are expressly assigned to Teradata or any member of the Teradata Group under this Agreement.

2.3 Teradata Participation in NCR Benefit Plans . Except as expressly provided in this Agreement, effective as of the Effective Time, Teradata and each other member of the Teradata Group shall cease to be a Participating Company in any NCR Benefit Plan, and NCR and Teradata shall take all necessary action before the Distribution Date to effectuate such cessation as a Participating Company.

2.4 Service Recognition . Teradata shall cause the Teradata Benefit Plans with respect to which service is a relevant factor to credit Teradata Employees who are employed by Teradata as of the Distribution, or with respect to those Teradata Employees described in Section 4.1(e), who are employed by Teradata as of the Return Date (as defined in Section 4.1(e)), with service before the Distribution Date or Return Date, as applicable, recognized by NCR under the terms of NCR Benefit Plans with respect to which service is a relevant factor, except (a) to the extent duplication of benefits would result and (b) for purposes of benefit accruals following the Distribution Date or Return Date, as applicable, under any defined benefit pension plan established by Teradata.

2.5 Approval by NCR as Sole Stockholder . Prior to the Distribution, NCR shall cause Teradata to adopt, and shall approve or cause an Affiliate to approve as sole stockholder of Teradata, the Teradata Corporation 2007 Stock Incentive Plan, the Teradata Corporation Management Incentive Plan and the Teradata Corporation Employee Stock Purchase Plan, in each case, substantially in the form attached hereto as Exhibit D , Exhibit E and Exhibit F , respectively.

ARTICLE III
DEFINED CONTRIBUTION AND DEFINED BENEFIT PLANS

3.1 Savings Plan . As soon as practicable (and in no event later than 30 days) after the Distribution Date, Teradata shall establish the Teradata Savings Plan and the Teradata Savings Plan Trust. As soon as practicable following the establishment of the Teradata Savings Plan and the Teradata Savings Plan Trust, NCR shall cause the accounts of the Teradata Employees and Former Teradata Employees under the NCR Savings Plan to be transferred to the Teradata Savings Plan and the Teradata Savings Plan Trust in cash or such other assets as mutually agreed by NCR and Teradata, and Teradata shall cause the Teradata Savings Plan to assume and be solely responsible for all Liabilities under the Teradata Savings Plan to or relating to Teradata Employees and Former Teradata Employees (to the extent assets related to those accounts are transferred from the NCR Savings Plan). NCR and Teradata agree to cooperate in making all appropriate filings and taking all reasonable actions required to implement the provisions of this Section 3.1; provided that Teradata acknowledges that it will be responsible for complying with any requirements and applying for any determination letters with respect to the Teradata Savings Plan.

3.2 Company Match . Prior to the Distribution, NCR shall amend the NCR Savings Plan to provide for the making of matching contributions under the NCR Savings Plan to Teradata Employees for contributions made to the NCR Savings Plan by such Teradata Employees on or prior to the Distribution Date, or, if applicable, the Return Date. As soon as practicable following the Distribution Date but prior to the transfer of accounts to the Teradata Savings Plan and Teradata Savings Plan Trust described in Section 3.1 (the " Match Date "), NCR shall, to the extent (a) permissible under Treasury regulations and (b) such contributions are deemed to be qualified contributions, pursuant to compliance testing of the NCR Savings Plan, contribute to accounts of Teradata Employees under the NCR Savings Plan all matching contributions, if any, due to the Teradata Employees who participate in the NCR Savings Plan through the Distribution Date, or, if applicable, the Return Date, pursuant to the terms and conditions of the NCR Savings Plan. Following the Distribution Date, Teradata shall, to the extent (a) permissible under Treasury regulations and (b) such contributions are deemed to be qualified contributions, pursuant to compliance testing of the Teradata Savings Plan, contribute to the Teradata Savings Plan all matching contributions, if any, due under the terms and conditions of the Teradata Savings Plan to the Teradata Employees who participate in the Teradata Savings Plan from the Distribution Date or, if applicable, the Return Date, through the end of the year in which the Distribution Date or Return Date occurs, as applicable.

3.3 Defined Contribution Plans in Non-US Jurisdictions . The accounts of Teradata Employees under defined contribution plans maintained or sponsored by NCR in jurisdictions outside the United States shall be treated in accordance with Schedule VII attached hereto.

3.4 NCR Pension Plan .

(a) Retention of NCR Pension Plan . Effective as of the Effective Time, NCR shall retain:

(i) sponsorship of the NCR Pension Plan, NCR Employee Provident Fund and their related trusts and any other trust or other funding arrangement established or maintained with respect to such plans, or any Assets held as of the Distribution Date with respect to such plans; and

(ii) all Assets and Liabilities relating to, arising out of or resulting from claims incurred by or on behalf of any individuals with respect to the NCR Pension Plan and the NCR Employee Provident Fund.

(b) Commencement of Pension . Effective as of the Effective Time, or if applicable and subject to the rules of the NCR Pension Plan, the Return Date, each Teradata Employee who is a participant in the NCR Pension Plan shall solely for purposes of the NCR Pension Plan be deemed to have terminated employment with NCR and shall be eligible to request distribution of his or her pension in accordance with the terms of such plan, *provided* that a Teradata Employee's Pension Plus Benefit under the NCR Pension Plan may be transferred in a direct rollover at the election of the Teradata Employee in accordance with the terms of the NCR Pension Plan.

(c) Calculation of Early Reduction Factor . Notwithstanding the foregoing, following the Effective Time, or, if applicable, the Return Date, for each Teradata Employee or Former Teradata Employee who is a participant in the NCR Pension Plan or the NCR Non-Qualified Excess Plan as of immediately prior to the Effective Time or the Return Date, as applicable, continuous service with Teradata and any member of the Teradata Group commencing at and following the Effective Time or the Return Date, as applicable, shall be deemed to be service with NCR for purposes of determining the age of the Teradata Employee or Former Teradata Employee in order to apply the appropriate reduction factor under the NCR Pension Plan to be utilized in determining benefits payable under the NCR Pension Plan or the NCR Corporation Non-Qualified Excess Plan, as applicable, until the date on which the participant terminates from Teradata or, if such employee returns to employment with NCR from Teradata without incurring a break in service, the date on which such employee subsequently terminates employment with NCR; *provided , however* , that, unless otherwise determined by NCR, such an employee employed by, or performing services for, a subsidiary or a division of Teradata and its subsidiaries shall be deemed to incur a termination of employment if, as a result of a Disaffiliation (as defined below), such subsidiary or division ceases to be a subsidiary or division, as the case may be, and such employee does not immediately thereafter become an employee of, or service provider for, Teradata or another subsidiary. "Disaffiliation" shall mean a subsidiary's or division ceasing to be a subsidiary or division for any reason (including, without limitation, as a result of a public offering, or a spin-off or sale by Teradata Corporation, of the stock of the subsidiary) or a sale of a division of Teradata Corporation or its subsidiaries, *provided , further* , that service following the Effective Time or the Return Date, as applicable, shall not be credited for purposes of determining the appropriate reduction factor under the NCR Pension Plan or the age at termination under the NCR Corporation Non-Qualified Excess Plan in the case of any Teradata Employee or Former Teradata Employee who has received a distribution of, or transferred in a direct rollover, the Pension Plus Benefit under the NCR Pension Plan. The provisions of this Section 3.3(b) shall be contingent upon Teradata providing, at its sole expense, information necessary for NCR to determine whether such employees continue to be employed.

(d) Defined Benefit Pension Plans in Non-US Jurisdictions . The benefits provided to Teradata Employees under defined benefit plans maintained or sponsored by NCR, or to which NCR is required to contribute, in jurisdictions outside the United States shall be treated in accordance with Schedule VII attached hereto or, if not set forth in Schedule VII, applicable law.

ARTICLE IV
HEALTH AND WELFARE PLANS

4.1 General .

(a) Establishment of Teradata Health and Welfare Plans . Except as expressly provided in Schedule VII hereto, or as required by applicable law, effective on or before the Effective Time, Teradata shall adopt Health and Welfare Plans for the benefit of Teradata Employees, and Teradata shall be responsible for all Liabilities relating to, arising out of or resulting from health and welfare coverage or claims incurred by or on behalf of Teradata Employees or their covered dependents under the Teradata Health and Welfare Plans on or after the Effective Time.

(b) Retention of Sponsorship and Liabilities . Except as expressly provided in Schedule VII hereto, or as required by applicable law, as of the Effective Time, NCR shall retain:

(i) sponsorship of all NCR Health and Welfare Plans and any trust or other funding arrangement established or maintained with respect to such plans or any Assets held as of the Effective Time with respect to such plans;

(ii) all Liabilities relating to, arising out of, or resulting from health and welfare coverage or claims incurred by or on behalf of NCR Employees, Former NCR Employees, Teradata Employees and Former Teradata Employees, or their covered dependents under the NCR Health and Welfare Plans on or before the Effective Time; and

(iii) except as provided in Section 4.1(c), all Liabilities relating to health and welfare coverage or claims incurred by or on behalf of NCR Employees, Former NCR Employees and Former Teradata Employees or their covered dependents on or after the Effective Time under the NCR Health and Welfare Plans.

Except as provided in this Section 4.1(b) or in Schedule VII hereto, or as required by applicable law, NCR shall not assume any Liability relating to health and welfare claims incurred by or on behalf of Teradata Employees or their covered dependents on or after the Effective Time, and such claims shall be satisfied pursuant to Section 4.1(a). Except as provided in Section 4.1(c), a claim or Liability (1) for medical, dental, vision and/or prescription drug benefits shall be deemed to be incurred upon the rendering of health services or provision of products giving rise to the obligation to pay such benefits; (2) for life insurance and accidental death and dismemberment and business travel accident insurance benefits and workers' compensation benefits shall be deemed to be incurred upon the occurrence of the event giving rise to the entitlement to such benefits; (3) for salary continuation or other disability benefits shall be

deemed to be incurred upon the effective date of an individual's disability giving rise to the entitlement to such benefits; and (4) for a period of continuous hospitalization shall be deemed to be incurred on the date of admission to the hospital.

(c) Certain Specific Claims . Except as expressly provided in Schedule VII hereto, or as required by applicable law, NCR shall be responsible for all Liabilities under the applicable NCR Health and Welfare Plan that relate to, arise out of or result from any period of continuous hospitalization of a Teradata Employee or Former Teradata Employee or his or her covered dependent that begins before the Effective Time under a NCR Health and Welfare Plan and continues after the Effective Time; provided , however , that NCR shall not be responsible for Liabilities in excess of the benefits otherwise provided by the terms of the respective plans. Coverage for any such hospitalization shall be provided after the Effective Time without interruption under the appropriate NCR Health and Welfare Plan until such hospitalization is concluded or discontinued subject to applicable plan rules and limitations.

(d) Out of pocket; deductibles, etc. To the extent legally permissible and subject to the terms of the Teradata Health and Welfare Plans, (i) each Teradata Employee shall be immediately eligible to participate, without any waiting time, in any and all Teradata Health and Welfare Plans to the extent coverage under such Teradata Health and Welfare Plans is replacing comparable coverage under NCR Health and Welfare Plans in which such Teradata Employee participated immediately before the Effective Time; and (ii) for purposes of Teradata Health and Welfare Plans providing medical, dental, pharmaceutical and/or vision benefits to any Teradata Employee, Teradata shall cause all pre-existing condition exclusions and actively-at-work requirements of such Teradata Health and Welfare Plans to be waived for such employee and his or her covered dependents, unless such conditions would not have been waived under the comparable NCR Health and Welfare Plans in which such employee participated immediately prior to the Effective Time; and Teradata shall cause any eligible expenses incurred by such employee and his or her covered dependents during the portion of the plan year of the NCR Health and Welfare Plans ending on the date such employee's participation in the corresponding Teradata Health and Welfare Plans begins to be taken into account under such Teradata Health and Welfare Plans for purposes of determining the satisfaction of all deductible, coinsurance and maximum out-of-pocket requirements applicable to such employee and his or her covered dependents for the applicable plan year as if such amounts had been paid in accordance with such Teradata Health and Welfare Plans.

(e) Approved Leave of Absence . Each NCR Employee who at the Effective Time is on Approved Leave of Absence and who NCR and Teradata intend will become upon return from such Approved Leave of Absence a Teradata Employee shall be listed on Exhibit G . NCR shall retain liability for each such employee until such time as such employee returns from such Approved Leave of Absence (" Return Date "). Upon the Return Date, or on such earlier date as may be required by applicable law, such employee shall become a Teradata Employee and the provisions of this Section 4.1 that otherwise would have been effective as of the Effective Time shall instead be effective with respect to such employee as of the Return Date.

4.2 Flexible Benefit Plan/Health Savings Account . Except as expressly provided in Schedule VII hereto, NCR and Teradata shall take all actions necessary or appropriate so that, effective as of the Effective Time, or, if applicable, the Return Date, (i) the account balances

(whether positive or negative) (the " Transferred Account Balances ") under the NCR Flexible Benefit Plans of the Teradata Employees who are participants in NCR Flexible Benefit Plans (the " Covered Employees ") shall be transferred to one or more comparable plans of Teradata (collectively, the " Teradata Flexible Benefit Plans "); (ii) the elections, contribution levels and coverage levels of the Covered Employees shall apply under the Teradata Flexible Benefit Plans and the Health Savings Account in the same manner as under the NCR Flexible Benefit Plans; and (iii) the Covered Employees shall be reimbursed from the Teradata Flexible Benefit Plans for claims incurred at any time during the plan year of the NCR Flexible Benefit Plans in which the Effective Time or the Return Date, as applicable, occurs and submitted to the Teradata Flexible Benefit Plans from and after the Effective Time or the Return Date, as applicable, on the same basis and the same terms and conditions as under the NCR Flexible Benefit Plans to the extent that such claims have not already been satisfied under the NCR Flexible Benefit Plans prior to the Effective Time or the Return Date, as applicable. As soon as practicable after the Effective Time or the Return Date, as applicable, and in any event within 10 business days after the amount of the Transferred Account Balances is determined, NCR shall pay Teradata the net aggregate amount of the Transferred Account Balances, if such amount is positive, and Teradata shall pay NCR the net aggregate amount of the Transferred Account Balances, if such amount is negative.

4.3 Workers' Compensation Liabilities . Except as provided below or as expressly provided in Schedule VII hereto, all workers' compensation Liabilities relating to, arising out of, or resulting from any claim by a NCR Employee, Former NCR Employee, Teradata Employee or Former Teradata Employee that results from an accident occurring, or from an occupational disease which becomes manifest, before the Effective Time shall be retained by NCR. All workers' compensation Liabilities relating to, arising out of, or resulting from any claim by a NCR Employee, Former NCR Employee or Former Teradata Employee that results from an accident occurring, or from an occupational disease which becomes manifest, on or after the Effective Time shall be retained by NCR. All workers' compensation Liabilities relating to, arising out of, or resulting from any claim by a Teradata Employee that results from an accident occurring, or from an occupational disease which becomes manifest, after the Effective Time shall be retained by Teradata. Notwithstanding the foregoing, all workers' compensation Liabilities relating to, arising out of, or resulting from any claim by a Teradata Employee who is described in Section 4.1(e) that results from an accident occurring, or from an occupational disease which becomes manifest, before the Return Date shall be retained by NCR. For purposes of this Agreement, a compensable injury shall be deemed to be sustained upon the occurrence of the event giving rise to eligibility for workers' compensation benefits or the date upon which an occupational disease becomes manifest, as the case may be. NCR and Teradata shall cooperate with respect to information necessary or appropriate to manage claims, including any notification to appropriate governmental agencies of the Distribution and the issuance of new, or the transfer of existing, workers' compensation insurance policies and claims handling contracts.

4.4 Payroll Taxes and Reporting of Compensation . NCR and Teradata shall take such action as may be reasonably necessary or appropriate in order to minimize Liabilities related to payroll taxes after the Distribution Date. NCR and Teradata shall each bear its responsibility for payroll tax obligations and for the proper reporting to the appropriate governmental authorities of compensation earned by their respective employees after the Effective Time, including compensation related to the exercise of Options.

4.5 NCR Post-Retirement Welfare Benefits Plan .

(a) Retention of NCR Post-Retirement Welfare Benefits Plan . Except as expressly provided in Schedule VII hereto, or as required by applicable law, as of the Distribution Date, NCR shall retain (i) sponsorship of the NCR Post-Retirement Welfare Benefits Plan and any trust or other funding arrangement established or maintained with respect to such plan, or any Assets held as of the Distribution Date with respect to such plan; and (ii) all Liabilities relating to, arising out of, or resulting from retiree health and welfare coverage or claims incurred by or on behalf of NCR Employees, Former NCR Employees, Former Teradata Employees or their covered dependents under the NCR Post-Retirement Welfare Benefits Plan. NCR shall not assume any Liability relating to post-retirement welfare claims incurred by or on behalf of Teradata Employees or their covered dependents after the Distribution Date, and such claims shall be satisfied by Teradata, if at all, pursuant to Section 4.5(b), *provided* that for each Teradata Employee (A) who is eligible to participate in the NCR Post-Retirement Welfare Benefits Plan as of immediately prior to the Effective Time, or, if applicable, the Return Date, (B) who continuously serves with Teradata and any member of the Teradata Group commencing at and following the Effective Time or the Return Date, as applicable, and (C) who has not received a distribution of, or transferred in a direct rollover the Pension Plus Benefit under the NCR Pension Plan, NCR shall not commence coverage under the NCR Post-Retirement Welfare Benefits Plan in accordance with the terms thereof until the date on which the participant terminates from Teradata or, if such employee returns to employment with NCR from Teradata without incurring a break in service, the date on which such employee subsequently terminates employment with NCR; *provided , however ,* that, unless otherwise determined NCR, such an employee employed by, or performing services for, a subsidiary or a division of Teradata and its subsidiaries shall be deemed to incur a termination of employment if, as a result of a Disaffiliation (as defined below), such subsidiary or division ceases to be a subsidiary or division, as the case may be, and such employee does not immediately thereafter become an employee of, or service provider for, Teradata or another subsidiary. Eligibility for coverage under the Teradata Corporation health care plan for active employees or the Teradata Corporation long-term disability health care plan shall be deemed to be the equivalent of eligibility for coverage under the NCR Health Care Plan or the NCR Long-Term Disability Health Care Plan, respectively, for purposes of the NCR Post-Retirement Welfare Benefit Plan.

(b) Teradata Post-Retirement Welfare Benefits Plans . Effective as of the Distribution Date, (i) Teradata may, in its sole discretion, adopt Post-Retirement Welfare Benefits Plans for the benefit of Teradata Employees, and (ii) Teradata shall be responsible for all Liabilities relating to, arising out of or resulting from health and welfare coverage or claims incurred by or on behalf of Teradata Employees or their covered dependents under the Teradata Post-Retirement Welfare Benefits Plans, if any.

4.6 COBRA and HIPAA Compliance . NCR shall be responsible for administering compliance with the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the NCR Health and Welfare Plans with respect to Teradata Employees and their covered dependents who incur a COBRA qualifying event or loss of coverage under the NCR Health and Welfare Plans at any time prior to the Effective Time. Effective as of the Effective Time, Teradata or another member of the Teradata Group shall be responsible for administering compliance with the health

care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the Teradata Health and Welfare Plans with respect to Teradata Employees and their covered dependents who incur a COBRA qualifying event or loss of coverage under the Teradata Health and Welfare Plans at any time on or after the Effective Time. The parties hereto agree that the consummation of the transactions contemplated by this Agreement and the Separation and Distribution Agreement shall not constitute a COBRA qualifying event for any purpose of COBRA.

4.7 Vendor Contracts .

(a) Third-Party ASO Contracts, Group Insurance Policies and HMOs . NCR and Teradata shall use commercially reasonable efforts to obligate the third party administrator of each administrative-services-only contract with a third-party administrator that relates to any of the NCR Health and Welfare Plans (an " ASO Contract "), each group insurance policy that relates to any of the NCR Health and Welfare Plans (" Group Insurance Policies ") and each agreement with a Health Maintenance Organization that provides medical services under the NCR Health and Welfare Plans (" HMO Agreements "), in each case, in existence as of the date of this Agreement that is applicable to Teradata Employees, to enter into a separate ASO Contract, Group Insurance Policy and HMO Agreement, as applicable, with Teradata providing for substantially similar terms and conditions as are contained in the ASO Contracts, Group Insurance Policies and HMO Agreements, as applicable, to which NCR is a party. Such terms and conditions shall include the financial and termination provisions, performance standards, methodology, auditing policies, quality measures and reporting requirements.

(b) Effect of Change in Rates . NCR and Teradata shall use commercially reasonable efforts to cause each of the insurance companies and third-party administrators providing services and benefits under the NCR Health and Welfare Plans and the Teradata Health and Welfare Plans to maintain the premium and/or administrative rates based on the aggregate number of participants in both the NCR Health and Welfare Plans and the Teradata Health and Welfare Plans as of immediately prior to the Effective Date through the end of the year in which the Effective Date occurs. To the extent they are not successful in such efforts, NCR and Teradata shall each bear the revised premium or administrative rates attributable to the individuals covered by their respective Health and Welfare Plans.

ARTICLE V
EXECUTIVE BENEFITS AND OTHER BENEFITS

5.1 NCR Executive Incentive Plan and the Annual Incentive Plan .

(a) Teradata Post-Effective Time Bonus Awards . Teradata shall be responsible for paying all bonus awards that otherwise would have been payable under the NCR Management Incentive Plan, the Business Performance Plan and the Sales Compensation Plan to Teradata Employees and, if and to the extent applicable, Former Teradata Employees, for the performance periods that end after the Effective Time (including, for the avoidance of doubt, any performance period for which NCR determines the level of performance for the period ending at or immediately prior to the Effective Time that is paid subsequent to the Effective Time).

Teradata shall also determine for Teradata Employees and, if applicable, Former Teradata Employees (i) the extent to which established performance criteria (as interpreted by Teradata, in its sole discretion) for such periods have been met, and (ii) the payment level for each Teradata Employee and Former Teradata Employee. Teradata shall assume all Liabilities with respect to any such bonus awards payable to Teradata Employees and Former Teradata Employees for such periods.

(b) NCR Bonus Awards . NCR shall be responsible for determining all bonus awards that are payable under the NCR Management Incentive Plan, the Business Performance Plan and the Sales Compensation Plan (i) to NCR Employees for the performance periods that end after the Effective Time and (ii) to NCR Employees, Teradata Employees and Former Teradata Employees for the performance periods that end on or prior to the Effective Time. NCR shall also determine for such employees (i) the extent to which established performance criteria have been met, and (ii) the payment level for each such employee. NCR shall retain all Liabilities with respect to any such bonus awards payable (i) to NCR Employees for the performance periods that end after the Effective Time and (ii) to NCR Employees, Teradata Employees and Former Teradata Employees for the performance periods that end on or prior to the Effective Time.

5.2 NCR Long-Term Incentive Plans . NCR and Teradata shall use commercially reasonable efforts to take all actions necessary or appropriate so that each outstanding Award granted under any NCR Long-Term Incentive Plan held by any individual shall be adjusted as set forth in this Section 5.2.

(a) Old NCR Options Held by NCR Employees . As determined by the Compensation and Human Resources Committee of the NCR Board of Directors (the " Committee ") in its sole discretion pursuant to its authority under the applicable NCR Long-Term Incentive Plan, each Old NCR Option held by an NCR Employee as of the Effective Time shall be subject to the same terms and conditions after the Effective Time as the terms and conditions applicable to such Old NCR Option immediately prior to the Effective Time; provided , however , that subsequent to the Effective Time (i) the number of shares of NCR Common Stock subject to such New NCR Option shall be equal to the product of (x) the number of shares of NCR Common Stock subject to such Old NCR Option immediately prior to the Effective Time and (y) the NCR Ratio, rounded down to the nearest whole share; and (ii) the per share exercise price of such New NCR Option shall be equal to the quotient obtained by dividing (x) the per share exercise price of such Old NCR Option immediately prior to the Effective Time by (y) the NCR Ratio, rounded up to the nearest whole cent.

(b) Old NCR Options Held by Teradata Employees . As determined by the Committee in its sole discretion pursuant to its authority under the applicable NCR Long-Term Incentive Plan, each Old NCR Option held by a Teradata Employee, including Teradata Employees described in Section 4.1(e) despite the fact that the Effective Time precedes the Return Date, as applicable, as of the Effective Time shall be converted into a Teradata Option and shall otherwise be subject to the same vesting and exercisability provisions after the Effective Time as immediately prior to the Effective Time; provided , however , that from and after the Effective Time (i) the number of shares of Teradata Common Stock subject to such Option shall be equal to the product of (x) the number of shares of NCR Common Stock subject

to such Old NCR Option immediately prior to the Effective Time and (y) the Teradata Ratio, rounded down to the nearest whole share; (ii) the per share exercise price of such Teradata Option shall be equal to the quotient obtained by dividing (x) the per share exercise price of such Old NCR Option immediately prior to the Effective Time by (y) the Teradata Ratio, rounded up to the nearest whole cent; and (iii) except as provided above, the terms and conditions of such Teradata Options shall be governed by the terms of the Teradata Corporation 2007 Stock Incentive Plan.

(c) Old NCR Options Held by Former NCR Employees and Former Teradata Employees . As determined by the Committee in its sole discretion pursuant to its authority under the applicable NCR Long-Term Incentive Plan, each Old NCR Option held by a Former NCR Employee or Former Teradata Employee as of the Effective Time shall be converted into both a Teradata Option and a New NCR Option; provided , however , that from and after the Effective Time (i) the number of shares of Teradata Common Stock subject to the Teradata Option will equal the number of shares of NCR Common Stock subject to the Old NCR Option outstanding as of immediately before the Effective Time; (ii) the number of shares of NCR Common Stock subject to the New NCR Option will equal the number of shares of NCR Common Stock subject to the Old NCR Option outstanding as of immediately before the Effective Time; (iii) the per share exercise price of such New NCR Option shall be equal to the quotient obtained by dividing (x) the per share exercise price of such Old NCR Option immediately prior to the Effective Time by (y) the NCR Ratio, rounded up to the nearest whole cent; (iv) the per share exercise price of the Teradata Option shall be equal to the quotient obtained by dividing (x) the per share exercise price of the Old NCR Option immediately prior to the Effective Time by (y) the Teradata Ratio, rounded up to the nearest whole cent; (v) except as provided above, the New NCR Options shall otherwise be subject to the same terms and conditions after the Effective Time as the terms and conditions applicable to such Old NCR Option immediately prior to the Effective Time; and (vi) except as provided above, the terms and conditions of the Teradata Options shall be governed by the terms of the Teradata Corporation 2007 Stock Incentive Plan. For purposes of this Section 5.2(c), “Former NCR Employee” shall include individuals who are or were as of August 28, 2007 non-employee directors of NCR.

(d) NCR Restricted Stock Units and NCR Restricted Stock Held by NCR Employees and Former NCR Employees . As determined by the Committee in its sole discretion pursuant to its authority under the applicable NCR Long-Term Incentive Plan, each Old NCR Restricted Stock Unit and share of Old NCR Restricted Stock held by an NCR Employee or a Former NCR Employee shall be converted into a New NCR Restricted Stock Unit or a share of New NCR Restricted Stock, respectively, which shall be subject to the same terms and conditions after the Effective Time as the terms and conditions applicable to such Old NCR Restricted Stock Unit or Old NCR Restricted Stock immediately prior to the Effective Time; provided , however , that from and after the Effective Time, the number of shares of NCR Common Stock covered by each New NCR Restricted Stock Unit or number of shares of New NCR Restricted Stock held by the participant, as applicable, rounded to the nearest whole share, shall be equal to the product of (i) the number of shares of NCR Common Stock covered by such Old NCR Restricted Stock Unit or the number of shares of Old NCR Restricted Stock immediately prior to the Effective Time and (ii) the NCR Ratio.

(e) NCR Restricted Stock Units and NCR Restricted Stock Held by Teradata Employees and Former Teradata Employees . As determined by the Committee in its sole discretion pursuant to its authority under the applicable NCR Long-Term Incentive Plan, each Old NCR Restricted Stock Unit and share of Old NCR Restricted Stock held by a Teradata Employee, including Teradata Employees described in Section 4.1(e) despite the fact that the Effective Time precedes the Return Date, as applicable, or a Former Teradata Employee as of the Effective Time shall be converted into a Teradata Restricted Stock Unit or a share of Teradata Restricted Stock, and shall otherwise be subject to the vesting conditions after the Effective Time as the vesting conditions applicable to such Old NCR Restricted Stock Unit or shares of Old NCR Restricted Stock immediately prior to the Effective Time; provided , however , that from and after the Effective Time, (i) the number of shares of Teradata Common Stock covered by such Teradata Restricted Stock Unit or number of shares of Teradata Restricted Stock held by the participant, as applicable, rounded to the nearest whole share, shall be equal to the product of (x) the number of shares of NCR Common Stock covered by such Old NCR Restricted Stock Unit or the number of shares of Old NCR Restricted Stock immediately prior to the Effective Time and (y) the Teradata Ratio; and (ii) except as provided above, the terms and conditions of such Teradata Restricted Stock and Teradata Restricted Stock Units shall be governed by the terms of the Teradata Corporation 2007 Stock Incentive Plan.

(f) NCR Restricted Stock Units and NCR Restricted Stock Held by Non-Employee Directors . As determined by the Committee in its sole discretion pursuant to its authority under the applicable NCR Long-Term Incentive Plan, each Old NCR Restricted Stock Unit and share of Old NCR Restricted Stock held as of the Effective Time by individuals who are or were as of August 28, 2007 non-employee directors of NCR shall be converted into both a Teradata Restricted Stock Unit and a New NCR Restricted Stock Unit; provided , however , that subsequent to the Effective Time (i) the number of shares of Teradata Common Stock subject to the Teradata Restricted Stock Unit will equal the number of shares of NCR Common Stock subject to the Old NCR Restricted Stock Unit outstanding as of immediately before the Effective Time; (ii) the number of shares of NCR Common Stock subject to the New NCR Restricted Stock Unit will equal the number of shares of NCR Common Stock subject to the Old NCR Restricted Stock Unit as of immediately before the Effective Time; (iii) except as provided above, the New NCR Restricted Stock Units shall otherwise be subject to the same terms and conditions after the Effective Time as the terms and conditions applicable to such Old NCR Restricted Stock Unit immediately prior to the Effective Time; and (iv) except as provided above, the terms and conditions of the Teradata Restricted Stock Units shall be governed by the terms of the Teradata Corporation 2007 Stock Incentive Plan.

(g) Foreign Grants/Awards . To the extent that the NCR Awards are granted to non-U.S. employees under any domestic or foreign equity-based incentive program sponsored by a member of the NCR Group, NCR and Teradata shall use their commercially reasonable efforts to preserve, at and after the Effective Time, the value and tax treatment accorded to such NCR Awards granted to non-U.S. employees under any domestic or foreign equity-based incentive program sponsored by any member of the NCR Group.

(h) Miscellaneous Award Terms . After the Distribution Date, NCR Awards adjusted pursuant to Section 5.2, regardless of by whom held, shall be settled by NCR pursuant to the terms of the NCR Long-Term Incentive Plan, and Teradata Awards, regardless of by

whom held, shall be settled by Teradata pursuant to the terms of the Teradata Stock Incentive Plan. The Distribution shall not constitute a termination of employment for any Teradata Employee for purposes of any Award (for the avoidance of doubt, the foregoing shall apply to obligations under any deferred compensation plans).

(i) Waiting Period for Exercisability of Options and Grant of Options and Awards . The NCR Options and Teradata Options shall not be exercisable during a period beginning on a date prior to the Distribution Date determined by NCR in its sole discretion, and continuing until the NCR Initial Stock Value and the NCR Stock Value are determined immediately after the Distribution, or such longer period as NCR determines necessary to implement the provisions of this Section 5.2.

(j) Restrictive Covenants .

(i) Following the Distribution Date, Teradata shall use its commercially reasonable efforts to monitor the Teradata Employees and Former Teradata Employees to determine whether any such Teradata Employees or Former Teradata Employees have breached any of the restrictive covenants in the agreements evidencing the terms of their Teradata Awards received as a result of the Award conversions described in this Section 5.2. As soon as practicable following Teradata's actual knowledge that a Teradata Employee or Former Teradata Employee who is or was global grade level 15 or above has, or reasonably may be believed to have, breached any such covenant, Teradata shall provide NCR in writing with the name and address of such employee or former employee and the name and address of the enterprise in which such employee or former employee is believed to have been engaged. Notwithstanding the foregoing or anything in any agreement evidencing the terms of any Teradata Awards to the contrary, it shall not be a violation of any non-competition or non-solicitation of clients or customers covenant under such awards for a holder of a Teradata Award to engage in acts on behalf of Teradata or a member of the Teradata Group that are otherwise prohibited by the terms of such non-competition or non-solicitation of clients or customers covenants. To the extent that a Teradata Award described herein contains one or more restrictive covenants, NCR shall be deemed an intended, express third-party beneficiary to such Teradata Award such that NCR may enforce such covenants against the Teradata Employee or Former Teradata Employee for violations of such covenants occurring during the twelve-month period beginning upon the Effective Time.

(ii) Following the Distribution Date, NCR shall use its commercially reasonable efforts to monitor the NCR Employees and Former NCR Employees to determine whether any such NCR Employees or Former NCR Employees have breached any of the restrictive covenants in the agreements evidencing the terms of their new NCR Awards received as a result of the Award conversions described in this Section 5.2. As soon as practicable following NCR's actual knowledge that an NCR Employee or Former NCR Employee who is or was global grade level 15 or above has, or reasonably may be believed to have, breached any such covenant, NCR shall provide Teradata writing with the name and address of such employee or former employee and the name and address of the enterprise in which such employee or former employee is believed to have been engaged. Notwithstanding the foregoing or anything in any agreement evidencing the terms of any new NCR Awards to the contrary, it shall not be a violation of any non-competition or non-solicitation of clients or customers

covenant under such awards for a holder of a new NCR Award to engage in acts on behalf of NCR or a member of the NCR Group that are otherwise prohibited by the terms of such non-competition or non-solicitation of clients or customers covenants. To the extent that a new NCR Award described herein contains one or more restrictive covenants, Teradata shall be deemed an intended, express third-party beneficiary to such Award such that Teradata may enforce such covenants against the NCR Employee or Former NCR Employee for violations of such covenants occurring during the twelve-month period beginning upon the Effective Time.

5.3 Registration Requirements . As soon as possible following the time as of which the Registration Statement (as defined in the Separation and Distribution Agreement) is declared effective by the Securities and Exchange Commission but in any case before the Distribution Date and before the date of issuance or grant of any Teradata Option and/or shares of Teradata Common Stock pursuant to this Article V, Teradata agrees that it shall file a Form S-8 Registration Statement with respect to and cause to be registered pursuant to the Securities Act of 1933, as amended, the shares of Teradata Common Stock authorized for issuance under the Teradata Stock Incentive Plan as required pursuant to such Act and any applicable rules or regulations thereunder, with such registration to be effective on or prior to the Distribution Date.

5.4 NCR Non-Qualified Retirement Plans . Effective as of the Effective Time, NCR shall retain sponsorship of the NCR Non-Qualified Retirement Plans and their related trusts and any other trusts or other funding arrangements established or maintained with respect to such plans, or any Assets held as of the Distribution Date with respect to such plans; and, subject to Section 5.2(h), all Assets and Liabilities relating to, arising out of or resulting from claims incurred by or on behalf of any individuals with respect to benefits under the NCR Non-Qualified Retirement Plans.

5.5 Severance Plans . Except as expressly provided in Schedule VII hereto, or as required by applicable law, (a) as of the Effective Time, NCR shall retain all Liabilities relating to the NCR Severance Pay Program and all Liabilities relating to, arising out of, or resulting from claims incurred by or on behalf of any NCR Employee or Former NCR Employee under such plans and Teradata shall assume or retain, as applicable, all Liabilities relating to the NCR Severance Pay Program and all Liabilities relating to, arising out of, or resulting from claims incurred by or on behalf of any Teradata Employee or Former Teradata Employee under such plans; (b) a Teradata Employee shall not be deemed to have terminated employment for purposes of determining eligibility for benefits under the NCR Severance Pay Program or other similar plans and programs in connection with or in anticipation of the consummation of the transactions contemplated by the Separation and Distribution Agreement, and shall cease to be covered thereby as of the Effective Time and (c) Teradata shall be solely responsible for all Liabilities in respect of all costs arising out of payments and benefits relating to the termination or alleged termination of any Teradata Employee's employment that occurs as a result of or in connection with or following the consummation of the transactions contemplated by the Separation and Distribution Agreement, including any amounts required to be paid (including any payroll or other taxes), and the costs of providing benefits, under any applicable severance, separation, redundancy, termination or similar plan, program, practice, contract, agreement, law or regulation (such benefits to include any medical or other welfare benefits, outplacement benefits, accrued vacation, and taxes) (it being understood that, for the avoidance of doubt, if NCR or a member of the NCR Group is required pursuant to applicable law to pay any such severance

amount, to the extent permitted by applicable law, Teradata shall reimburse NCR for such amount upon request which shall include reasonable proof of, and grounds for, such payment).

5.6 Employee Stock Purchase Plan . Each Teradata Employee and Former Teradata Employee shall be deemed to have terminated employment as of the Effective Time for purposes of the NCR Employee Stock Purchase Plan and shall cease to participate in such plan as of the Effective Time.

5.7 Unused Vacation Pay . For purposes of determining any Teradata Employee's entitlement to distribution of accrued vacation pay, a Teradata Employee shall not be deemed to have terminated employment as a result of the his or her transfer to a member of the Teradata Group.

ARTICLE VI
GENERAL AND ADMINISTRATIVE

6.1 Sharing of Participant Information . NCR and Teradata shall share, and NCR shall cause each other member of the NCR Group to share, and Teradata shall cause each other member of the Teradata Group to share with each other and their respective agents and vendors (without obtaining releases) all participant information necessary for the efficient and accurate administration of each of the Teradata Benefit Plans and the NCR Benefit Plans, to the fullest extent permitted by applicable law. NCR and Teradata and their respective authorized agents shall, subject to applicable laws, be given reasonable and timely access to, and may make copies of, all information relating to the subjects of this Agreement in the custody of the other party, to the extent necessary for such administration. Until the Effective Time, all participant information shall be provided in the manner and medium applicable to participating companies in Benefit Plans of NCR generally, and thereafter, all participant information shall be provided in a manner and medium as may be mutually agreed to by NCR and Teradata. Without limiting the generality of the foregoing, within 10 days following the end of each fiscal quarter of NCR following the Effective Time, Teradata shall provide to NCR, at Teradata's sole expense, a list of each Teradata Employee who is entitled to benefits under Section 3.4(c) or 4.5(a) and has terminated employment with Teradata, including a termination by reason of a Disaffiliation, and the date of termination of such Teradata Employee in order that NCR may provide the benefits to such Teradata Employees pursuant to Sections 3.4(c) and 4.5(a), respectively.

6.2 Reasonable Efforts/Cooperation . Each of the parties hereto will use its commercially reasonable efforts to promptly take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate the transactions contemplated by this Agreement. Each of the parties hereto shall cooperate fully on any issue relating to the transactions contemplated by this Agreement for which the other party seeks a determination letter or private letter ruling from the Internal Revenue Service, an advisory opinion from the Department of Labor or any other filing, consent or approval with respect to or by a governmental agency.

6.3 No Third-Party Beneficiaries . This Agreement is solely for the benefit of the Parties and is not intended to confer upon any other Persons any rights or remedies hereunder.

Except as expressly provided in this Agreement, nothing in this Agreement shall preclude NCR or any other member of the NCR Group, at any time after the Effective Time, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any NCR Benefit Plan, any benefit under any Benefit Plan or any trust, insurance policy or funding vehicle related to any NCR Benefit Plan. Except as expressly provided in this Agreement, nothing in this Agreement shall preclude Teradata or any other member of the Teradata Group, at any time after the Effective Time, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any Teradata Benefit Plan, any benefit under any Benefit Plan or any trust, insurance policy or funding vehicle related to any Teradata Benefit Plan.

6.4 Audit Rights With Respect to Information Provided .

(a) Each of NCR and Teradata, and their duly authorized representatives, shall have the right to conduct reasonable audits with respect to all information required to be provided to it by the other party under this Agreement, provided that the party conducting the audit (the " Auditing Party ") shall have provided 30 days' prior written notice to the other party prior to the audit, unless a shorter amount of time is required in order to comply with applicable law, court or governmental order. The Auditing Party may adopt reasonable procedures and guidelines for conducting audits and the selection of audit representatives under this Section 6.4. The Auditing Party shall have the right to make copies of any records at its expense, subject to any restrictions imposed by applicable laws and to any confidentiality provisions set forth in the Separation and Distribution Agreement, which are incorporated by reference herein. The party being audited shall provide the Auditing Party's representatives with reasonable access during normal business hours to its operations, computer systems and paper and electronic files, and provide workspace to its representatives. After any audit is completed, the party being audited shall have the right to review a draft of the audit findings and to comment on those findings in writing within ten business days after receiving such draft.

(b) The Auditing Party's audit rights under this Section 6.4 shall include the right to audit, or participate in an audit facilitated by the party being audited, of any Subsidiaries and Affiliates of the party being audited and to require the other party to request any benefit providers and third parties with whom the party being audited has a relationship, or agents of such party, to agree to such an audit to the extent any such persons are affected by or addressed in this Agreement (collectively, the " Non-parties "). The party being audited shall, upon written request from the Auditing Party, provide an individual (at the Auditing Party's expense) to supervise any audit of a Non-party. The Auditing Party shall be responsible for supplying, at the Auditing Party's expense, additional personnel sufficient to complete the audit in a reasonably timely manner. The responsibility of the party being audited shall be limited to providing, at the Auditing Party's expense, a single individual at each audited site for purposes of facilitating the audit.

6.5 Fiduciary Matters . It is acknowledged that actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other applicable law, and no party shall be deemed to be in violation of this Agreement if it fails to comply with any provisions hereof based upon its good faith determination that to do so would violate such a fiduciary duty or standard. Each party shall be responsible for taking such actions

as are deemed necessary and appropriate to comply with its own fiduciary responsibilities and shall fully release and indemnify the other party for any Liabilities to the extent caused by the failure to satisfy any such responsibility.

6.6 Consent of Third Parties . If any provision of this Agreement is dependent on the consent of any third party (such as a vendor or employee) and such consent is withheld, the parties hereto shall use their commercially reasonable efforts to implement the applicable provisions of this Agreement to the full extent practicable. If any provision of this Agreement cannot be implemented due to the failure of such third party to consent, the parties hereto shall negotiate in good faith to implement the provision in a mutually satisfactory manner. The phrase "commercially reasonable efforts" as used herein shall not be construed to require any party to incur any non-routine or unreasonable expense or Liability or to waive any right.

6.7 Non-Solicitation/Non-Hire of Service Providers .

(a) NCR shall not, at any time during the 12-month period following the Effective Time (the " Restricted Period "), without the prior written consent of the Chief Executive Officer of Teradata, directly or indirectly, solicit, recruit or hire (whether as an employee, officer or director) any "Restricted Person" (as defined below). Further, during the Restricted Period, NCR shall not willfully encourage or induce any management employee who is global grade level 15 or above of Teradata or any member of the Teradata Group with the intent that such person cease his or her employment relationship with Teradata or any member of the Teradata Group by expressly or implicitly offering or promising anything of value to the then-current employee. For purposes of this Section, the term "Restricted Person" shall mean any person who is during the Restricted Period, or was at any time during the three months prior to such solicitation, recruitment or hiring, an employee, officer or director of Teradata or any member of the Teradata Group, and notwithstanding the foregoing, shall not include (and the foregoing provisions of this Section shall not apply to) (i) any officer or employee whose employment with Teradata or any member of the Teradata Group is terminated by Teradata or any member of the Teradata Group without "cause" including by reason of a reduction-in-force; (ii) any person whose employment with Teradata or any member of the Teradata Group is terminated by Teradata or any member of the Teradata Group after the Effective Time for "cause" as determined by Teradata or any member of the Teradata Group at the time of such termination; (iii) any person who is serving, or has at any time served, Teradata or any member of the Teradata Group solely as an intern and does not serve, and has not served, Teradata or any member of the Teradata Group in any other capacity; or (iv) for the avoidance of doubt, any person other than a non-employee director of Teradata serving Teradata or any member of the Teradata Group solely as an independent contractor. Notwithstanding anything to the contrary set forth above in this Section, (a) the foregoing prohibitions on recruitment, solicitation, inducing and encouraging do not apply to actions taken by NCR solely as a result of an employee's affirmative response to a general recruitment effort carried out through a public solicitation or general solicitation so long as such solicitation is not targeted at directors, officers or employees of Teradata or any member of the Teradata Group (it being understood that the foregoing non-hire covenants would still be applicable and that NCR would provide such applicant notice of the restrictions set forth in the Section), and (b) to the extent necessary to comply with any applicable ethical standards governing the conduct of attorneys, the foregoing provisions of this Section shall not apply in a manner that would restrict the right of a lawyer to provide services to NCR after termination of the lawyer's relationship with Teradata or any member of the Teradata Group.

(b) Teradata shall not, at any time during the Restricted Period, without the prior written consent of the Chief Executive Officer of NCR, directly or indirectly, solicit, recruit or hire (whether as an employee, officer or director) any "Restricted Person" (as defined below). Further, during the Restricted Period, Teradata shall not willfully encourage or induce any management employee who is global grade level 15 or above of NCR or any member of the NCR Group with the intent that such person cease his or her employment relationship with NCR or any member of the NCR Group for any reason by expressly or implicitly offering or promising anything of value to the then-current employee. For purposes of this Section, the term "Restricted Person" shall mean any person who is during the Restricted Period, or was at any time during the three months prior to such solicitation, recruitment or hiring, an employee, officer or director of NCR or any member of the NCR Group, and notwithstanding the foregoing, shall not include (and the foregoing provisions of this Section shall not apply to) (i) any officer or employee whose employment with NCR or any member of the NCR Group is terminated by NCR or any member of the NCR Group without "cause" including by reason of a reduction-in-force; (ii) any person whose employment with NCR or any member of the NCR Group is terminated by NCR or any member of the NCR Group after the Effective Time for "cause" as determined by NCR or any member of the NCR Group at the time of such termination; (iii) any person who is serving, or has at any time served, NCR or any member of the NCR Group solely as an intern and does not serve, and has not served, NCR or any member of the NCR Group in any other capacity; or (iv) for the avoidance of doubt, any person other than a director of NCR serving NCR or any member of the NCR Group solely as an independent contractor. Notwithstanding anything to the contrary set forth above in this Section, (a) the foregoing prohibitions on recruitment, solicitation, inducing and encouraging do not apply to actions taken by Teradata solely as a result of an employee's affirmative response to a general recruitment effort carried out through a public solicitation or general solicitation so long as such solicitation is not targeted at directors, officers or employees of NCR or any member of the NCR Group (it being understood that the foregoing non-hire covenants would still be applicable and that Teradata would provide such applicant notice of the restrictions set forth in the Section) and (b) to the extent necessary to comply with any applicable ethical standards governing the conduct of attorneys, the foregoing provisions of this Section shall not apply in a manner that would restrict the right of a lawyer to provide services to Teradata after termination of the lawyer's relationship with NCR or any member of the NCR Group.

ARTICLE VII

7.1 Further Actions . The parties hereto agree to take, or to cause to be taken, all actions required by of Schedule VII hereto, the provisions of which are incorporated by reference and made a part of this Agreement.

ARTICLE VIII
MISCELLANEOUS

8.1 Effect If Distribution Does Not Occur . If the Separation and Distribution Agreement is terminated prior to the Distribution Date, then all actions and events that are, under this Agreement, to be taken or occur effective immediately prior to or as of the Effective Time, or immediately after the Effective Time, or otherwise in connection with the Separation Transactions shall not be taken or occur except to the extent specifically agreed by NCR and Teradata.

8.2 Relationship of Parties . Nothing in this Agreement shall be deemed or construed by the parties or any third party as creating the relationship of principal and agent, partnership or joint venture between the parties, it being understood and agreed that no provision contained herein, and no act of the parties, shall be deemed to create any relationship between the parties other than the relationship set forth herein.

8.3 Affiliates . Each of NCR and Teradata shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by another member of the NCR Group or a member of the Teradata Group, respectively.

8.4 Notices . All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed given to a party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by facsimile with confirmation of transmission by the transmitting equipment; or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses and facsimile numbers and marked to the attention of the person (by name or title) designated below (or to such other address, facsimile number or person as a party may designate by notice to the other parties):

(a) if to NCR:

NCR Corporation
General Counsel – NOTICES
1700 S. Patterson Blvd., WHQ-1
Dayton, OH 45479
Facsimile: (937) 445-7214

(b) if to Teradata:

Teradata Corporation
General Counsel – NOTICES

Law.notices@teradata.com
On or before December 31, 2007 :
1700 S. Patterson Blvd., WHQ-4
Dayton, Ohio 45479
After December 31, 2007 :
2835 Miami Village Drive
Miamisburg, OH 45342

8.5 Incorporation of Separation and Distribution Agreement Provisions . The following provisions of the Separation and Distribution Agreement are hereby incorporated herein by reference, and unless otherwise expressly specified herein, such provisions shall apply as if fully set forth herein (references in this Section 8.5 to an "Article" or "Section" shall mean Articles or Sections of the Separation and Distribution Agreement, and references in the material incorporated herein by reference shall be references to the Separation and Distribution Agreement): Articles VIII, IX, X and XI.

IN WITNESS WHEREOF, the parties have caused this Employee Benefits Agreement to be duly executed as of the day and year first above written.

NCR CORPORATION

By: _____
Name:
Title:

TERADATA CORPORATION

By: _____
Name:
Title:

EXCLUSIVE PATENT LICENSE

THIS EXCLUSIVE PATENT LICENSE (hereinafter "EPL") is effective as of _____, by and between NCR Corporation, a Maryland corporation, having a principal place of business at 1700 S. Patterson Blvd., Dayton, Ohio 45479 (hereinafter "NCR"), and Teradata US, Inc., a Delaware corporation, having a principal place of business at 1700 S. Patterson Blvd., Dayton, Ohio 45479 (hereinafter "Teradata"), each hereinafter referred to as a "Party."

RECITALS

WHEREAS, the Board of Directors of NCR has determined that it is in the best interests of NCR and its shareholders to separate NCR's existing businesses into two independent businesses;

WHEREAS, in furtherance of the foregoing, it is appropriate and desirable to transfer the Teradata Assets to Teradata and its Subsidiaries and to cause Teradata and its Subsidiaries to assume the Teradata Liabilities;

WHEREAS, NCR and Teradata Corporation are executing a Separation and Distribution Agreement (the "Separation Agreement"), to which this EPL is an Ancillary Agreement;

WHEREAS, as part of the foregoing, NCR is granting to Teradata an exclusive license, in certain NCR patents and applications commonly referred to as the eCommerce Patents; and

WHEREAS, the Parties desire to define the scope of their respective rights and obligations under the eCommerce Patents;

NOW, THEREFORE, in consideration of the promises and the mutual covenants hereinafter contained and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Article 1
DEFINITIONS

Except as otherwise expressly provided herein, all capitalized terms used herein have the meanings assigned to them in the Separation Agreement. As used in this EPL, the following terms shall have the meanings indicated.

1.1 "eCommerce Patents" means the United States patents and patent applications listed in Schedule 1.

1.2 "Teradata Field Prospect" means a company that is not an NCR customer or competitor to NCR, whether in the NCR Fields or in any other fields or lines of business of NCR at that time, and that:

(a) offers goods and services solely over the Internet, and through no other channels;

(b) principally manufactures goods;

(c) principally provides services for the distribution and movement of goods (i.e., not at the retail level) for other parties;

(d) principally underwrites insurance policies (but banks, savings and loans institutions, credit unions, and other like financial institutions shall be excluded from this subpart (d));

(e) principally provides telecommunication services;

(f) principally produces and distributes entertainment via media channels, but excluding companies that provide gaming or gambling products or services;

(g) is a government agency;

(h) is a current prospect expressly identified by name on Schedule 2; or

(i) is expressly approved in advance by NCR's General Counsel, in a writing that expressly references this Section 1.2(i), as being an actual or potential licensee to the eCommerce Patents for which Teradata will have exclusive rights to grant licenses.

1.3 "Teradata Prospect" means a Teradata Field Prospect that is proposed with particularity by Teradata and pre-approved in writing by NCR, and that does not engage in making, selling, or licensing one or more of the following (in each instance, including hardware, software, peripherals and/or services): (a) automated teller machines; (b) self-service devices; (c) kiosks; (d) retail point-of-sale terminals and equipment; (e) bar code scanners; (f) check processing systems; (g) financial institution branch automation hardware; or (h) business consumables or printer peripherals.

1.4 "NCR Prospect" means any company, person, or other entity that is not a Teradata Prospect.

1.5 "Litigation" means any action for patent infringement (or, with respect to defensive matters, patent invalidity) in any judicial forum, in any arbitration proceedings, or in any other alternative dispute resolution proceedings, whether in the United States or in any other country of the world.

1.6 "Licensing Income" shall mean all income (including in-kind, barter, or product sale income) actually received by or imputed to a Party in connection with any license or other agreement (including, but not limited to, a covenant not to sue or release) principally involving one or more eCommerce Patents. Licensing Income, however, shall not include either of the following:

(a) Income received in the form of a sale of an actively utilized product or service, or product credits toward such a sale, where such sale or credits are the specified consideration in the license of one or more eCommerce Patents.

(i) Where a license provides credits to be used against the purchase of future products or services, any revenue or income imputed from or associated with such credits shall not be deemed to be Licensing Income provided the credits are actually used for products or services within 12 months of execution of the license; where utilization of the credits for purchase of products or services does not occur in whole or in part within 12 months of execution of the license, then the value of the unused credits shall be deemed to constitute Licensing Income, and the Licensing Share thereon shall be payable within 45 days following the expiration of the 12 month period.

(ii) Where the consideration for a license is the purchase of products or services by the licensee, and such products or services are not placed in active and productive use by the licensee within 12 months of the license, the value of the unutilized products or services shall be deemed to constitute Licensing Income, and the Licensing Share thereon shall be payable within 45 days following expiration of the 12 months.

(b) Income received by or imputed to NCR in a judgment, award or settlement in Litigation, where the eCommerce Patents were utilized either defensively or offensively in response to claims asserted by a third party.

1.7 "Licensing Share" shall mean fifty percent (50%) of the following net sum: Licensing Income less reasonable outside counsel fees and reasonable outside expenses (e.g., fees and reimbursable expenses for third-party experts and consultants, deposition transcribing and transcripts, copying/scanning of discovery documents, arbitrator, mediator and arbitration/mediation association fees and reasonable reimbursable expenses, and reimbursable travel expenses of outside counsel)(together, "Outside Fees"). Outside Fees must be such fees and expenses actually paid, net of any current or subsequent rebates, discounts, or other concessions.

1.8 "NCR Fields" shall mean software, hardware, components, systems, processes, methods, firmware, middleware and professional services for or relating to:

(a) Self-service terminals (SSTs), including, but not limited to, automated teller machines; kiosks; self-checkout terminals in retail and other settings; airline, hotel and hospital/medical check-in and/or check-out terminals; bill payment terminals; statement terminals; terminals for payment of taxes, fines, penalties or other governmental obligations; terminals for purchase of goods; and information terminals;

(b) Point of sale (POS) equipment, including, but not limited to, terminals, scanners, printers, self-checkout, shelf labeling systems and other peripherals used or suitable for use in a retail environment;

(c) Check and item processing, whether involving processing of paper documents or electronic images, and check-clearing systems;

(d) Consumable media products, including, but not limited to, paper rolls or receipts, printer cartridges, printer ribbons of any kind (for example and without limitation, thermal transfer ribbons and magnetic thermal transfer ribbons), printer paper, receipt/check paper, and business forms and labels;

(e) Payment processing, including, but not limited to, readers, imagers, analyzers, validators, and sorters for checks, remittance slips, and other payment items;

(f) Radio-frequency identification (RFID) systems; and

(g) Taggants comprising host matrices (such as silica) doped with one or more luminophores (such as rare earth elements), readers for such taggants, and authentication systems for validating such taggants.

1.9 "Change-in-Control" means

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934 (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either (a) the then outstanding shares of common stock of a Party (the "Outstanding Company Common Stock") or (b) the combined voting power of the then outstanding voting securities of a Party entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by a Party or any corporation controlled by a Party, or (B) any acquisition pursuant to a transaction which complies with clauses (A) and (B) of subsection (ii) of this definition; or

(ii) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of a Party or the acquisition of assets of another entity (a "Corporate Transaction"), in each case, unless, following such Corporate Transaction, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be,

of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns a Party or all or substantially all of a Party's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be; and (B) no Person (excluding any employee benefit plan (or related trust) of a Party or such corporation resulting from such Corporate Transaction) beneficially owns, directly or indirectly, 50% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Corporate Transaction; or

(iii) A disposition by a Party in a transaction or series of related transactions of a majority of its assets (measured by the fair market value thereof at the time of such disposition).

Article 2
LICENSING AND ENFORCEMENT RIGHTS

2.1 Licensing of eCommerce Patents to Third Parties

(a) Teradata shall have the exclusive right to grant, subject to Sections 2.2 and 2.3 below, nonexclusive, personal, non-assignable and non-transferable licenses under the eCommerce Patents to any Teradata Prospect anywhere in the world. NCR hereby consents to the grant of such licenses by Teradata, and gives such consent to the extent that such consent is necessary to effectuate the licenses granted.

(b) NCR shall retain all other rights in and to the eCommerce Patents, and all other rights to enforce the eCommerce Patents, including, but not limited to, the exclusive right to grant, subject to Sections 2.2 and 2.4 below, licenses under eCommerce Patents to any NCR Prospect anywhere in the world, and the right to sell the eCommerce Patents, subject to this EPL.

2.2 Accounting for Licensing Incomes

(a) Each Party as licensor shall promptly report to the other Party not later than 30 days following execution of a license or other agreement relating to the eCommerce Patents (such as but not limited to a covenant not to sue or a release), and by identifying the licensee or other party, the particular scope of the license or other right or benefit granted, the licensee's or other party's business, and the specific consideration for the license, right or benefit (by way of non-exhaustive examples only, one-time cash payments, ongoing royalty payments, schedule of

lump-sum payments, credits for future purchases, or contemporaneous purchase of products or services). Such reports shall set forth all Licensing Income or other consideration to be received by such Party licensor, as well as Outside Fees associated with that license. Additionally, where Licensing Income is determined retroactively (see Sections 1.6(a) (i) and (ii)), a report to that effect shall be prepared within 30 days of the expiration of the relevant 12-month period.

(b) Within forty-five (45) days of receiving a payment, such Party licensor shall remit to the other Party the Licensing Share associated with such payment.

(c) Each party shall preserve its books and records pertaining to Licensing Income, and to its Outside Fees against Licensing Income, for a period of not less than three years following the final payment on any particular license, and shall make them available to the other party upon reasonable request, not more frequently than once per annum.

2.3 Teradata Licensing Restrictions

(a) Except to the extent, if any, otherwise expressly agreed upon in advance and in writing by NCR's General Counsel on a case-by-case basis and specifically referencing this Section of the EPL for expressly identified Teradata Prospects, each license of one or more eCommerce Patents by Teradata must be made subject to, and must expressly include, the following terms:

i) a grant-back license from the licensee under any patent or patent application owned or controlled by the licensee in favor of NCR for not less than the NCR Fields, for NCR's internal operations, and NCR's then current product sales and lines of business, if different from the NCR Fields, at no charge to NCR;

ii) a defensive termination provision in favor of NCR, which states that if licensee should at any time file a lawsuit or other adversary proceeding against NCR for any reason or cause (whether related to patents or for any claims otherwise accruing on or before the date of the applicable license), the license granted by Teradata shall immediately terminate; NCR shall have the exclusive right thereafter to enforce the eCommerce Patents against such licensee;

iii) in order to effectuate subpart (ii) above, NCR shall be identified by name as an express third-party beneficiary of the license agreement with such licensee;

iv) the license must not extend to any website, service, act, tool, or product of licensee to the extent that the same is connected to, touches upon or operates within any NCR Field; and

v) free assignability to NCR, so as to effectuate the Change-in-Control and other provisions of this EPL.

(b) Except to the extent, if any, otherwise expressly agreed upon in advance

and in writing by NCR's General Counsel on a case-by-case basis and specifically referencing this Section of the EPL for expressly identified Teradata Prospects, each license of one or more eCommerce Patents by Teradata must yield a minimum License Revenue of 0.3% of the estimated most recent year of annual infringing revenue, such estimate to be determined in good faith by counsel and/or damages expert witnesses. A lower amount will be accepted only if such amount is pre-approved in writing by NCR, such approval being within the sole discretion of NCR, which approval may be granted or withheld for any reason or no reason.

(c) Except to the extent, if any, otherwise expressly agreed upon in advance and in writing by NCR's General Counsel on a case-by-case basis and specifically referencing this Section of the EPL for expressly identified Teradata Prospects, each license must be provided to NCR at least 10 business days prior to execution so that NCR may review the agreement to ensure that it complies with the provisions of this EPL. NCR shall promptly review the proposed license and either approve it in writing or identify to Teradata any parts that do not comply with this EPL. Teradata may not enter into such license until approved by NCR. Notwithstanding the preceding language in this Section 2.3(c), NCR will cooperate with Teradata to develop "pre-approved" contract terms for the matters set out in 2.3(a) above that, if used by Teradata, will not require further review by NCR prior to execution of an agreement.

2.4 NCR Licensing Restrictions

For each license of one or more eCommerce Patents by NCR, NCR will employ commercially reasonable efforts to obtain a grant-back license from the licensee under any patent or patent application owned or controlled by licensee in favor of Teradata at least with respect to Teradata's then-current lines of business, product offerings and internal business-use operations, it being understood, however, that there is neither a guarantee nor an undertaking that NCR will be able to achieve such terms in any particular instance.

2.5 Enforcement of eCommerce Patents

(a) Teradata shall have the right to bring Litigation against any Teradata Prospect under any eCommerce Patent, subject to Section 2.5(c), below. NCR does not consent to be joined as a party to Litigation initiated by Teradata; rather, such may only occur by advance express written consent by NCR.

(b) NCR shall have the right to bring Litigation against any NCR Prospect under any eCommerce Patent, without the consent of Teradata. Teradata does not consent to be joined as a party to Litigation initiated by NCR; rather, such may only occur by advance express written consent by Teradata.

(c) Except to the extent, if any, otherwise expressly agreed upon in advance and in writing by NCR's General Counsel on a case-by-case basis and specifically

referencing this Section of the EPL for expressly identified Teradata Prospects, Teradata shall notify NCR, in writing, at least thirty (30) days prior to initiation by Teradata of any Litigation involving one or more eCommerce Patents; the Parties agree to negotiate with each other in good faith and expeditiously in the event that NCR determines that initiation of Litigation is contrary to its interests, and Teradata shall not initiate proceedings during the pendency of such negotiations.

(d) Unless otherwise agreed by the Parties, the Party initiating any Litigation involving any eCommerce Patent or having Litigation initiated against it involving any eCommerce Patent (e.g., such as an action for declaratory judgment of invalidity and/or non-infringement) (i) shall promptly notify the other Party of the initiation of such Litigation, (ii) shall have sole control of the Litigation, and (iii) shall be solely responsible for all attorney fees and litigation expenses and any adverse judgments (including the reasonable attorney fees and expenses associated with requested participation of the other Party if that party is joined in, impleaded in, or elects to join in or intervene in the Litigation).

(e) Teradata will vigorously protect, support and defend the eCommerce Patents from and against any claims of invalidity based upon Litigation initiated by Teradata or initiated by a Teradata Prospect. If in NCR's judgment Teradata fails to do so, NCR may seek to intervene for that purpose in any such Litigation, or if intervention is denied or not practicable, shall identify counsel acceptable to NCR which Teradata shall then cause to enter an appearance on its behalf for purposes of controlling that aspect of the litigation, and Teradata shall be responsible for NCR's actually-incurred reasonable attorney fees and litigation expenses in either such instance.

(f) Each Party shall promptly notify the other Party in the event that any third party asserts by lawsuit, license discussions, demand letter or response thereto, or otherwise any invalidity claims or inequitable conduct claims as to any eCommerce Patent.

Article 3
PATENT PROSECUTION AND MAINTENANCE OF ECOMMERCE PATENTS

3.1 All expenses for prosecuting each eCommerce Patent and for issue of each eCommerce Patent shall be borne solely by NCR. At NCR's request, Teradata shall furnish NCR any assistance, without charge, that may be necessary during the prosecution of such patent application.

3.2 The Parties agree that all decisions to abandon a patent or patent application shall be made jointly by the Parties, after consultation. ("Abandon" shall have the meaning ascribed to it by practitioners of patent law.) In the event that NCR elects not to continue prosecution of any pending patent application which is an eCommerce Patent, or not to pay any tax or annuity due on an eCommerce Patent,

and Teradata prefers the contrary course, NCR will offer to Teradata (and will effect an assignment if such offer is accepted) a fee-free assignment of NCR's interest in such application or eCommerce Patent. Thereafter Teradata shall be responsible for all costs and fees associated with such eCommerce Patent.

3.3 Teradata agrees not to make or otherwise participate directly or indirectly in requesting reexamination or other patent office proceeding of or with respect to any eCommerce Patent.

Article 4
TERMINATION

4.1 Unless otherwise terminated as provided in this Article 4, this EPL shall remain in force and effect until the last to expire of the eCommerce Patents, and shall thereupon terminate.

4.2 Either Party (as a "Non-Defaulting Party") may terminate this EPL by providing written notice to the other Party (as a "Defaulting Party"), if the Defaulting Party materially defaults under this EPL and fails to cure such default within sixty (60) days of receipt of written notice of such default from the Non-Defaulting Party.

4.3 In the event of a Change-in-Control of Teradata, all Teradata rights in this EPL and in the eCommerce Patents shall immediately cease and all right, title and interest in the eCommerce Patents shall immediately vest with NCR. Teradata shall immediately assign to NCR, to the extent a license agreement does not do so automatically, all of its rights, title and interest in all license agreements, including the right to receive future revenues or royalties, except that grant-back licenses, releases, covenants and waivers to Teradata by the licensee shall survive and continue to apply to Teradata's operations and products to the extent set forth in the applicable license. Teradata hereby agrees to take any action reasonably requested by NCR to execute or otherwise effectuate such change in rights.

4.4 In the event of a Change-in-Control of NCR in favor of HP, Oracle, IBM, SAP, or Microsoft, NCR shall promptly assign all right, title and interest in the eCommerce Patents to Teradata as well as, to the extent a license agreement does not do so automatically, all of NCR's rights, title and interest in all license agreements, including the right to receive future revenues or royalties, except that grant-back licenses, releases, covenants and waivers to NCR by the licensee shall survive and continue to apply to NCR's operations and products to the extent set forth in the applicable license. NCR hereby agrees to take any action reasonably requested by Teradata to execute or otherwise effectuate such assignment.

4.5 Except where the contrary is specifically indicated in this EPL, any termination of this EPL shall be without prejudice to any cause of action or claim of either Party arising out of or relating to any breach or default by the other Party, which cause of action or claim shall survive any termination.

4.6 Teradata shall not assign its entire interest, or any portion thereof, in any eCommerce Patent to any third party without the express written consent of NCR. If any attempt is made by Teradata to assign its interest in any eCommerce Patent without NCR's express written consent, all of Teradata's interests in this EPL and in all eCommerce Patents shall automatically and immediately be extinguished, without the necessity of further action or notice by either party.

Article 5
REPRESENTATIONS; DISCLAIMER; LIMITATION OF LIABILITY

5.1 Except as set forth herein, NCR does not make any express or implied warranty or representation with respect to any of the eCommerce Patents, including without limitation any warranty or representation regarding the usefulness, merchantability, validity, non-infringement, functional effectiveness, safety, performance or fitness for any particular use of any products or services covered by the rights granted hereunder.

5.2 Teradata represents and warrants: (a) that it has the full power and authority to enter into this EPL; and (b) that it has not entered into and shall not enter into any agreement with another party which is inconsistent or in conflict with this EPL in any respect, except with the advance express written consent of NCR's General Counsel, specifically referencing this Section of this EPL.

5.3 NCR represents and warrants: (a) that it has the full power and authority to enter into this EPL; and (b) that it has not entered into and shall not enter into any agreement with another party which is inconsistent or in conflict with this EPL in any respect, except with the advance express written consent of Teradata's General Counsel, specifically referencing this Section of this EPL.

5.4 Each Party further represents and warrants that in executing this EPL, it does not rely on any promises, inducements, or representations made by the other Party or any third party with respect to this EPL, or on any other business dealings with the other Party or any third party, now or in the future.

5.5 Other than the express warranties of this Article, there are no other warranties, express or implied or statutory.

Article 6
MISCELLANEOUS

6.1 Governing Law and Venue . This EPL and the rights of NCR and of Teradata hereunder shall be interpreted, governed, construed, applied and enforced in accordance with the provisions of Section 11.2 of the Separation Agreement, which is incorporated herein by reference.

6.2 Notice . Any notice or request required or permitted to be given under or in connection with this EPL or the subject matter hereof shall be deemed to have

been sufficiently given when dispatched in accordance with the provisions of Section 11.5 of the Separation Agreement, which is incorporated herein by reference.

6.3 No Construction Against Drafter . If an ambiguity or question of intent arises with respect to any provision of this EPL, the EPL will be construed as authored jointly by the parties and no presumption or burden of proof will arise favoring or disfavoring either Party by virtue of authorship of any of the provisions of this EPL. Each Party acknowledges it has had the assistance of counsel in drafting and negotiating this EPL.

6.4 Facsimile Original . Except as otherwise stated herein, in lieu of the original documents, a facsimile copy of the original documents, or a copy produced from a digital file (for example, a TIFF or PDF file) containing an image of the original documents, shall be as effective and enforceable as the original documents.

6.5 Confidentiality . Except to the extent necessary to implement the terms of this EPL or as expressly set forth in this paragraph below, all terms herein shall be kept confidential. Notwithstanding the foregoing, either or both parties may disclose the EPL or its terms to the extent required for legal, accounting, insurance, auditing, SEC disclosure and tax purposes.

6.6 Export Controls . In exercising its rights and performing its duties under the EPL, each Party shall comply with all export laws, restrictions, national security controls and regulations of the United States, and all other applicable foreign agencies and authorities.

6.7 Entire Understanding . This EPL, the Separation Agreement, the other Ancillary Agreements and the Exhibits, Schedules and Appendices hereto and thereto contain the entire agreement between the parties with respect to the subject matter hereof, and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter. There are no agreements or understandings between the parties other than those set forth or referred to herein or therein. In the event of conflict between this EPL and the Separation Agreement or any of the other documents referenced in this Section 6.7 or otherwise, the terms of this EPL shall govern and control. This EPL cannot be modified or amended except in a writing signed by an authorized representative of each Party, and expressly referencing this EPL.

6.8 Dispute Resolution . Disputes shall be resolved as specified in Article VIII of the Separation Agreement, which is incorporated herein by reference.

6.9 No Waiver . No failure or delay to act upon any default or to exercise any right, power or remedy hereunder will operate as a waiver of any such default, right, power or remedy.

IN WITNESS WHEREOF, each of the parties hereto has caused this EPL to be executed by their respective duly authorized officers or representatives.

NCR Corporation	Teradata US, Inc.
By: _____	By: _____
Print: _____	Print: _____
Title: _____	Title: _____
Date: _____	Date: _____

Exhibit 10.5

FORM OF PATENT LICENSE AGREEMENT

THIS PATENT LICENSE AGREEMENT (hereinafter "PLA") is effective as of _____(the "Effective Date"), by and between NCR Corporation, a Maryland corporation, having a principal place of business at 1700 S. Patterson Blvd., Dayton, Ohio 45479 (hereinafter "NCR"), and Teradata US, Inc., a Delaware corporation, having a principal place of business at 1700 S. Patterson Blvd., Dayton, Ohio 45479 (hereinafter "Teradata"), each hereinafter referred to as a "Party".

RECITALS

WHEREAS, the Board of Directors of NCR has determined that it is in the best interests of NCR and its shareholders to separate NCR's existing businesses into two independent businesses;

WHEREAS, in furtherance of the foregoing, it is appropriate and desirable to transfer the Teradata Assets to Teradata and its Subsidiaries and to cause Teradata and its Subsidiaries to assume the Teradata Liabilities;

WHEREAS, NCR and Teradata Corporation are executing a Separation and Distribution Agreement (the "Separation Agreement"), to which this PLA is an Ancillary Agreement;

WHEREAS, NCR and Teradata have conducted arm's length discussions and negotiations with each other relating to cross-licensing each other's patents, assuming that the Parties were not affiliated and that each Party was not previously licensed under patents of the other Party; and

WHEREAS, NCR and Teradata desire to enter into a payment-free, patent cross license arrangement, subject to certain fields of use;

NOW, THEREFORE, in consideration of the promises and the mutual covenants hereinafter contained and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Article 1
DEFINITIONS

Except as otherwise expressly provided herein, all capitalized terms used herein have the meanings assigned to them in the Separation Agreement. As used in this PLA, the following terms shall have the meanings indicated.

1.1 "Capture Period" shall mean the period beginning on the Effective Date and ending on December 31, 2010.

1.2 “NCR Patent Rights” shall mean:

(a) all patents issued in any country of the world that are owned or controlled by NCR or an Affiliate at any time during the Capture Period, and

(b) all patent applications filed in any country of the world that are owned or controlled by NCR or an Affiliate at any time during the Capture Period, and

(c) all patents and patent applications licensed by NCR or an Affiliate (to which NCR or an Affiliate has the right to sublicense without obligating NCR or an Affiliate to further payments to the patent holder) at any time during the Capture Period,

including any and all patents issuing therefrom (including utility, model and design patents and certificates of invention), together with any and all substitutions, extensions (including supplemental protection certificates), registrations, confirmations, reissues, divisionals, continuations, continuations-in-part, re-examinations, renewals and foreign counterparts of the foregoing.

1.3 “Teradata Patent Rights” shall mean:

(a) all patents issued in any country of the world that are owned or controlled by Teradata or an Affiliate at any time during the Capture Period, and

(b) all patent applications filed in any country of the world that are owned or controlled by Teradata or an Affiliate at any time during the Capture Period, and

(c) all patents and patent applications licensed by Teradata or an Affiliate (to which Teradata or an Affiliate has the right to sublicense without obligating Teradata or an Affiliate to further payments to the patent holder) at any time during the Capture Period,

including any and all patents issuing therefrom (including utility, model and design patents and certificates of invention), together with any and all substitutions, extensions (including supplemental protection certificates), registrations, confirmations, reissues, divisionals, continuations, continuations-in-part, re-examinations, renewals and foreign counterparts of the foregoing.

1.4 “Patent Rights” shall mean collectively the NCR Patent Rights and the Teradata Patent Rights.

1.5 “NCR Fields” shall mean software, hardware, components, systems, data models, tools, utilities, processes, methods, and services for or relating to:

(a) Self-service terminals (SSTs), including, but not limited to, automated teller machines, kiosks, self checkout terminals, airline, hotel and hospital check-in and/or check-out terminals, bill payment terminals, statement terminals, and information terminals;

(b) Point of sale (PoS) equipment, including, but not limited to, terminals, scanners, printers, and other peripherals used or suitable for a retail environment;

(c) Consumable media products, including, but not limited to, printer cartridges, printer ribbons, printer paper, receipt/check paper, and business forms;

(d) Payment item processing, including, but not limited to, readers, imagers, analyzers, validators, and sorters for checks, remittance slips, and other payment items;

(e) Radio-frequency identification (RFID) taggants and readers; and

(f) Taggants comprising host matrices (such as silica) doped with one or more luminophores (such as rare earth elements), readers for such taggants, and authentication systems for validating such taggants.

1.6 "Teradata Fields" shall mean software, hardware, components, systems, data models, tools, utilities, processes, methods, and services for or relating to:

(a) data warehousing, including, but not limited to, aggregating, storing, organizing, and processing large amounts of data received from other systems (including, but not limited to, data received from systems in NCR Fields) using database system software in a data warehouse, and aggregating, storing, organizing and processing data on a smaller scale for a particular decision-support purpose in a data mart; and

(b) analytical solutions designed primarily for analyzing data from or stored in one or more databases, including, but not limited to, customer relationship management, supplier relationship management, and inventory/supply/demand management.

Article 2
LICENSE GRANT

2.1 NCR hereby grants to Teradata, and Teradata hereby accepts upon the terms and conditions hereinafter specified, a non-exclusive, irrevocable (except as set forth in Article 5), worldwide, non-transferable (except as set forth in Section 7.3), payment-free, fully paid up, license under the NCR Patent Rights during the term of this PLA to use, make, have made, sell, offer to sell, repair, and import any product or service in the Teradata Fields covered by the NCR Patent Rights. Teradata acknowledges and agrees that NCR expressly reserves all rights to the NCR Patent Rights, other than the licenses and rights expressly granted to Teradata pursuant to this Article 2.

2.2 Teradata acknowledges and agrees that the license and rights to the NCR Patent Rights granted to Teradata pursuant to this PLA do not include the right to grant sublicenses, except to Affiliates of Teradata (but only for as long as they

remain an Affiliate), and are not transferable or assignable by Teradata to any other individual or entity except as set forth in Section 7.3.

2.3 Teradata hereby grants to NCR, and NCR hereby accepts upon the terms and conditions hereinafter specified, a non-exclusive, irrevocable (except as set forth in Article 5), worldwide, non-transferable (except as set forth in Section 7.3), payment-free, fully paid up, license under the Teradata Patent Rights during the term of this PLA to use, make, have made, sell, offer to sell, repair and import any product or service in the NCR Fields covered by the Teradata Patent Rights. NCR acknowledges and agrees that Teradata expressly reserves all rights to the Teradata Patent Rights, other than the licenses and rights expressly granted to NCR pursuant to this Article 2.

2.4 NCR acknowledges and agrees that the license and rights to the Teradata Patent Rights granted to NCR pursuant to this PLA do not include the right to grant sublicenses, except to Affiliates of NCR (but only for as long as they remain an Affiliate), and are not transferable or assignable by NCR to any other individual or entity except as set forth in Section 7.3.

2.5 All licenses granted pursuant to this Article 2 under any patent or patent application owned or controlled by a Party shall continue for the entire unexpired term of such patent or patent application, notwithstanding the expiration of the Capture Period or termination of this PLA.

2.6 All licenses granted pursuant to this Article 2 under any patent or patent application licensed by a Party shall continue until the license ceases pursuant to the terms of the grant to the Party, notwithstanding the expiration of the Capture Period or termination of this PLA.

2.7 All licenses granted pursuant to this Article 2 are “pass-through” licenses and shall inure to the benefit of the direct and indirect customers, vendors, suppliers, distributors, dealers, contractors and subcontractors of the Parties, to the extent those customers, vendors, suppliers, distributors, dealers, contractors and subcontractors purchase, acquire, make or sell products or services of or for a Party.

Article 3
PAYMENTS

3.1 No payment is due under this PLA by either Party. The licenses granted hereunder are fully paid up.

Article 4
PATENT FILINGS

4.1 Each Party hereby agrees to file patent applications during the Capture Period in a timely manner according to generally accepted good filing practice, and as though this PLA was not in existence between the Parties.

Article 5
TERMINATION

5.1 Unless otherwise terminated as provided in this Section 5.2, this PLA shall remain in force and effect until the last to expire of the Patent Rights, and shall thereupon terminate.

5.2 Either Party (as a "Non-Defaulting Party") may terminate this PLA by providing written notice to the other Party (as a "Defaulting Party"), if the Defaulting Party materially defaults under this PLA and fails to cure such default within sixty (60) days of receipt of written notice of such default from the Non-Defaulting Party.

5.3 Except where the contrary is specifically indicated in this PLA, any termination of this PLA shall be without prejudice to the following rights and obligations which shall survive any termination to the degree necessary to permit their complete fulfillment or discharge:

(a) Any cause of action or claim of either Party accrued or to accrue, because of any breach or default by the other Party.

(b) The licenses granted pursuant to Article 2 to the Non-Defaulting Party.

Article 6
REPRESENTATIONS; DISCLAIMER; LIMITATION OF LIABILITY

6.1 Except as set forth herein, neither Party makes any express or implied warranty or representation with respect to the Patent Rights, including without limitation any warranty or representation regarding the usefulness, merchantability, functional effectiveness, safety, performance or fitness for any particular use of any products or services covered by the licenses granted hereunder.

6.2 IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INCIDENTAL, INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES SUFFERED OR INCURRED IN CONNECTION WITH THIS PLA OR THE LICENSES GRANTED HEREUNDER.

6.3 No representation or warranty is made by either Party that any product or service manufactured, used, sold or otherwise disposed of by the other Party under this PLA will not infringe directly, contributorily or by inducement under the laws of the United States or any foreign country, any patent or other intellectual property right owned or controlled by any third party and neither Party shall be liable either directly or as an indemnitor to the other Party as a consequence of any infringement of any such third party patents.

6.4 Teradata represents and warrants: (a) that it has the full power to enter into this PLA; and (b) that it has not entered into and shall not enter into any agreement

with another party which is inconsistent or in conflict with this PLA in any respect.

6.5 NCR represents and warrants: (a) that it has the full power to enter into this PLA; and (b) that it has not entered into and shall not enter into any agreement with another party which is inconsistent or in conflict with this PLA in any respect.

6.6 Each Party further represents and warrants that in executing this PLA, it does not rely on any promises, inducements, or representations made by any Party or third party with respect to this PLA or any other business dealings with any Party or third party, now or in the future.

6.7 Other than the express warranties of this Article, there are no other warranties, express or implied or statutory.

Article 7
MISCELLANEOUS

7.1 Governing Law and Venue . This PLA and the rights of NCR and of Teradata hereunder shall be interpreted, governed, construed, applied and enforced in accordance with the provisions of the Separation Agreement, which is incorporated herein by reference.

7.2 Notice . Any notice or request required or permitted to be given under or in connection with this PLA or the subject matter hereof shall be deemed to have been sufficiently given when dispatched in accordance with the provisions of the Separation Agreement, which is incorporated herein by reference.

7.3 Assignment . This PLA is not assignable by either Party except with the transfer to a third party (the "Acquiring Party") of the entire business (the "Acquired Business") of one of the Parties (the "Assigning Party"), subject to the following:

(a) No assignment shall be made to the Acquiring Party without prior written notice by the Assigning Party to the other Party (the "Non-Assigning Party"), but the Non-Assigning Party's consent is not required for such assignment;

(b) The licenses granted under this PLA shall inure to the benefit of, and be binding upon, the successors and permitted assigns of both Parties, but the licenses acquired by the Acquiring Party shall only extend to the Acquired Business, and only for so long as the Acquired Business is operated as a separate business, division or product line of the Acquiring Party; and

(c) Any assignment pursuant to this Section 7.3 shall not terminate, impair or in any way change any obligations or rights which the Non-Assigning Party would have had if such assignment had not occurred. Any purported conveyance or other attempt by either Party to confer or extend the benefits and privileges of this PLA to any third party, other than as provided in this Section 7.3, shall be void and ineffective.

7.4 No Construction Against Drafter . If an ambiguity or question of intent arises with respect to any provision of this PLA, the PLA will be construed as if drafted jointly by the parties and no presumption or burden of proof will arise favoring or disfavoring either Party by virtue of authorship of any of the provisions of this PLA.

7.5 Facsimile Original . Except as otherwise stated herein, in lieu of the original documents, a facsimile copy of the original documents, or a copy produced from a digital file (for example, a TIFF or PDF file) containing an image of the original documents, shall be as effective and enforceable as the original documents.

7.6 Publicity . Except to the extent necessary to implement and/or enforce the terms of this PLA or as expressly set forth in this paragraph below, all terms herein shall be kept confidential. Notwithstanding the foregoing, either or both parties may disclose such to the extent required for legal, accounting, insurance, auditing, SEC disclosure and tax purposes.

7.7 Export Controls . Each Party shall comply with all export laws, restrictions, national security controls and regulations of the United States, and all other applicable foreign agencies and authorities.

7.8 Entire Understanding . This PLA, the Separation Agreement, the other Ancillary Agreements and the Exhibits, Schedules and Appendices thereto contain the entire agreement between the parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the parties other than those set forth or referred to herein or therein.

7.9 Exclusivity . This PLA is not exclusive. Either Party may enter into negotiations or agreements with any third parties concerning that Party's Patent Rights, without any accounting or liability to any other party, other than as expressly provided for herein.

7.10 Dispute Resolution . Disputes shall be resolved as specified in the Separation Agreement, which is incorporated herein by reference.

7.11 No Waiver . No failure or delay to act upon any default or to exercise any right, power or remedy hereunder will operate as a waiver of any such default, right, power or remedy.

IN WITNESS WHEREOF, each of the parties hereto has caused this PLA to be executed by their respective duly authorized officers or representatives.

NCR Corporation	Teradata US, Inc.
By: _____	By: _____
Print: _____	Print: _____
Title: _____	Title: _____
Date: _____	Date: _____

Exhibit 10.6

FORM OF TECHNOLOGY AGREEMENT

THIS TECHNOLOGY ASSIGNMENT, JOINT OWNERSHIP AND LICENSE AGREEMENT (the "Technology Agreement") is effective as of _____(the "Effective Date") by and between NCR Corporation, a Maryland corporation, having a principal place of business at 1700 S. Patterson Blvd., Dayton, Ohio 45479 ("NCR"), and Teradata US, Inc., a Delaware corporation, having a principal place of business at 1700 S. Patterson Blvd., Dayton, Ohio 45479 ("Teradata").

RECITALS

WHEREAS, the Board of Directors of NCR has determined that it is in the best interests of NCR and its shareholders to separate NCR's existing businesses into two independent businesses;

WHEREAS, in furtherance of the foregoing, it is appropriate and desirable to transfer the Teradata Assets to Teradata and its Subsidiaries and to cause Teradata and its Subsidiaries to assume the Teradata Liabilities;

WHEREAS, in furtherance of the foregoing NCR and Teradata Corporation are executing a Separation and Distribution Agreement (the "Separation Agreement"), to which this Assignment is an Ancillary Agreement;

WHEREAS, NCR desires to transfer to Teradata, and Teradata desires to receive from NCR, a full and complete interest in the Teradata Technology and an undivided one-half (1/2) interest in certain other technology;

WHEREAS, NCR desires to grant to Teradata, and Teradata desires to receive from NCR, certain rights to use technology which is or will be owned by NCR on or after the date hereof;

WHEREAS, Teradata desires to grant to NCR, and NCR desires to receive from Teradata, certain rights to use technology which is or will be owned by Teradata on or after the data hereof;

NOW, THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Article 1
DEFINITIONS

Except as otherwise expressly provided herein, all capitalized terms used herein have the meanings assigned to them in the Separation Agreement, which is incorporated herein by reference. As used in this Technology Agreement, the following terms shall have the meanings indicated.

1.1 “Common Support Function Technology” shall mean the Technology used by both NCR and Teradata for their reasonable business purposes, and includes the Technology listed in Schedule 1, attached hereto and incorporated herein by reference. The Common Support Function Technology includes the computer programs, in source and object code forms, listed in Schedule 1, and their respective associated documentation. Common Support Function Technology shall also include any technical information associated with any of the Teradata Patent Rights (as defined in the Patent License Agreement between the parties) provided such technical information is not associated with (i) the NCR Patent Rights (as defined in the Patent License Agreement between the parties), or (ii) the NCR Fields.

1.2 “Copyrights” shall mean any original works of authorship fixed in any tangible medium of expression as set forth in 17 U.S.C. §101 et seq.

1.3 “Enterprise Technology” shall mean any and all Technology existing as of the Effective Date that is owned by, and was developed by or for, or purchased by NCR or its Subsidiaries, including any of its business units and divisions (such as the Teradata division). The term includes any and all Technology owned or controlled by any of NCR’s Subsidiaries under which NCR has the right to grant any of the right-to-use licenses of the type and on the terms herein granted.

1.4 “Fields” shall mean: with respect to NCR, the NCR Fields; with respect to Teradata, the Teradata Fields.

1.5 “NCR Fields” shall mean software, hardware, components, systems, data models, tools, utilities, processes, methods, and services for or relating to:

(a) Self-service terminals (SSTs), including, but not limited to, automated teller machines, kiosks, self checkout terminals, airline, hotel and hospital check-in and/or check-out terminals, bill payment terminals, statement terminals, and information terminals;

(b) Point of sale (PoS) equipment, including, but not limited to, terminals, scanners, printers, and other peripherals used or suitable for a retail environment;

(c) Consumable media products, including, but not limited to, printer cartridges, printer ribbons, printer paper, receipt/check paper, and business forms;

(d) Payment item processing, including, but not limited to, readers, imagers, analyzers, validators, and sorters for checks, remittance slips, and other payment items;

(e) Radio-frequency identification (RFID) taggants and readers; and

(f) Taggants comprising host matrices (such as silica) doped with one or more luminophores (such as rare earth elements), readers for such taggants, and authentication systems for validating such taggants.

1.6 “NCR Technology” shall mean the Enterprise Technology except: (a) the Teradata Technology, and (b) the Common Support Function Technology.

1.7 “Technology” shall mean any and all technical and/or business information, computer or other apparatus programs, specifications, drawings, records, algorithms, utilities, flow charts, documentation, works of authorship or other creative works, ideas, knowledge, or data. The term Technology includes registered and unregistered Copyrights, mask works, and any other intellectual property right, but does not include trademarks, trade names, trade dress, service marks, URLs, domain names, or any patents or patent applications.

1.8 “Teradata Fields” shall mean software, hardware, components, systems, data models, tools, utilities, processes, methods, and services for or relating to:

(a) data warehousing, including, but not limited to, aggregating, storing, organizing, and processing large amounts of data received from other systems (including, but not limited to, data received from systems in NCR Fields) using database system software in a data warehouse, and aggregating, storing, organizing and processing data on a smaller scale for a particular decision-support purpose in a data mart; and

(b) analytical solutions designed primarily for analyzing data from or stored in one or more databases, including, but not limited to, customer relationship management, supplier relationship management, and inventory/supply/demand management.

1.9 “Teradata Technology” shall mean all Technology created or acquired by the Teradata division of NCR (including its precursors such as Teradata Corporation) prior to the Effective Date for use with or in relation to Teradata products and/or services, and includes without limitation the Technology listed in Schedule 2, attached hereto and incorporated herein by reference.

Article 2
ASSIGNMENT

2.1 NCR hereby irrevocably assigns to Teradata (except as otherwise provided in an Ancillary Agreement) all of NCR’s rights, title, and interest in and to the Teradata Technology in the United States and throughout the world along with the exclusive right to grant licenses under the Teradata Technology and the right to sue for past infringement of any intellectual property right in the Teradata Technology.

Article 3
RETENTION

3.1 NCR and Teradata agree that NCR retains solely all rights, title, and interest in and to the NCR Technology.

Article 4
COMMON SUPPORT FUNCTION TECHNOLOGY

4.1 NCR hereby irrevocably transfers and assigns to Teradata an undivided, one-half (1 / 2), unrestricted interest in the Common Support Function Technology. Each party

hereto shall jointly own an equal, undivided one-half (1/2) interest in each of the Common Support Function Technology with no duty to account to the other party for any exploitation of such Common Support Function Technology.

Article 5
ACCESS AND USE OF
ENTERPRISE TECHNOLOGY

5.1 During a one (1) month period beginning on the Effective Date, each party shall have the right to access and to copy any and all portions of the Enterprise Technology in possession of the other party, for any legitimate business purpose of that party. Such access and copying shall be in accordance with a reasonable request and schedule to be mutually agreed upon between the party in possession of the Technology that is requested and the requesting party. All costs associated with the assembling, copying, and delivering of such Technology shall be borne by the requesting party.

5.2 Each party agrees to comply fully with all export laws, restrictions, national security controls and regulations of the United States, and all other applicable foreign agencies and authorities with respect to any and all portions of the Enterprise Technology.

5.3 Both parties hereto agree that NCR and its Affiliates shall have a worldwide, exclusive, payment-free, fully paid up, non-transferable right to use the Enterprise Technology for any and all business purposes in the NCR Fields.

5.4 NCR's right to use the Enterprise Technology in the NCR Fields includes the right of NCR and its Affiliates to copy, modify, and improve any portion of Enterprise Technology.

5.5 Both parties hereto agree that Teradata and its Affiliates shall have a worldwide, exclusive, payment-free, fully paid up, non-transferable right to use the Enterprise Technology for any and all business purposes in the Teradata Fields.

5.6 Teradata's right to use the Enterprise Technology in the Teradata Fields includes the right of Teradata and its Affiliates to copy, modify, and improve any portion of Enterprise Technology.

5.7 Each party's rights to use the Enterprise Technology includes the right to disclose to any of its suppliers or prospective suppliers those portions (but only those portions) of Enterprise Technology that are necessary for the procurement by such party of components, subsystems, subassemblies, products, and/or services of the businesses of such party within such party's respective Fields.

5.8 Each party's rights to use the Enterprise Technology includes the right to disclose to any of its partners or prospective partners (including but not limited to distributors, value added resellers, agents, prime contractors, and the like) those portions (but only those portions) of Enterprise Technology that are necessary for the performance of any obligations by such party (the "Necessary Portions") with

respect to such partnership within such party's respective Field. The right of each party to disclose Necessary Portions to partners or prospective partners extends to disclosing Necessary Portions outside of such party's respective Field provided the primary purpose of such partnership is to expand the offerings of such party within its respective Field.

5.9 Each party agrees that it will not make any portion of the Enterprise Technology available to any such supplier, partner, or prospective supplier or prospective partner, except under terms and conditions (including confidentiality, use, and disclosure restrictions) normally used by such party to protect its own proprietary information of a similar nature.

Article 6
TERMINATION

6.1 The licenses granted hereunder are irrevocable, notwithstanding termination by either party. Either party (the "Terminating Party") may voluntarily terminate this Technology Agreement by providing written notice to the other party (the "Non-Terminating Party"). Such termination shall not affect the rights of the Terminating Party with respect to any use prior to such termination, and shall not affect the rights of the Non-Terminating Party before or after termination.

Article 7
MISCELLANEOUS PROVISIONS

7.1 No Additional Obligations . Other than as expressly provided herein, neither party shall be under any obligation to provide the other party with any assistance of any kind whatsoever.

7.2 Disclaimer . All information provided under this Technology Agreement is provided "as-is", and neither party makes any representations, warranties, or assumes any obligations or warranties whatever, or confers any right by implication, estoppel, or otherwise, other than as expressly provided herein.

7.3 No Patent License . Nothing contained in this Technology Agreement shall be construed as conferring by implication, estoppel, or otherwise any license or right under any patent or patent application, whether or not the exercise of any right herein granted necessarily employs an invention of any existing or later issued patent.

7.4 Confidentiality . The confidentiality obligations of each party under the Separation Agreement shall apply to such party's handling and treatment of the Enterprise Technology.

7.5 Governing Law and Venue . This Technology Agreement and the rights of NCR and of Teradata hereunder shall be interpreted, governed, construed, applied and enforced in accordance with the provisions of Section 11.2 of the Separation Agreement.

7.6 Notice . Any notice or request required or permitted to be given under or in connection with this Technology Agreement or the subject matter hereof shall be deemed to have been sufficiently given when dispatched in accordance with the provisions of Section 11.5 of the Separation Agreement.

7.7 Assignment . This Technology Agreement is not assignable by either party except with the transfer to a third party (the "Acquiring Party") of the entire business (the "Acquired Business") of one of the parties (the "Assigning Party"), subject to the following:

(a) No assignment shall be made to the Acquiring Party without prior written notice by the Assigning Party to the other Party (the "Non-Assigning Party"), but the Non-Assigning Party's consent is not required for such assignment;

(b) The licenses granted under this Technology Agreement shall inure to the benefit of, and be binding upon, the successors and permitted assigns of both parties; and

(c) Any assignment pursuant to this Section 7.7 shall not terminate, impair or in any way change any obligations or rights which the Non-Assigning Party would have had if such assignment had not occurred. Any purported conveyance or other attempt by either party to confer or extend the benefits and privileges of this Technology Agreement to any third party, other than as provided in this Section 7.7, shall be void and ineffective.

7.8 Entire Understanding . This Technology Agreement, the Separation Agreement, the other Ancillary Agreements and the Exhibits, Schedules and Appendices hereto and thereto contain the entire agreement between the parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the parties other than those set forth or referred to herein or therein.

7.9 Dispute Resolution . Disputes shall be resolved as specified in Article VIII of the Separation Agreement.

7.10 No Waiver . No failure or delay to act upon any default or to exercise any right, power or remedy hereunder will operate as a waiver of any such default, right, power or remedy.

(Signature page follows)

IN WITNESS WHEREOF each of the parties hereto has caused this Technology Agreement to be executed by its respective duly authorized officer or representative at Dayton, Ohio on _____2007.

NCR Corporation		Teradata US, Inc.	
By:	_____	By:	_____
Print:	_____	Print:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

Exhibit 10.7

TERADATA CORPORATION
2007 STOCK INCENTIVE PLAN

SECTION 1. Purpose; Definitions

The purpose of this Plan is to give the Company a competitive advantage in attracting, retaining and motivating officers, employees, directors and/or consultants and to provide the Company and its Subsidiaries and Affiliates with a long-term incentive plan that (a) grants new Awards to provide incentives directly linked to stockholder value and (b) provides a means to assume and govern other awards pursuant to the adjustment of awards granted under any NCR Long Term Incentive Plan (as defined in the Employee Benefits Agreement) in accordance with the terms of the Employee Benefits Agreement ("Adjusted Awards"). Certain terms used herein have definitions given to them in the first place in which they are used. In addition, for purposes of this Plan, the following terms are defined as set forth below:

(a) " *Affiliate* " means a corporation or other entity controlled by, controlling or under common control with, the Company.

(b) " *Applicable Exchange* " means the New York Stock Exchange or such other securities exchange as may at the applicable time be the principal market for the Common Stock.

(c) " *Award* " means an Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Performance Units or Other Stock-Based Award granted pursuant to the terms of this Plan.

(d) " *Award Agreement* " means a written document or agreement setting forth the terms and conditions of a specific Award.

(e) " *Board* " means the Board of Directors of the Company.

(f) " *Cause* " means, unless otherwise provided in an Award Agreement, (i) "Cause" as defined in any Individual Agreement to which the applicable Participant is a party, or (ii) if there is no such Individual Agreement or if it does not define Cause: (A) conviction of the Participant for committing a felony under federal law or the law of the state 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 ethics and compliance program, or (E) before a Change in Control, such other events as shall be determined by the Committee and set forth in a Participant's Award Agreement. Notwithstanding the general rule of Section 2(c), following a Change in Control, any determination by the Committee as to whether "Cause" exists shall be subject to de novo review.

(g) " *Change in Control* " has the meaning set forth in Section 10(b).

(h) " *Code* " means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.

(i) " *Commission* " means the Securities and Exchange Commission or any successor agency.

(j) " *Committee* " has the meaning set forth in Section 2(a).

(k) " *Common Stock* " means common stock, par value $.01 per share, of the Company.

(l) " *Company* " means Teradata Corporation, a Delaware corporation.

(m) " *Disability* " means (i) "Disability" as defined in any Individual Agreement to which the Participant is a party, (ii) if there is no such Individual Agreement or it does not define "Disability," (A) permanent and total disability as determined under the Company's long-term disability plan applicable to the Participant, or (B) if there is no such plan applicable to the Participant, "Disability" as determined by the Committee. Notwithstanding the above, with respect to an Incentive Stock Option, Disability shall mean Permanent and Total Disability as defined in Section 22(e)(3) of the Code and, with respect to all Awards, to the extent required by Section 409A of the Code, "disability" within the meaning of Section 409A of the Code.

(n) " *Disaffiliation* " means a Subsidiary's or Affiliate's ceasing to be a Subsidiary or Affiliate for any reason (including, without limitation, as a result of a public offering, or a spinoff or sale by the Company, of the stock of the Subsidiary or Affiliate) or a sale of a division of the Company and its Affiliates.

(o) " *Eligible Individuals* " means directors, officers, employees, contractors and consultants of the Company or any of its Subsidiaries or Affiliates, and prospective employees, contractors and consultants who have accepted offers of employment, contract services or consultancy from the Company or its Subsidiaries or Affiliates.

(p) " *Employee Benefits Agreement* " means the Employee Benefits Agreement by and between NCR Corporation and the Company dated as of [ ].

(q) " *Exchange Act* " means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.

(r) " *Fair Market Value* " means, unless otherwise determined by the Committee, the closing price of a share of Common Stock on the Applicable Exchange on the date of measurement, or if Shares were not traded on the Applicable Exchange on such measurement date, then on the next preceding date on which Shares were traded, all as reported by such source as the Committee may select. If the Common Stock is not listed on a national securities exchange, Fair Market Value shall be determined by the Committee in its good faith discretion.

(s) " *Free-Standing SAR* " has the meaning set forth in Section 5(b).

(t) " *Full Value Award* " means any Award other than an Option or Stock Appreciation Right or dividend equivalent right.

(u) " *Grant Date* " means (i) the date on which the Committee by resolution selects an Eligible Individual to receive a grant of an Award and determines the number of Shares to be subject to such Award, or (ii) such later date as the Committee shall provide in such resolution.

(v) " *Incentive Stock Option* " means any Option that is designated in the applicable Award Agreement as an "incentive stock option" within the meaning of Section 422 of the Code, and that in fact so qualifies.

(w) " *Individual Agreement* " means an employment, consulting or similar agreement between a Participant and the Company or one of its Subsidiaries or Affiliates.

(x) " *Nonqualified Option* " means any Option that is not an Incentive Stock Option.

(y) " *Option* " means an Award granted under Section 5.

(z) " *Other Stock-Based Award* " means Awards of Common Stock and other Awards that are valued in whole or in part by reference to, or are otherwise based upon, Common Stock, including (without limitation), unrestricted stock, dividend equivalents, and convertible debentures.

(aa) " *Participant* " means an Eligible Individual to whom an Award is or has been granted.

(bb) " *Performance Goals* " means the performance goals established by the Committee in connection with the grant of Restricted Stock, Restricted Stock Units, Performance Units or Other Stock-Based Awards. In the case of Qualified Performance-Based Awards, (i) such goals shall be based on the attainment of specified levels of one or more of the following measures: revenues; revenue growth; product revenue growth; earnings (including earnings before taxes, earnings before interest and taxes or earnings before interest, taxes, depreciation and amortization); earnings per share; operating income (including non-pension operating income); pre- or after-tax income (before or after allocation of corporate overhead and bonus); cash flow (before or after dividends); cash flow per share (before or after dividends); gross margin; return on equity; return on capital (including return on total capital or return on invested capital); cash flow return on investment; return on assets or operating assets; economic value added (or an equivalent metric); stock price appreciation; total stockholder return (measured in terms of stock price appreciation and dividend growth); cost control; gross profit; operating profit; cash generation; unit volume; stock price; market share; sales; asset quality; cost saving levels; marketing-spending efficiency; core non-interest income; debt reductions; stockholder equity; regulatory achievements; implementation, completion or attainment of measurable objectives with respect to research, development, products or projects; recruiting and maintaining personnel; or change in working capital with respect to the Company or any one or more subsidiaries, divisions, business units or business segments of the Company either in absolute terms or relative to the performance of one or more other companies or an index covering multiple companies and (ii) such Performance Goals shall be set by the Committee within the time period prescribed by Section 162(m) of the Code and the regulations promulgated thereunder.

(cc) " *Performance Period* " means that period established by the Committee at the time any Performance Unit is granted or at any time thereafter during which any Performance Goals specified by the Committee with respect to such Award are to be measured.

(dd) " *Performance Unit* " means any Award granted under Section 8 of a unit valued by reference to a designated amount of property other than Shares, which value may be paid to the Participant by delivery of such property as the Committee shall determine, including, without limitation, cash, Shares, or any combination thereof, upon achievement of such Performance Goals during the Performance Period as the Committee shall establish at the time of such grant or thereafter.

(ee) " *Plan* " means this Teradata Corporation 2007 Stock Incentive Plan, as set forth herein and as hereafter amended from time to time.

(ff) " *Qualified Performance-Based Award* " means an Award intended to qualify for the Section 162(m) Exemption, as provided in Section 11.

(gg) " *Restricted Stock* " means an Award granted under Section 6.

(hh) " *Restricted Stock Units* " means an Award granted under Section 7.

(ii) " *Section 162(m) Exemption* " means the exemption from the limitation on deductibility imposed by Section 162(m) of the Code that is set forth in Section 162(m)(4)(C) of the Code.

(jj) " *Senior Manager* " means any manager of the Company or any Affiliate holding a position at a salary grade of 15 or higher or any future grade that is the equivalent thereof.

(kk) " *Share* " means a share of Common Stock.

(ll) " *Stock Appreciation Right* " has the meaning set forth in Section 5(b).

(mm) " *Subsidiary* " means any corporation, partnership, joint venture or other entity during any period in which at least a 50% voting or profits interest is owned, directly or indirectly, by the Company or any successor to the Company.

(nn) " *Tandem SAR* " has the meaning set forth in Section 5(b).

(oo) " *Term* " means the maximum period during which an Option or Stock Appreciation Right may remain outstanding, subject to earlier termination upon Termination of Employment or otherwise, as specified in the applicable Award Agreement.

(pp) " *Termination of Employment* " means the termination of the applicable Participant's employment with, or performance of services for, the Company and any of its Subsidiaries or Affiliates. Unless otherwise determined by the Committee, (i) if a Participant's employment with the Company and its Affiliates terminates but such Participant continues to provide services to the Company and its Affiliates in a non-employee capacity, such change in status shall not be deemed a Termination of Employment and (ii) a Participant employed by, or

performing services for, a Subsidiary or an Affiliate or a division of the Company and its Affiliates shall be deemed to incur a Termination of Employment if, as a result of a Disaffiliation, such Subsidiary, Affiliate, or division ceases to be a Subsidiary, Affiliate or division, as the case may be, and the Participant does not immediately thereafter become an employee of, or service provider for, the Company or another Subsidiary or Affiliate. Temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Subsidiaries and Affiliates shall not be considered Terminations of Employment. For the avoidance of doubt, except as otherwise provided in the Award Agreements relating to any Adjusted Awards, the Separation shall not constitute a Termination of Employment for purposes of any Adjusted Award.

SECTION 2. Administration

(a) *Committee* . The Plan shall be administered by the Compensation and Human Resource Committee of the Board or such other committee of the Board as the Board may from time to time designate (the "Committee"), which shall be composed of not less than two directors, and shall be appointed by and serve at the pleasure of the Board. The Committee shall, subject to Section 11, have plenary authority to grant Awards pursuant to the terms of the Plan to Eligible Individuals. Among other things, the Committee shall have the authority, subject to the terms and conditions of the Plan and the Employee Benefits Agreement (including the terms of the Adjusted Award):

(i) to select the Eligible Individuals to whom Awards may from time to time be granted;

(ii) to determine whether and to what extent Incentive Stock Options, Nonqualified Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, Other Stock-Based Awards, or any combination thereof, are to be granted hereunder;

(iii) to determine the number of Shares to be covered by each Award granted hereunder;

(iv) to determine the terms and conditions of each Award granted hereunder, based on such factors as the Committee shall determine;

(v) subject to Section 12, to modify, amend or adjust the terms and conditions of any Award;

(vi) to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall from time to time deem advisable;

(vii) to interpret the terms and provisions of the Plan and any Award issued under the Plan (and any agreement relating thereto);

(viii) to determine whether, to what extent and under what circumstances cash, Shares and other property and other amounts payable with respect to an Award under this Plan shall be deferred either automatically or at the election of the Participant;

(ix) to accelerate the vesting or lapse of restrictions of any outstanding Award, based in each case on such considerations as the Committee in its sole discretion determines;

(x) to decide all other matters that must be determined in connection with an Award;

(xi) to establish any "blackout" period that the Committee in its sole discretion deems necessary or advisable; and

(xii) to otherwise administer the Plan.

(b) *Procedures* .

(i) The Committee may act only by a majority of its members then in office, except that the Committee may, except to the extent prohibited by applicable law or the listing standards of the Applicable Exchange and subject to Section 11, allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it, including to the Company's chief executive officer or one or more directors or executive officers the authority to grant Awards to Eligible Individuals who are not officers of the Company.

(ii) Subject to Section 11(c), any authority granted to the Committee may also be exercised by the full Board. To the extent that any permitted action taken by the Board conflicts with action taken by the Committee, the Board action shall control.

(c) *Discretion of Committee* . Subject to Section 1(f), any determination made by the Committee or by an appropriately delegated officer pursuant to delegated authority under the provisions of the Plan with respect to any Award shall be made in the sole discretion of the Committee or such delegate at the time of the grant of the Award or, unless in contravention of any express term of the Plan, at any time thereafter. All decisions made by the Committee or any appropriately delegated officer pursuant to the provisions of the Plan shall be final and binding on all persons, including the Company, Participants, and Eligible Individuals.

(d) *Cancellation or Suspension* . Subject to Section 5(d), the Committee shall have full power and authority to determine whether, to what extent and under what circumstances any Award shall be canceled or suspended. In particular, but without limitation, all outstanding Awards to any Participant may be canceled if the Participant, without the consent of the Committee, while employed by the Company or after termination of such employment, becomes associated with, employed by, renders services to, or owns any interest in (other than any nonsubstantial interest, as determined by the Committee), any business that is in competition with the Company or with any business in which the Company has a substantial interest, as determined by the Committee or any one or more Senior Managers or committee of Senior Managers to whom the authority to make such determination is delegated by the Committee.

(e) *Award Agreements* . The terms and conditions of each Award, as determined by the Committee, shall be set forth in a written (or electronic) Award Agreement, which shall be delivered to the Participant receiving such Award upon, or as promptly as is reasonably practicable following, the grant of such Award. The effectiveness of an Award shall be subject

to the Award Agreement's being signed by the Company and/or the Participant receiving the Award unless otherwise provided in the Award Agreement. Award Agreements may be amended only in accordance with Section 12 hereof.

SECTION 3. Common Stock Subject to Plan

(a) *Plan Maximums* . The maximum number of Shares that may be granted pursuant to Awards under the Plan shall be 20 million. The maximum number of Shares that may be granted pursuant to Options intended to be Incentive Stock Options shall be 5 million Shares and shall not be affected by the provisions of Section 3(c)(ii). Shares subject to an Award under the Plan may be authorized and unissued Shares.

(b) *Individual Limits* . No Participant may be granted Options and Free-Standing SARs covering in excess of 2 million Shares, or Restricted Stock and Restricted Stock Units or other award subject to Performance Goals covering in excess of 750,000 Shares, during a 36 month period.

(c) *Rules for Calculating Shares Delivered* .

(i) With respect to Awards other than Adjusted Awards, to the extent that any Award is forfeited, or any Option and the related Tandem SAR (if any) or Free-Standing SAR terminates, expires or lapses without being exercised, or any Award is settled for cash, the Shares subject to such Awards not delivered as a result thereof shall again be available for Awards under the Plan.

(ii) With respect to Awards other than Adjusted Awards, if the exercise price of any Option and/or the tax withholding obligations relating to any Award are satisfied by delivering Shares (either actually or through attestation) or withholding Shares relating to such Award or if any Shares subject to an Award shall otherwise not be delivered in settlement of such Award (including upon the exercise of a Stock Appreciation Right), only the net number of Shares received by the Participant shall be deemed to have been issued for purposes of the maximum number of Shares in the first sentence of Section 3(a).

(iii) The provisions of Section 3(c)(i) and 3(c)(ii) shall also apply to Adjusted Awards such that any Shares subject to such awards that are forfeited or terminated, expire, lapse without being exercised or are settled for cash shall again be available for Awards under the Plan.

(d) *Adjustment Provision* . In the event of a merger, consolidation, acquisition of property or shares, stock rights offering, liquidation, Disaffiliation, or similar event affecting the Company or any of its Subsidiaries (each, a "Corporate Transaction"), the Committee or the Board may in its discretion make such substitutions or adjustments as it deems appropriate and equitable to (A) the aggregate number and kind of Shares or other securities reserved for issuance and delivery under the Plan, (B) the various maximum limitations set forth in Sections 3(a) and 3(b) upon certain types of Awards and upon the grants to individuals of certain types of Awards, (C) the number and kind of Shares or other securities subject to outstanding Awards; and (D) the exercise price of outstanding Options and Stock Appreciation Rights. In the event of a stock dividend, stock split, reverse stock split, separation, spinoff, reorganization, extra-

ordinary dividend of cash or other property, share combination, or recapitalization or similar event affecting the capital structure of the Company (each, a "Share Change"), the Committee or the Board shall make such substitutions or adjustments as it deems appropriate and equitable to (A) the aggregate number and kind of Shares or other securities reserved for issuance and delivery under the Plan, (B) the various maximum limitations set forth in Sections 3(a) and 3(b) upon certain types of Awards and upon the grants to individuals of certain types of Awards, (C) the number and kind of Shares or other securities subject to outstanding Awards; and (D) the exercise price of outstanding Options and Stock Appreciation Rights. In the case of Corporate Transactions, such adjustments may include, without limitation, (1) the cancellation of outstanding Awards in exchange for payments of cash, property or a combination thereof having an aggregate value equal to the value of such Awards, as determined by the Committee or the Board in its sole discretion (it being understood that in the case of a Corporate Transaction with respect to which stockholders of Common Stock receive consideration other than publicly traded equity securities of the ultimate surviving entity, any such determination by the Committee that the value of an Option or Stock Appreciation Right shall for this purpose be deemed to equal the excess, if any, of the value of the consideration being paid for each Share pursuant to such Corporate Transaction over the exercise price of such Option or Stock Appreciation Right shall conclusively be deemed valid), *provided* , that in the event of the cancellation of such Awards pursuant to this clause (1), the Awards shall vest in full immediately prior to the consummation of such Corporate Transaction; (2) the substitution of other property (including, without limitation, cash or other securities of the Company and securities of entities other than the Company) for the Shares subject to outstanding Awards; and (3) in connection with any Disaffiliation, arranging for the assumption of Awards, or replacement of Awards with new awards based on other property or other securities (including, without limitation, other securities of the Company and securities of entities other than the Company), by the affected Subsidiary, Affiliate, or division or by the entity that controls such Subsidiary, Affiliate, or division following such Disaffiliation (as well as any corresponding adjustments to Awards that remain based upon Company securities). The Committee may adjust in its sole discretion the Performance Goals applicable to any Awards to reflect any unusual or non-recurring events and other extraordinary items, impact of charges for restructurings, discontinued operations, and the cumulative effects of accounting or tax changes, each as defined by generally accepted accounting principles or as identified in the Company's financial statements, notes to the financial statements, management's discussion and analysis or the Company's other SEC filings, *provided* that in the case of Performance Goals applicable to any Qualified Performance-Based Awards, such adjustment does not violate Section 162(m) of the Code.

(e) *Section 409A.* Notwithstanding the foregoing: (i) any adjustments made pursuant to Section 3(d) to Awards that are considered "deferred compensation" within the meaning of Section 409A of the Code shall be made in compliance with the requirements of Section 409A of the Code; (ii) any adjustments made pursuant to Section 3(d) to Awards that are not considered "deferred compensation" subject to Section 409A of the Code shall be made in such a manner as to ensure that after such adjustment, the Awards either (A) continue not to be subject to Section 409A of the Code or (B) comply with the requirements of Section 409A of the Code; and (iii) in any event, neither the Committee nor the Board shall have the authority to make any adjustments pursuant to Section 3(d) to the extent the existence of such authority would cause an Award that is not intended to be subject to Section 409A of the Code at the Grant Date to be subject thereto.

SECTION 4. Eligibility

Awards may be granted under the Plan to Eligible Individuals and, with respect to Adjusted Awards, in accordance with the terms of the Employee Benefits Agreement; *provided* , *however* , that Incentive Stock Options may be granted only to employees of the Company and its subsidiaries or parent corporation (within the meaning of Section 424(f) of the Code) and, with respect to Adjusted Awards that are intended to qualify as incentive stock options within the meaning of Section 421 of the Code, in accordance with the terms of the Employee Benefits Agreement.

SECTION 5. Options and Stock Appreciation Rights

(a) *Types of Options* . Options may be of two types: Incentive Stock Options and Nonqualified Options. The Award Agreement for an Option shall indicate whether the Option is intended to be an Incentive Stock Option or a Nonqualified Option.

(b) *Types and Nature of Stock Appreciation Rights* . Stock Appreciation Rights may be "Tandem SARs," which are granted in conjunction with an Option, or "Free-Standing SARs," which are not granted in conjunction with an Option. Upon the exercise of a Stock Appreciation Right, the Participant shall be entitled to receive an amount in cash, Shares, or both, in value equal to the product of (i) the excess of the Fair Market Value of one Share over the exercise price of the applicable Stock Appreciation Right, multiplied by (ii) the number of Shares in respect of which the Stock Appreciation Right has been exercised. The applicable Award Agreement shall specify whether such payment is to be made in cash or Common Stock or both, or shall reserve to the Committee or the Participant the right to make that determination prior to or upon the exercise of the Stock Appreciation Right.

(c) *Tandem SARs* . A Tandem SAR may be granted at the Grant Date of the related Option. A Tandem SAR shall be exercisable only at such time or times and to the extent that the related Option is exercisable in accordance with the provisions of this Section 5, and shall have the same exercise price as the related Option. A Tandem SAR shall terminate or be forfeited upon the exercise or forfeiture of the related Option, and the related Option shall terminate or be forfeited upon the exercise or forfeiture of the Tandem SAR.

(d) *Exercise Price* . The exercise price per Share subject to an Option or Free-Standing SAR shall be determined by the Committee and set forth in the applicable Award Agreement, and shall not be less than the Fair Market Value of a share of the Common Stock on the applicable Grant Date. In no event may any Option or Free-Standing SAR granted under this Plan be amended, other than pursuant to Section 3 (d), to decrease the exercise price thereof, be cancelled in conjunction with the grant of any new Option or Free-Standing SAR with a lower exercise price, or otherwise be subject to any action that would be treated, for accounting purposes, as a "repricing" of such Option or Free-Standing SAR, unless such amendment, cancellation, or action is approved by the Company's stockholders.

(e) *Term* . The Term of each Option and each Free-Standing SAR shall be fixed by the Committee, but shall not exceed ten years from the Grant Date (except in the case of death or Disability).

(f) *Vesting and Exercisability* . Except as otherwise provided herein, Options and Free-Standing SARs shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee, provided that in no event shall the normal vesting schedule of an Option or Free-Standing SAR provide that such Option or Free-Standing SAR vest prior to the first anniversary of the date of grant (other than in the case of death or Disability). If the Committee provides that any Option or Free-Standing SAR will become exercisable only in installments, the Committee may at any time waive such installment exercise provisions, in whole or in part, based on such factors as the Committee may determine.

(g) *Method of Exercise* . The method of exercising Options and SARs shall be set forth in the applicable Award Agreement.

(h) *Delivery; Rights of Stockholders* . No Shares shall be delivered pursuant to the exercise of an Option until the exercise price therefor has been fully paid and applicable taxes have been withheld. The applicable Participant shall have all of the rights of a stockholder of the Company holding the class or series of Common Stock that is subject to the Option or Stock Appreciation Right (including, if applicable, the right to vote the applicable Shares and the right to receive dividends), when the Participant (i) has given written notice of exercise, (ii) if requested, has given the representation described in Section 14(a), and (iii) in the case of an Option, has paid in full for such Shares.

(i) *Nontransferability of Options and Stock Appreciation Rights* . No Option or Free-Standing SAR shall be transferable by a Participant other than (i) by will or by the laws of descent and distribution, or (ii) in the case of a Nonqualified Option or Free-Standing SAR, if expressly permitted by the Committee pursuant to a transfer to the Participant's family members, whether directly or indirectly or by means of a trust or partnership or otherwise, or a transfer for a charitable donation. For purposes of this Plan, unless otherwise determined by the Committee, "family member" shall have the meaning given to such term in General Instructions A.1(a)(5) to Form S-8 under the Securities Act of 1933, as amended, and any successor thereto. A Tandem SAR shall be transferable only with the related Option as permitted by the preceding sentence. Any Option or Stock Appreciation Right shall be exercisable, subject to the terms of this Plan, only by the applicable Participant, the guardian or legal representative of such Participant, or any person to whom such Option or Stock Appreciation Right is permissibly transferred pursuant to this Section 5(i), it being understood that the term "Participant" includes such guardian, legal representative and other transferee; *provided , however* , that the term "Termination of Employment" shall continue to refer to the Termination of Employment of the original Participant.

SECTION 6. Restricted Stock

(a) *Nature of Awards and Certificates* . Shares of Restricted Stock are actual Shares issued to a Participant, and shall be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of one or more stock certificates. Any certificate issued in respect of Shares of Restricted Stock shall be registered in the name of the applicable Participant and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award, substantially in the following form:

"The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of the Teradata Corporation, 2007 Stock Incentive Plan and an Award Agreement. Copies of such Plan and Agreement are on file at the offices of Teradata Corporation, [ ]."

The Committee may require that the certificates evidencing such shares be held in custody by the Company until the restrictions thereon shall have lapsed and that, as a condition of any Award of Restricted Stock, the applicable Participant shall have delivered a stock power, endorsed in blank, relating to the Common Stock covered by such Award.

(b) *Terms and Conditions* . Shares of Restricted Stock shall be subject to the following terms and conditions:

(i) The Committee shall, prior to or at the time of grant, condition (A) the vesting of an Award of Restricted Stock upon the continued service of the applicable Participant or (B) the grant or vesting of an Award of Restricted Stock upon the attainment of Performance Goals or the attainment of Performance Goals and the continued service of the applicable Participant. In the event that the Committee conditions the grant or vesting of an Award of Restricted Stock upon the attainment of Performance Goals or the attainment of Performance Goals and the continued service of the applicable Participant, the Committee may, prior to or at the time of grant, designate an Award of Restricted Stock as a Qualified Performance-Based Award. The conditions for grant or vesting and the other provisions of Restricted Stock Awards (including without limitation any applicable Performance Goals) need not be the same with respect to each recipient.

(ii) Subject to the provisions of the Plan and the applicable Award Agreement, during the period, if any, set by the Committee, commencing with the date of such Restricted Stock Award for which such vesting restrictions apply (the "Restriction Period"), and until the expiration of the Restriction Period, the Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber Shares of Restricted Stock. Subject to the terms of the Plan and the applicable Award Agreement, any Award of Restricted Stock shall be subject to vesting during the Restriction Period of at least three years following the date of grant, *provided* that a Restriction Period of at least one year following the date of grant is permissible if vesting is conditioned upon the achievement of Performance Goals, and *provided, further* that an Award may vest in part on a pro rata basis prior to the expiration of any Restriction Period, *provided , further* , that up to five percent of Shares available for grant as Restricted Stock (together with all other Shares available for grant as Full-Value Awards) may be granted with a Restriction Period of at least one year following the date of grant regardless of whether vesting is conditioned upon the achievement of Performance Goals.

(iii) Except as provided in this Section 6 and in the applicable Award Agreement, the applicable Participant shall have, with respect to the Shares of Restricted Stock, all of the rights of a stockholder of the Company holding the class or series of Common Stock that is the subject of the Restricted Stock, including, if applicable, the right to vote the Shares and the right to receive any cash dividends. If so determined by the Committee in the applicable Award Agreement and subject to Section 14(e), (A) cash dividends on the class or series of Common Stock that is the subject of the Restricted Stock Award shall be automatically deferred

and reinvested in additional Restricted Stock, held subject to the vesting of the underlying Restricted Stock, and (B) subject to any adjustment pursuant to Section 3(d), dividends payable in Common Stock shall be paid in the form of Restricted Stock of the same class as the Common Stock with which such dividend was paid, held subject to the vesting of the underlying Restricted Stock.

(iv) If and when any applicable Performance Goals are satisfied and the Restriction Period expires without a prior forfeiture of the Shares of Restricted Stock for which legended certificates have been issued, unlegended certificates for such Shares shall be delivered to the Participant upon surrender of the legended certificates.

SECTION 7. Restricted Stock Units

(a) *Nature of Awards* . Restricted Stock Units are Awards denominated in Shares that will be settled, subject to the terms and conditions of the Restricted Stock Units, in an amount in cash, Shares, or both, based upon the Fair Market Value of a specified number of Shares.

(b) *Terms and Conditions* . Restricted Stock Units shall be subject to the following terms and conditions:

(i) The Committee shall, prior to or at the time of grant, condition (A) the vesting of Restricted Stock Units upon the continued service of the applicable Participant or (B) the grant or vesting of Restricted Stock Units upon the attainment of Performance Goals or the attainment of Performance Goals and the continued service of the applicable Participant. In the event that the Committee conditions the grant or vesting of Restricted Stock Units upon the attainment of Performance Goals or the attainment of Performance Goals and the continued service of the applicable Participant, the Committee may, prior to or at the time of grant, designate the Restricted Stock Units as a Qualified Performance-Based Awards. The conditions for grant or vesting and the other provisions of Restricted Stock Units (including without limitation any applicable Performance Goals) need not be the same with respect to each recipient. An Award of Restricted Stock Units shall be settled as and when the Restricted Stock Units vest or at a later time specified by the Committee or in accordance with an election of the Participant, if the Committee so permits.

(ii) Subject to the provisions of the Plan and the applicable Award Agreement, during the period, if any, set by the Committee, commencing with the date of such Restricted Stock Units for which such vesting restrictions apply (the “Restriction Period”), and until the expiration of the Restriction Period, the Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber Restricted Stock Units. Subject to the terms of the Plan and the applicable Award Agreement, any Restricted Stock Units shall be subject to vesting during the Restriction Period of at least three years following the date of grant, *provided* that a Restriction Period of at least one year following the date of grant is permissible if vesting is conditioned upon the achievement of Performance Goals, and *provided, further* that a Restricted Stock Unit may vest in part prior to the expiration of any Restriction Period, *provided , further* , that up to five percent of Shares available for grant as Restricted Stock Units (together with all other Shares available for grant as Full-Value Awards) may be granted with a Restriction Period of at

least one year following the date of grant regardless of whether vesting is conditioned upon the achievement of Performance Goals.

(iii) The Award Agreement for Restricted Stock Units shall specify whether, to what extent and on what terms and conditions the applicable Participant shall be entitled to receive current or deferred payments of cash, Common Stock or other property corresponding to the dividends payable on the Common Stock (subject to Section 14(e) below).

SECTION 8. Performance Units.

Performance Units may be issued hereunder to Eligible Individuals, for no cash consideration or for such minimum consideration as may be required by applicable law, either alone or in addition to other Awards granted under the Plan. The Performance Goals to be achieved during any Performance Period and the length of the Performance Period shall be determined by the Committee upon the grant of each Performance Unit, *provided* that the Performance Period shall be no less than one year following the date of grant. The Committee may, in connection with the grant of Performance Units, designate them as Qualified Performance-Based Awards. The conditions for grant or vesting and the other provisions of Performance Units (including without limitation any applicable Performance Goals) need not be the same with respect to each recipient. Performance Units may be paid in cash, Shares, other property or any combination thereof, in the sole discretion of the Committee as set forth in the applicable Award Agreement. The performance levels to be achieved for each Performance Period and the amount of the Award to be distributed shall be conclusively determined by the Committee. Performance Units may be paid in a lump sum or in installments following the close of the Performance Period. The maximum value of the property, including cash, that may be paid or distributed to any Participant pursuant to a grant of Performance Units made in any Performance Period shall be $7.5 million dollars.

SECTION 9. Other Stock-Based Awards

Other Stock-Based Awards may be granted under the Plan, provided that any Other Stock-Based Awards that are Awards of Common Stock that are unrestricted shall only be granted in lieu of other compensation due and payable to the Participant. Subject to the terms of the Plan, any Other Stock-Based Award that is a Full Value Award shall be subject to vesting during a Restriction Period of at least three years following the date of grant, *provided* that a Restriction Period of at least one year following the date of grant is permissible if vesting is conditioned upon the achievement of Performance Goals, and *provided , further* that an Other Stock-Based Award that is a Full Value Award may vest in part on a pro rata basis prior to the expiration of any Restriction Period, *provided , further* , that up to five percent of Shares available for grant as Other Stock-Based Awards that are Full Value Awards (together with all other Shares available for grant as Full Value Awards) may be granted with a Restriction Period of at least one year following the date of grant regardless of whether vesting is conditioned upon the achievement of Performance Goals.

SECTION 10. Change in Control Provisions

(a) *Impact of Event* . Unless otherwise provided in the applicable Award Agreement, notwithstanding any other provision of this Plan to the contrary, unless Awards are not assumed, converted or replaced in which case such Awards shall vest immediately prior to the Change in Control, upon a Participant's Termination of Employment, during the 24-month period following a Change in Control, (x) by the Company other than for Cause or Disability or (y) for Participants who are participants in the Teradata Change in Control Severance Plan (the "CIC Severance Plan"), for Participants who participate in a Teradata Severance Policy ("Severance Policy") at a level that provides the Participant with the opportunity to resign for "good reason," and for other Participants to the extent set forth in an Award Agreement, by the Participant for Good Reason (as defined below):

(i) any Options and Stock Appreciation Rights outstanding as of such Termination of Employment which were outstanding as of the date of such Change in Control shall be fully exercisable and vested and shall remain exercisable until the later of (A) the last date on which such Option or Stock Appreciation Right would be exercisable in the absence of this Section 10(a) and (B) the first anniversary of such Termination of Employment, *provided* that in no event shall the Option or Stock Appreciation Right be exercisable beyond the expiration of the Term of such Option or Stock Appreciation Right;

(ii) the restrictions and deferral limitations applicable to any Restricted Stock shall lapse, and such Restricted Stock outstanding as of such Termination of Employment which were outstanding as of the date of such Change in Control shall become free of all restrictions and become fully vested and transferable; and

(iii) all Restricted Stock Units outstanding as of such Termination of Employment which were outstanding as of the date of such Change in Control shall be considered to be earned and payable in full, and any deferral or other restriction shall lapse and such Restricted Stock Units shall be settled as promptly as is practicable in (subject to Section 3(d)) the form set forth in the applicable Award Agreement.

For purposes of this Section 10, "Good Reason" means if the Participant is a participant in the CIC Severance Plan or is subject to the Severance Policy, "Good Reason" as defined in the CIC Severance Plan or the Severance Policy, as applicable, or, if the Participant is not a participant in the CIC Severance Plan or the Severance Policy, as applicable, "Good Reason" as defined in any Individual Agreement or Award Agreement to which the applicable Participant is a party.

(b) *Definition of Change in Control* . For purposes of the Plan, a "Change in Control" shall mean any of the following events:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of thirty percent (30%) or more of either (a) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (b) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of

directors (the "Outstanding Company Voting Securities"); *provided* , *however* , that for purposes of this subsection (i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (d) any acquisition pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii) of this Section 10(b); or

(ii) Individuals who, as of the date of this Plan, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; *provided* , *however* , that any individual becoming a director subsequent to the date of this Plan whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least two-thirds (2/3) of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another entity (a "Corporate Transaction"), in each case, unless, following such Corporate Transaction, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be; (B) no Person (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Corporate Transaction) beneficially owns, directly or indirectly, thirty percent (30%) or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Corporate Transaction; and (C) at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Corporate Transaction; or

(iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

SECTION 11. Qualified Performance-Based Awards; Section 16(b)

(a) The provisions of this Plan are intended to ensure that all Options and Stock Appreciation Rights granted hereunder to any Participant who is or may be a "covered employee" (within the meaning of Section 162(m)(3) of the Code) in the tax year in which such Option or Stock Appreciation Right is expected to be deductible to the Company qualify for the Section 162(m) Exemption, and all such Awards shall therefore be considered Qualified Performance-Based Awards and this Plan shall be interpreted and operated consistent with that intention (including, without limitation, to require that all such Awards be granted by a committee composed solely of members who satisfy the requirements for being "outside directors" for purposes of the Section 162(m) Exemption ("Outside Directors")). When granting any Award other than an Option or Stock Appreciation Right, the Committee may designate such Award as a Qualified Performance-Based Award, based upon a determination that (i) the recipient is or may be a "covered employee" (within the meaning of Section 162(m)(3) of the Code) with respect to such Award, and (ii) the Committee wishes such Award to qualify for the Section 162(m) Exemption, and the terms of any such Award (and of the grant thereof) shall be consistent with such designation (including, without limitation, that all such Awards be granted by a committee composed solely of Outside Directors). Within 90 days after the commencement of a Performance Period or, if earlier, by the expiration of 25% of a Performance Period, the Committee will designate one or more Performance Periods, determine the Participants for the Performance Periods and establish the Performance Goals for the Performance Periods.

(b) Each Qualified Performance-Based Award (other than an Option or Stock Appreciation Right) shall be earned, vested and/or payable (as applicable) only upon the achievement of one or more Performance Goals, together with the satisfaction of any other conditions, such as continued employment, as the Committee may determine to be appropriate.

(c) The full Board shall not be permitted to exercise authority granted to the Committee to the extent that the grant or exercise of such authority would cause an Award designated as a Qualified Performance-Based Award not to qualify for, or to cease to qualify for, the Section 162(m) Exemption.

(d) The provisions of this Plan are intended to ensure that no transaction under the Plan is subject to (and not exempt from) the short-swing recovery rules of Section 16(b) of the Exchange Act ("Section 16(b)"). Accordingly, the composition of the Committee shall be subject to such limitations as the Board deems appropriate to permit transactions pursuant to this Plan to be exempt (pursuant to Rule 16b-3 promulgated under the Exchange Act) from Section 16(b), and no delegation of authority by the Committee shall be permitted if such delegation would cause any such transaction to be subject to (and not exempt from) Section 16(b).

SECTION 12. Term, Amendment and Termination

(a) *Effectiveness* . The Plan was adopted by the Board effective as of immediately prior to the Effective Time, and approved by NCR Corporation, as sole shareholder of the Company, as of immediately prior to the Effective Time.

(b) *Termination* . The Plan will terminate on the tenth anniversary of the Effective Date. Awards outstanding as of such date shall not be affected or impaired by the termination of the Plan.

(c) *Amendment of Plan* . The Board may amend, alter, or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which would materially impair the rights of the Participant with respect to a previously granted Award without such Participant's consent, except such an amendment made to comply with applicable law, including without limitation Section 409A of the Code, stock exchange rules or accounting rules. In addition, no such amendment shall be made without the approval of the Company's stockholders to the extent such approval is required by applicable law or the listing standards of the Applicable Exchange.

(d) *Amendment of Awards* . Subject to Section 5(d), the Committee may unilaterally amend the terms of any Award theretofore granted, but no such amendment shall cause a Qualified Performance-Based Award to cease to qualify for the Section 162(m) Exemption or without the Participant's consent materially impair the rights of any Participant with respect to an Award, except such an amendment made to cause the Plan or Award to comply with applicable law, stock exchange rules or accounting rules.

SECTION 13. Unfunded Status of Plan

It is presently intended that the Plan constitute an "unfunded" plan for incentive and deferred compensation. The Committee may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver Common Stock or make payments; *provided , however* , that unless the Committee otherwise determines, the existence of such trusts or other arrangements is consistent with the "unfunded" status of the Plan.

SECTION 14. General Provisions

(a) *Conditions for Issuance* . The Committee may require each person purchasing or receiving Shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the Shares without a view to the distribution thereof. The certificates for such Shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer. Notwithstanding any other provision of the Plan or agreements made pursuant thereto, the Company shall not be required to issue or deliver any certificate or certificates for Shares under the Plan prior to fulfillment of all of the following conditions: (i) listing or approval for listing upon notice of issuance, of such Shares on the Applicable Exchange; (ii) any registration or other qualification of such Shares of the Company under any state or federal law or regulation, or the maintaining in effect of any such registration or other qualification which the Committee shall, in its absolute discretion upon the advice of counsel, deem necessary or advisable; and (iii) obtaining any other consent, approval, or permit from any state or federal governmental agency which the Committee shall, in its absolute discretion after receiving the advice of counsel, determine to be necessary or advisable.

(b) *Additional Compensation Arrangements* . Nothing contained in the Plan shall prevent the Company or any Subsidiary or Affiliate from adopting other or additional compensation arrangements for its employees.

(c) *No Contract of Employment* . The Plan shall not constitute a contract of employment, and adoption of the Plan shall not confer upon any employee any right to continued employment, nor shall it interfere in any way with the right of the Company or any Subsidiary or Affiliate to terminate the employment of any employee at any time.

(d) *Required Taxes* . No later than the date as of which an amount first becomes includible in the gross income of a Participant for federal, state, local or foreign income or employment or other tax purposes with respect to any Award under the Plan, such Participant shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount, up to the Participant's minimum required tax withholding rate (or such other rate that will not trigger a negative accounting impact). Unless otherwise determined by the Company, withholding obligations may be settled with Common Stock, including Common Stock that is part of the Award that gives rise to the withholding requirement. The obligations of the Company under the Plan shall be conditional on such payment or arrangements, and the Company and its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to such Participant. The Committee may establish such procedures as it deems appropriate, including making irrevocable elections, for the settlement of withholding obligations with Common Stock.

(e) *Limitation on Dividend Reinvestment and Dividend Equivalents* . Reinvestment of dividends in additional Restricted Stock at the time of any dividend payment, and the payment of Shares with respect to dividends to Participants holding Awards of Restricted Stock Units, shall only be permissible if sufficient Shares are available under Section 3 for such reinvestment or payment (taking into account then outstanding Awards). In the event that sufficient Shares are not available for such reinvestment or payment, such reinvestment or payment shall be made in the form of a grant of Restricted Stock Units equal in number to the Shares that would have been obtained by such payment or reinvestment, the terms of which Restricted Stock Units shall provide for settlement in cash and for dividend equivalent reinvestment in further Restricted Stock Units on the terms contemplated by this Section 14(e).

(f) *Designation of Death Beneficiary* . The Committee shall establish such procedures as it deems appropriate for a Participant to designate a beneficiary to whom any amounts payable in the event of such Participant's death are to be paid or by whom any rights of such eligible Individual, after such Participant's death, may be exercised.

(g) *Subsidiary Employees* . In the case of a grant of an Award to any employee of a Subsidiary of the Company, the Company may, if the Committee so directs, issue or transfer the Shares, if any, covered by the Award to the Subsidiary, for such lawful consideration as the Committee may specify, upon the condition or understanding that the Subsidiary will transfer the Shares to the employee in accordance with the terms of the Award specified by the Committee pursuant to the provisions of the Plan. All Shares underlying Awards that are forfeited or canceled should revert to the Company.

(h) *Governing Law and Interpretation* . The Plan and all Awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of

Delaware, without reference to principles of conflict of laws. The captions of this Plan are not part of the provisions hereof and shall have no force or effect.

(i) *Non-Transferability* . Except as otherwise provided in Section 5(i) or by the Committee, Awards under the Plan are not transferable except by will or by laws of descent and distribution.

(j) *Foreign Employees and Foreign Law Considerations* . The Committee may grant Awards to Eligible Individuals who are foreign nationals, who are located outside the United States or who are not compensated from a payroll maintained in the United States, or who are otherwise subject to (or could cause the Company to be subject to) legal or regulatory provisions of countries or jurisdictions outside the United States, on such terms and conditions different from those specified in the Plan as may, in the judgment of the Committee, be necessary or desirable to foster and promote achievement of the purposes of the Plan, and, in furtherance of such purposes, the Committee may make such modifications, amendments, procedures, or subplans as may be necessary or advisable to comply with such legal or regulatory provisions.

(k) *Deferrals* . The Committee shall be authorized to establish procedures pursuant to which the payment of any Award may be deferred. Subject to the provisions of this Plan and any Award Agreement, the recipient of an Award (including, without limitation, any deferred Award) may, if so determined by the Committee, be entitled to receive, currently or on a deferred basis, interest or dividends, or interest or dividend equivalents, with respect to the number of shares covered by the Award, as determined by the Committee, in its sole discretion, and the Committee may provide that such amounts (if any) shall be deemed to have been reinvested in additional Shares or otherwise reinvested.

IN WITNESS WHEREOF , the Company has caused this Plan to be executed on this ____day of _____, 2007.

FOR TERADATA CORPORATION

By: _____

Name _____

Title _____

Exhibit 10.8

TERADATA CORPORATION EMPLOYEE STOCK PURCHASE PLAN

1. Purpose

The Teradata Corporation Employee Stock Purchase Plan ("Plan") provides Eligible Employees with an opportunity to purchase Teradata Common Stock through payroll deductions and is intended as an employment incentive and to encourage ownership of Teradata Common Stock to enable Eligible Employees to participate in the economic progress of Teradata Corporation ("Teradata") during the term of the Plan.

The Company intends to have the Plan qualify as an "employee stock purchase plan" under Section 423 of the Code. The provisions of the Plan shall be construed so as to extend and limit participation in a manner consistent with the requirements of Section 423 of the Code.

This Plan will be effective upon the Effective Time.

2. Definitions

2.1 "Affiliate" means any person that directly, or through one or more intermediaries, controls, or is controlled by, or under common control with, the Company.

2.2 "Beneficiary" has the meaning set forth in Section 15.

2.3 "Board of Directors" means the Board of Directors of the Company.

2.4 "Code" means the Internal Revenue Code of 1986, as amended.

2.5 "Company" means Teradata Corporation, a Delaware corporation.

2.6 "Compensation" means the total amount received by a Participant from the Company or a Subsidiary as salary, wages, bonus or other remuneration including (i) overseas premium pay, (ii) appropriate commission or other earnings by sales personnel, (iii) overtime pay, (iv) payments for cost-of-living increases, and (v) sick pay, but excluding contributions of the Company or a Subsidiary to an employee benefit plan thereof.

2.7 "Continuous Service" means the length of time an Employee has been in the continuous employ of the Company and/or a Subsidiary and/or an Affiliate.

2.8 "Designated Subsidiary" means a Subsidiary which shall have been designated by the Chief Executive Officer or Senior Vice President, Human Resources of the Company to participate in the Plan; provided, that any such designation may be revoked in like manner at any time.

2.9 "Effective Time" shall have the meaning set forth in the Separation and Distribution Agreement by and between NCR Corporation and Teradata.

2.10 "Eligible Employees" means only those persons who on an Offering Date: (i) are Employees of the Company or a Designated Subsidiary, and (ii) are not deemed for purposes of

Section 423(b)(3) of the Code to own stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or a Subsidiary or the parent of the Company, if any.

2.11 "Employees" means all persons employed by the Company or a Subsidiary, and unless otherwise prohibited by applicable law, excludes those persons whose customary employment is 20 hours or less per week and/or whose customary employment is for five months or less in any calendar year. "Employee" does not include leased employees within the meaning of Section 414(n) of the Code, and does not include "payroll service or agency employees" as defined in the following sentence. "Payroll service or agency employee" means an individual (i) for whom the direct pay or compensation with respect to the performance of services for the Company or any Subsidiary or Affiliate is paid by any outside entity, including but not limited to a payroll service or temporary employment agency rather than by the Teradata internal corporate payroll system, or (ii) who is paid directly by the Company or any Subsidiary or Affiliate, but not through an internal corporate payroll system (e.g., through purchase order accounts). The determination whether an individual is a "payroll service or agency employee" shall be made solely according to the method of paying the individual for services, without regard to whether the individual is considered a common law employee of the Company for any other purpose, and such determination will be within the discretionary authority of the plan administrator.

2.12 "Exercise Date" means the last business day of each month.

2.13 "Investment Account" has the meaning set forth in Section 12.

2.14 "Teradata Common Stock" means shares of common stock, par value $0.01, of Teradata.

2.15 "Offering" means the offering of shares of Teradata Common Stock to Eligible Employees pursuant to the Plan.

2.16 "Offering Date" means the first business day of each month.

2.17 "Participant" means an Eligible Employee who elects to participate in the Plan.

2.18 "Payroll Department" means the department of the Company or a Subsidiary from which a Participant's Compensation is disbursed.

2.19 "Plan" means this Teradata Employee Stock Purchase Plan.

2.20 "Plan Year" means calendar years through December 31, 2016.

2.21 "Purchase Period" means the period from an Offering Date to the next succeeding Exercise Date.

2.22 "Recordkeeper" means the third party administrator that maintains records for the Plan.

2.23 "Subsidiary" means any corporation in which the Company, directly or indirectly, owns stock possessing 50% or more of the total combined voting power of all classes of stock.

3. Shares

The aggregate number of shares of Teradata Common Stock which may be purchased under the Plan shall not exceed a total of four million (4,000,000). Notwithstanding the foregoing, the aggregate number of shares is subject to adjustment in accordance with Section 20 hereof. Shares issued under the Plan will consist of authorized and unissued shares.

4. Offering

Each Eligible Employee on an Offering Date shall be entitled to purchase, in the manner and on the terms herein provided, shares of Teradata Common Stock at the Purchase Price set forth in Section 8 hereof with amounts withheld pursuant to Section 6 hereof during the Purchase Period commencing on such Offering Date.

Anything herein to the contrary notwithstanding, if any person entitled to purchase shares pursuant to any Offering hereunder would be deemed, for the purposes of Section 423(b)(3) of the Code, to own stock (including any number of shares which such person would be entitled to purchase hereunder and under any other similar plan or stock option plan of the Company, the parent of the Company or any Subsidiary) possessing 5% or more of the total combined voting power or value of all classes of stock of the Company, the parent of the Company or a Subsidiary, the maximum number of shares which such person shall be entitled to purchase pursuant to the Plan shall be reduced to that number which, when added to the number of shares of stock of the Company, the parent of the Company or a Subsidiary which such person is so deemed to own (excluding any number of shares which such person would be entitled to purchase hereunder), is one less than such 5% and any balance remaining in such person's account to purchase shares of Teradata Common Stock under this Plan ("Stock Purchase Account") shall be refunded.

5. Entry Into the Plan; Stock Purchase Agreements

Any Eligible Employee may become a Participant in the Plan by filing a stock purchase agreement prior to the 15 th day of the month immediately preceding March 1 or September 1 in each Plan Year (a "Stock Purchase Agreement"). Once an Eligible Employee has filed a Stock Purchase Agreement and become a Participant in the Plan, he shall remain a Participant until he withdraws from the Plan in accordance with Section 13 hereof, and he shall not be required to file a Stock Purchase Agreement for any succeeding Offering or Plan Year until he withdraws from the Plan.

A Participant may change his level of payroll deduction prior to the 15 th of the month immediately preceding March 1 or September 1 in any Plan Year.

6. Payment for Shares; Payroll Deductions

Payment for shares of Teradata Common Stock purchased hereunder shall be made by authorized payroll deductions from a Participant's Compensation pursuant to this Section.

In his Stock Purchase Agreement, a Participant shall authorize a deduction from each payment of Compensation during a Purchase Period of an amount equal to any full percentage of such payment; provided, however, that the minimum deduction shall be 1% and the maximum deduction shall be 10% of any payment of Compensation.

A Participant on an unpaid leave of absence will remain a Participant in the Plan but no amounts will be credited to the Participant's Stock Purchase Account during the time the Participant receives no Compensation.

7. Payroll Deductions

Amounts deducted from a Participant's Compensation pursuant to Section 6 hereof shall be recorded by the Company and applied to the purchase of Teradata Common Stock hereunder. No interest shall accrue or be payable to any Participant with respect to any deducted amounts.

8. Purchase Price

The Purchase Price per share of the shares of Teradata Common Stock sold to Participants hereunder for any Offering shall be 95% of the average of the reported highest and lowest sale prices of shares of Teradata Common Stock on the New York Stock Exchange on the applicable Exercise Date. Should no sale of Teradata Common Stock occur on any Exercise Date, then the Purchase Price shall be determined on the basis of the sales of Teradata Common Stock on the first day prior thereto on which such sales were made. Anything herein to the contrary notwithstanding, the Purchase Price per share shall not be less than the par value of a share of Teradata Common Stock.

9. Purchase of Shares; Limitation on Right to Purchase

As of each Exercise Date, each Participant shall be offered the right to purchase, and shall be deemed, without any further action, to have purchased, at the Purchase Price in United States dollars, the number of full shares of Teradata Common Stock which can be purchased with the amount credited to such Participant's Stock Purchase Account. All such shares shall be maintained in Investment Accounts for the Participants. All dividends paid with respect to such shares shall be credited to the Participants' Investment Accounts, and will be automatically reinvested in shares of Teradata Common Stock, unless the Participant elects not to have such dividends reinvested. Any remaining balance in a Participant's Stock Purchase Account not used to purchase full shares of Teradata Common Stock shall be applied to purchase shares of Teradata Common Stock on the next Exercise Date or, in the event that there is no next Exercise Date, shall be refunded to the Participant.

At the time a Participant's payroll deduction amounts are used to purchase the Teradata Common Stock, he or she will have all of the rights and privileges of a stockholder of Teradata with respect to the shares purchased under the Plan.

Anything herein to the contrary notwithstanding, (i) a Participant may not purchase more than 50,000 shares of Teradata Common Stock through this Plan in any Purchase Period hereunder and (ii) if at any time when any person is entitled to complete the purchase of any shares pursuant to the Plan, taking into account such person's rights, if any, to purchase stock

under all other employee stock purchase plans of the Company, its parent and of any Subsidiaries, the result would be that during the then current calendar year such person would have first become entitled to purchase under the Plan and all such other plans a number of shares of stock which would exceed the maximum number of shares permitted by the provisions of Section 423(b)(8) of the Code, then the number of shares which such person shall be entitled to purchase pursuant to the Plan shall be reduced by the number which is one more than the number of shares which represents the excess, and any remaining balance of the Participant's payroll deductions shall be refunded.

10. Expiration of Purchase Period

As of each Exercise Date the amount of payroll deductions for each Participant in the applicable Purchase Period shall be applied to purchase shares of Teradata Common Stock at the Purchase Price.

11. Issuance of Shares

The shares of Teradata Common Stock purchased by a Participant on an Exercise Date shall, for all purposes, be deemed to have been issued and sold at the close of business on such Exercise Date. Prior to that time, none of the rights or privileges of a stockholder shall exist with respect to such shares.

As soon as practicable after such Exercise Date, the Company shall cause a book entry to be registered in the street name of the Recordkeeper on behalf of the Participants, for the number of shares of Teradata Common Stock purchased by the Participants on such Exercise Date, as designated in the Participant's Stock Purchase Agreement. Such designation may be changed at any time by filing notice thereof. The Senior Vice President, Human Resources shall have sole discretion to adopt rules governing the registration of shares purchased hereunder, and may restrict the types of designations permitted under a Participant's Stock Purchase Agreement.

12. Investment Accounts Maintained by Recordkeeper

The Recordkeeper shall maintain an Investment Account for each Participant with a record of the shares purchased by the Participant. The Participant may at any time direct the Recordkeeper to (i) sell some or all of the shares credited to his Investment Account and deliver the cash in U.S. currency to the Participant, subject to any applicable delivery or transfer charge or (ii) provide the Participant a notice of issuance of uncertificated shares reflecting some or all of the whole shares credited to his Investment Account.

13. Withdrawal

A Participant may withdraw from the Plan at any time by filing notice of withdrawal. Upon a Participant's withdrawal, the amount credited to his Stock Purchase Account shall go toward the purchase of Teradata Common Stock on the next Exercise Date. Any Participant who withdraws from the Plan may again become a Participant hereunder in accordance with Section 5 hereof.

14. Termination of Continuous Service

If a Participant's Continuous Service terminates for any reason during a Purchase Period, the amount credited to his Stock Purchase Account as of the termination date shall be used to purchase shares of Teradata Common Stock pursuant to Section 9 hereof as of the next succeeding Exercise Date. The Participant may elect within 60 days of the date of his termination of employment to liquidate his Investment Account by either of the methods described in Section 12 or some combination of both. If the Recordkeeper receives no directions from the Participant within 60 days after his termination date, the Recordkeeper may deem that the Participant elected to retain ownership of the stock in the Participant's own name and receive appropriate evidence of such ownership, and the Recordkeeper may proceed accordingly.

If a Participant transfers to part-time status during a Purchase Period, his payroll deductions for the Plan shall terminate as of the date of such transfer and the amount credited to his Stock Purchase Account as of the effective date of any such occurrence shall remain in the Stock Purchase Account until the Exercise Date. The Recordkeeper shall continue to maintain the Participant's Investment Account.

15. Death

If a Participant dies during a Purchase Period, the amount credited to his Stock Purchase Account as of the date of death shall be applied to the purchase of Teradata Common Stock on the Exercise Date.

The Recordkeeper shall transfer the Participant's Investment Account to the executor or administrator of the Participant's estate. If no executor or administrator is appointed (to the knowledge of the Company), the Company in its discretion may direct the Recordkeeper to transfer the Investment Account to the Participant's spouse or to any one or more dependents of the Participant.

16. Procedure if Insufficient Shares Available

In the event that on any Exercise Date the aggregate funds available for the purchase of shares of Teradata Common Stock pursuant to Section 9 hereof would purchase a number of shares in excess of the number of shares then available for purchase under the Plan, the Senior Vice President, Human Resources shall proportionately reduce the number of shares which would otherwise be purchased by each Participant on such Exercise Date in order to eliminate such excess, the Plan shall automatically terminate immediately after such Exercise Date and any remaining balance credited to the Stock Purchase Account of each Participant shall be refunded to each such Participant.

17. Rights not Transferable

Rights to purchase shares under the Plan are exercisable only by the Participant during his lifetime and are not transferable by him other than by will or the laws of descent and distribution. If a Participant attempts to transfer his rights to purchase shares under the Plan other than by will, he shall be deemed to have requested withdrawal from the Plan and the provisions of Section 13 hereof shall apply with respect to such Participant.

18. Administration of the Plan

Subject to the general control of, and superseding action by, the Board of Directors, the Senior Vice President, Human Resources shall have full power to administer the Plan. He or she shall adopt rules not inconsistent with the provisions of the Plan for its administration. He or she shall adopt the form of Stock Purchase Agreement, all notices required hereunder, and any on the registration of certificates for shares purchased hereunder. His or her interpretation and construction of the Plan and Rules shall, subject as aforesaid, be final and conclusive.

19. Amendment of the Plan

The Board of Directors may at any time, or from time to time, alter or amend the Plan in any respect, except that, without approval of the stockholders of Teradata, no amendment may (i) increase the number of shares reserved for purchase under the Plan other than as provided in Section 20 hereof or (ii) reduce the Purchase Price per share as defined in Section 8 hereof.

20. Recapitalization; Effect of Certain Transactions

The aggregate number of shares of Teradata Common Stock reserved for purchase under the Plan as provided in Section 3 hereof, the maximum number of shares which a Participant may purchase in any Purchase Period as provided in Section 9 hereof, and the calculation of the Purchase Price per share as provided in Section 8 hereof shall be appropriately adjusted to reflect a subdivision or consolidation of shares or other capital adjustment, or the payment of a stock dividend, extraordinary cash dividend or other increase or decrease in the number of issued shares of Teradata Common Stock, effected without receipt of consideration by the Company. If Teradata shall merge or consolidate, whether or not Teradata is the surviving or resulting corporation in such merger or consolidation, any Offering hereunder shall pertain to and apply to shares of stock of Teradata or any shares issued in connection with such merger or consolidation in exchange for shares of stock of Teradata, unless prior to such merger or consolidation, the Board of Directors of the Company shall, in its discretion, terminate the Plan and/or any Offering hereunder. Notwithstanding the foregoing, a dissolution or liquidation of Teradata shall cause the Plan and any Offering hereunder to terminate and the entire amount credited to the Stock Purchase Account of each Participant thereunder shall be paid to each such Participant.

21. Expiration and Termination of the Plan

The Plan shall continue in effect through the tenth anniversary of the Effective Time unless terminated prior thereto pursuant to Section 16 or 20 hereof, or pursuant to the next succeeding sentence. The Board of Directors shall have the right to terminate the Plan or any Offering hereunder at any time. In the event of the expiration of the Plan or its termination or the termination of any Offering pursuant to the immediately preceding sentence, the entire amount credited to the Stock Purchase Account of each Participant hereunder shall be refunded to each such Participant.

22. Treatment of Fractional Shares

For any amounts of payroll deductions that are insufficient to purchase a whole share, the Recordkeeper may determine whether its standard practice will be to credit the Participants'

Investment Accounts with fractional shares or with the insufficient cash amount that will be carried over and applied to the next Purchase Period. If the Investment Accounts are credited with fractional shares, such fractional shares shall be cashed out when a Participant closes his or her Investment Account.

23. Notice

Any notice which a Participant files pursuant to the Plan shall be in the appropriate form and shall be delivered by hand or mailed, postage prepaid, to such Participant's Payroll Department.

24. Repurchase of Stock

The Company shall not be required to repurchase from any Participant shares of Teradata Common Stock which such Participant acquires under the Plan.

25. Use of Funds

All payroll deductions received or held by the Company under this Plan may be used by the Company for any corporate purpose and the Company shall not be obligated to segregate such payroll deductions.

26. Alternate Contribution Methods

Anything herein to the contrary notwithstanding, in the event authorized payroll deductions form a Participant's Compensation are not permitted by reason of the provisions of local law applicable to the Company or a Designated Subsidiary, or are not practicable in the opinion of the Senior Vice President, Human Resources, the appropriate alternative method pursuant to which affected Participants may make payment for shares of Teradata Common Stock purchased hereunder which would otherwise have been made pursuant to Section 6 hereof shall be designated by the Senior Vice President, Human Resources. Payments made hereunder shall be deemed to have been made pursuant to Section 6 hereof.

27. Fees

The Recordkeeper may charge Participants reasonable transaction fees, as agreed by the Company.

IN WITNESS WHEREOF, the Company has caused this Plan to be duly executed on this _____day of _____, 2007.

FOR TERADATA CORPORATION

By: _____

Name: _____

Title: _____

Exhibit 10.9

TERADATA CORPORATION

MANAGEMENT INCENTIVE PLAN

PREAMBLE

This Teradata Corporation Management Incentive Plan ("Plan") is (a) adopted effective as of immediately prior to the Effective Time (as defined in the Separation and Distribution Agreement by and between NCR Corporation and Teradata Corporation), by the Board of Directors of Teradata Corporation (the "Company") and (b) adopted and approved effective as of immediately prior to the Effective Time by NCR Corporation, as sole shareholder of the Company. The purpose of the Plan is to advance the interests of the Company and its stockholders and assist the Company in attracting and retaining executive officers by providing incentives and financial rewards to such executive officers that are intended to be deductible to the maximum extent possible as "performance-based compensation" within the meaning of Section 162(m) of the Internal Revenue Code.

ARTICLE I

Definitions

1.1 Affiliate means any person that directly, or through one or more intermediaries, controls, or is controlled by, or under common control with, the Company.

1.2 Award means an award of incentive compensation pursuant to the Plan.

1.3 Code means the Internal Revenue Code of 1986, as amended.

1.4 Committee means the Compensation and Human Resource Committee of the Board of Directors of the Company, or a subcommittee thereof consisting of members appointed from time to time by the Board of Directors of the Company, and shall comprise not less than such number of directors as shall be required to permit the Plan to satisfy the requirements of Code Section 162(m). The Committee administering the Plan shall be composed solely of "outside directors" within the meaning of Code Section 162(m).

1.5 Company means Teradata Corporation, a Delaware corporation.

1.6 Disability means a total and permanent disability that causes a Participant to be eligible to receive long term disability benefits from the Teradata Corporation Long Term Disability Plan, or any similar plan or program sponsored by a subsidiary or branch of the Company.

1.7 Executive Officers means Board-appointed officers of the Company who are designated by the Board as "Section 16 officers."

1.8 Participant means an Executive Officer or other employee of the Company or an Affiliate who is selected by the Committee to participate in the Plan.

1.9 Performance Period means the time period during which the achievement of the performance goals is to be measured.

1.10 Plan means this Teradata Corporation Management Incentive Plan.

1.11 Retirement means termination of employment with the Company or an affiliated company when a Participant is age 55 or older.

ARTICLE II

Eligibility and Participation

2.1 Eligibility and Participation . The Committee shall select Executive Officers of the Company and other employees of the Company or an Affiliate who are eligible to receive Awards under the Plan, and who shall be Participants in the Plan during any Performance Period in which they may earn an Award.

ARTICLE III

Terms of Awards

3.1 Calculation of Awards . The Award payable under the Plan for a Performance Period is equal to 1.5% of "Earnings Before Income Taxes" for the Chief Executive Officer for the Performance Period and 0.75% of Earnings Before Income Taxes for each of the other participants for the Performance Period.

"Earnings Before Income Taxes" means the Company's earnings before income taxes as reported in the Company's income statement for the applicable Performance Period, prior to accrual of any amounts for payment under the Plan for the Performance Period, adjusted to eliminate the effects of charges for restructurings, discontinued operations, extraordinary items and other unusual or non-recurring items, and the cumulative effect of tax or accounting changes, each as defined by generally accepted accounting principles or identified in the Company's financial statements, notes to the financial statements or management's discussion and analysis.

3.2 Discretionary Adjustment . The Committee may not increase the amount payable under the Plan or with respect to an Award pursuant to Section 3.1, but retains the discretionary authority to reduce the amount. The Committee may establish factors to take into consideration in implementing its discretion, including, but not limited to, corporate or business unit performance against budgeted financial goals (e.g., operating income or revenue), achievement of non-financial goals, economic and relative performance considerations and assessments of individual performance.

3.3 Form of Payment . Each Award under the Plan shall be paid in cash or its equivalent. The Committee in its discretion may determine that all or a portion of an Award shall be

paid in stock, restricted stock, stock options, or other stock-based or stock denominated units, which shall be issued pursuant to the Company's equity compensation plans in existence at the time of the grant.

3.4 Timing of Payment . Payment of Awards will be made as soon as practicable following determination of and certification of the Award, but in no event more than two and a half months after the end of the calendar year with respect to which such Award was earned, unless the a Participant has, prior to the grant of an Award, submitted an election to defer receipt of the Award in accordance with a deferred compensation plan approved by the Committee.

3.5 Performance Period . Within 90 days after the commencement of each fiscal year or, with respect to the fiscal year in which the Effective Time occurs, within 90 days after the Effective Time, or, if earlier, by the expiration of 25% of a Performance Period, the Committee will designate one or more Performance Periods, determine the Participants for the Performance Periods and affirm the applicability of the Plan's formula for determining the Award for each Participant for the Performance Periods. The time period during which the achievement of the performance goals is to be measured shall be determined by the Committee, but may be no longer than five years and no less than six months.

3.6 Certification . Following the close of each Performance Period and prior to payment of any amount to any Participant under the Plan, the Committee will certify in writing as to the attainment of the performance goals and the amount of the Award.

ARTICLE IV

New Hires, Promotions and Terminations

4.1 New Participants During the Performance Period . If an individual is newly hired or promoted during a calendar year into a position eligible for participation in the Plan, he or she shall be eligible for an Award under the Plan for the Performance Period, prorated for the portion of the Performance Period following the date of eligibility for the Plan.

4.2 Retirement, Disability or Death . A Participant who terminates employment with the Company during a Performance Period due to Retirement, Disability or death shall be eligible to receive an Award prorated for the portion of the Performance Period prior to termination of employment. Awards payable in the event of death shall be paid to the Participant's estate.

4.3 Termination of Employment . If a Participant terminates employment with the Company for a reason other than Retirement, Disability or death, unless otherwise determined by the Committee, no Award shall be payable with respect to the Performance Period in which such termination occurs.

ARTICLE V

Miscellaneous

5.1 Withholding Taxes . The Company shall have the right to make payment of Awards net of any applicable federal, state and local taxes required to be withheld, or to require the Participant to pay such withholding taxes. If the Participant fails to make such tax payments as required, the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to such Participant or to take such other action as may be necessary to satisfy such withholding obligations.

5.2 Nontransferability . No Award may be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, including assignment pursuant to a domestic relations order, during the time in which the requirement of continued employment or attainment of performance objectives has not been achieved. Each Award shall be paid during the Participant's lifetime only to the Participant, or, if permissible under applicable law, to the Participant's legal representatives. No Award shall, prior to receipt thereof by the Participant, be in any manner liable for or subject to the debts, contracts, liabilities, or torts of the Participant.

5.3 Administration . The Committee shall administer the Plan, interpret the terms of the Plan, amend and rescind rules relating to the Plan, and determine the rights and obligations of Participants under the Plan. The Committee may delegate any of its authority as it solely determines. In administering the Plan, the Committee may at its option employ compensation consultants, accountants and counsel and other persons to assist or render advice to the Committee, all at the expense of the Company. All decisions of the Committee shall be final and binding upon all parties including the Company, its stockholders, and the Participants. The provisions of this Plan are intended to ensure that all Awards granted hereunder can qualify for the exemption from the limitation on deductibility imposed by Section 162(m) of the Code that is set forth in Section 162(m)(4)(C) of the Code, and this Plan shall be interpreted and operated consistent with that intention with respect to Awards that are intended to qualify for the exemption on deductibility set forth in Section 162(m)(4)(C) of the Code, provided that nothing herein shall require the Committee to administer the Plan in accordance with Section 162(m) of the Code with respect to Awards that are not subject to the limitation on deductibility imposed by Section 162(m) of the Code.

5.4 Severability . If any provisions of the Plan or any Award is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or the Award, such provision will be stricken as to such jurisdiction, and the remainder of the Plan or Award shall remain in full force and effect.

5.5 No Fund Created . Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

5.6 Employment at Will . Neither the adoption of the Plan, eligibility of any person to participate, nor payment of an Award to a Participant shall be construed to confer upon any person a right to be continued in the employ of the Company. The Company expressly reserves the right to discharge any Participant whenever in the sole discretion of the Company its interest may so require.

5.7 Amendment or Termination of the Plan . The Board of Directors of the Company reserves the right to amend or terminate the Plan at any time with respect to future Awards to Participants. Amendments to the Plan will require stockholder approval to the extent required to comply with applicable law, including the exemption under Code Section 162(m).

5.8 Non-Exclusivity of Plan . Neither the adoption of the Plan by the Board of Directors nor the submission of the Plan to stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board of Directors or the Committee to adopt such other incentive arrangements as either may deem desirable, including, without limitation, cash or equity-based compensation arrangements, either tied to performance or otherwise.

5.9 Dispute Resolution . The Plan and any agreements hereunder shall be interpreted in accordance with the laws of the State of Delaware and applicable federal law. Any controversy or claim related in any way to the Plan shall be resolved by arbitration on a de novo standard pursuant to this paragraph and the then current rules of the American Arbitration Association. The arbitration shall be held in the city in which the headquarters of the Company is located, before an arbitrator who is an attorney knowledgeable of employment law. The arbitrator's decision and award shall be final and binding and may be entered in any court having jurisdiction thereof. The arbitrator shall not have the power to award punitive or exemplary damages. Issues of arbitrability shall be determined in accordance with the federal substantive and procedural laws relating to arbitration; all other aspects shall be interpreted in accordance with the laws of the State of Delaware. Each party shall bear its own attorneys' fees associated with the arbitration and other costs and expenses of the arbitration shall be borne as provided by the rules of the American Arbitration Association; provided, however, that if the participant is the prevailing party, the Company shall reimburse the Participant for reasonable attorneys' fees and expenses and arbitration expenses incurred in connection with the dispute.

IN WITNESS WHEREOF , the Company has caused this Plan to be executed on this _____day of _____, 2007.

FOR TERADATA CORPORATION

By: _____

Name: _____

Title: _____

Exhibit 10.10

Teradata Change in Control Severance Plan

Introduction

The Board of Directors of Teradata Corporation (the " Board ") recognizes that, from time to time, the Company may explore potential transactions that could result in a Change in Control of the Company. This possibility and the uncertainty it creates may result in the loss or distraction of certain key Employees of the Company to the detriment of the Company and its shareholders.

The Board considers the avoidance of such loss and distraction to be essential to protecting and enhancing the best interests of the Company and its shareholders. The Board also believes that when a Change in Control is perceived as imminent, or is occurring, the Board should be able to receive and rely on disinterested service from Employees regarding the best interests of the Company and its shareholders without concern that Employees might be distracted or concerned by the personal uncertainties and risks created by the perception of an imminent or occurring Change in Control.

In addition, the Board believes that it is consistent with the Company's employment practices and policies and in the best interests of the Company and its shareholders to treat fairly its Employees whose employment terminates in connection with or following a Change in Control.

Accordingly, the Board has determined that appropriate steps should be taken to assure the Company of the continued employment and attention and dedication to duty of its Employees and to seek to ensure the availability of their continued service, notwithstanding the possibility or occurrence of a Change in Control.

Therefore, in order to fulfill the above purposes, the Board has caused the Company to adopt this Teradata Corporation Change in Control Severance Plan (the " Plan ").

The Plan is intended to comply with the Employee Retirement Income Security Act of 1974, as amended (" ERISA "), and other applicable laws.

To the extent the separation pay portion of the Plan is a pension plan, it qualifies for exemption from Parts II, III and IV of ERISA as a plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated Employees under Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA.

ARTICLE I
ESTABLISHMENT OF PLAN

As of the Effective Date, the Company hereby establishes the Teradata Corporation Change in Control Severance Plan, as set forth in this document.

ARTICLE II
DEFINITIONS

As used herein, the following words and phrases shall have the following respective meanings:

(a) “Accounting Firm”. As defined is Section 4.4(b).

(b) “Base Salary”. The Participant’s wages or base salary on an annualized basis, excluding all bonus, overtime, health additive and incentive compensation, payable by the Company as consideration for the Participant’s services.

(c) “Bonus Amount”. An amount equal to the Participant’s average bonus earned under the Company’s Management Incentive Plan, or any comparable bonus under any predecessor or successor plan (or comparable plans of any predecessor company including without limitation NCR Corporation), for the last three full fiscal years prior to the Date of Termination (or for such lesser number of full fiscal years prior to the Date of Termination for which the Participant was eligible to earn such a bonus, and annualized in the case of any pro rata bonus earned for a partial fiscal year), *provided* that in the event that the Participant was not eligible to receive an annual bonus during any of the preceding three full fiscal years, an amount equal to the Participant’s Target Bonus.

(d) “ Board ”. The Board of Directors of Teradata Corporation.

(e) “ Cause ”. A termination for “Cause” shall have occurred where a Participant is terminated because of (A) the willful and continued failure of the Participant to perform substantially the Participant’s duties with the Company or any of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness) for a period of at least thirty (30) days after a written demand for substantial performance is delivered to the Participant by the Board or, unless the Participant is the Chief Executive Officer of the Company, the Chief Executive Officer of the Company, specifically identifying the manner in which the Board or, except if the Participant is the Chief Executive Officer, the Chief Executive Officer believes that the Participant has not substantially performed the Participant’s duties; or (B) the willful engaging by the Participant in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company. For purposes of this provision, no act or failure to act, on the part of the Participant, shall be considered “willful” unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant’s action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer (except if the Participant is the Chief Executive Officer) or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Participant in good faith and in the best interests of the Company. The termination of employment of the Participant shall not be deemed to be for Cause unless and until there shall have been delivered to the Participant a copy of a resolution duly adopted by the affirmative vote of a majority of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Participant and the Participant is given an opportunity, together with counsel, to be heard before the Board), finding that, in the

good faith opinion of the Board, the Participant is guilty of the conduct described in subsection (A) or (B) above, and specifying the particulars thereof in detail.

(f) " Change in Control ". The occurrence of any of the following events:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the " Exchange Act ")) (a " Person ") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of thirty percent (30%) or more of either (a) the then outstanding shares of common stock of the Company (the " Outstanding Company Common Stock ") or (b) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the " Outstanding Company Voting Securities "); *provided* , *however* , that for purposes of this subsection (i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (d) any acquisition pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii) of this Section; or

(ii) If within any 24-month period, individuals who, as of the date of this Plan, constitute the Board (the " Incumbent Board ") cease for any reason to constitute at least a majority of the Board; *provided, however,* that any individual becoming a director subsequent to the date of this Plan whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least two-thirds (2/3) of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets of another entity (a " Corporate Transaction "), in each case, unless, following such Corporate Transaction, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction of the Outstanding

Company Common Stock and Outstanding Company Voting Securities, as the case may be; (B) no Person (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Corporate Transaction) beneficially owns, directly or indirectly, thirty percent (30%) or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Corporate Transaction; and (C) at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Corporate Transaction; or

(iv) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, the Separation (as defined in the Separation Agreement) shall not constitute a Change in Control.

(g) " Claimant ". As defined in Section 7.1.

(h) " COBRA Coverage ". As defined in Section 4.3(c).

(i) " Code ". The Internal Revenue Code of 1986, as amended from time to time.

(j) " Company ". Teradata Corporation and any successor thereto.

(k) " Compensation Committee ". The Compensation and Human Resource Committee of the Board.

(l) " Date of Termination ". As defined in Section 4.2(a).

(m) " Disability ". The absence of the Participant from the Participant's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Participant or the Participant's legal representative.

(n) " Effective Date ". The Distribution Date as defined in the Separation Agreement.

(o) " Employee ". Any regular, full-time or part-time employee of the Company or its Affiliates.

(p) " ERISA ". Employee Retirement Income Security Act of 1974.

(q) " Good Reason ". With respect to any Participant, the occurrence of any of the following events without the Participant's prior written consent:

(i) the assignment to the Participant of any duties inconsistent in any respect with the Participant's position (including offices, titles and reporting requirements), authority, duties or responsibilities, as in effect immediately prior to a Change in Control, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Participant;

(ii) any reduction in the Participant's Base Salary below the Required Base Salary,

(iii) the failure to pay incentive compensation to which the Participant is otherwise entitled under the terms of the Company's Management Incentive Plan (" MIP ") or the Teradata Corporation 2007 Stock Incentive Plan (" SIP "), or any successor incentive compensation plans, at the time at which such awards are usually paid or as soon thereafter as administratively feasible;

(iv) the reduction in Target Bonus or Maximum Bonus for a Participant under the MIP or any successor plan or the reduction in any SIP Target Award or SIP Maximum Award under the SIP or any successor incentive compensation plan, other than in the case of a reduction in any SIP Target Award or SIP Maximum Award, such reduction is pursuant to an across-the-board reduction applicable to similarly situated executives of the Company;

(v) the failure by the Company to continue in effect any equity compensation plan in which the Participant participates immediately prior to the Change in Control, unless a substantially equivalent alternative compensation arrangement (embodied in an ongoing substitute or alternative plan) has been provided to the Participant, or the failure by the Company to continue the Participant's participation in any such equity compensation plan on substantially the same basis, in terms of the level of such Participant's participation relative to other participants, as existed immediately prior to the Change in Control excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Participant;

(vi) Except as required by law, the failure by the Company to continue to provide to the Participant employee benefits substantially equivalent, in the aggregate, to those enjoyed by the Participant under the qualified and nonqualified employee benefit and welfare plans of the Company, including, without limitation, the pension, life insurance, medical, dental, health and accident, disability retirement, and savings plans, in which the Participant was eligible to participate immediately prior to the Change in Control, other than a reduction of such benefits, in the aggregate, of less than 5% of aggregate value of such benefits as of immediately prior to the Change in Control, or the failure by the Company to provide the Participant with the number of paid vacation days to which such Participant is entitled under the Company's vacation policy immediately prior to the Change in Control;

(vii) the Company's requiring the Participant to be based at any office or location (x) that is more than forty (40) miles from the principal place of employment immediately prior to the Change in Control and (y) that would increase the Participant's commute by more than twenty (20) miles from the Participant's commute immediately prior to the Change in Control, or the Company's requiring the Participant to travel on Company business to a substantially greater extent than required immediately prior to the Change in Control; or

(viii) any failure by the Company to comply with Article V.

(r) " Gross-Up Payment ". As defined in Section 4.4(a).

(s) " Maximum Bonus ". With respect to any Participant, the higher of (x) the Participant's maximum bonus under the annual bonus plan applicable to the Participant immediately prior to the Change in Control, *provided* that if no maximum bonus has been established for such year under such plan, the year immediately preceding the year in which the Change in Control occurs or (y) the Participant's maximum bonus under the annual bonus plan applicable to the Participant in effect at any time after the Change in Control.

(t) " Outstanding Company Common Stock ". As defined in Section (e)(i).

(u) " Outstanding Company Voting Securities ". As defined in Section (e)(i).

(v) " Participant ". An Employee who meets the eligibility requirements of Section 3.1.

(w) " Plan ". The Teradata Corporation Change in Control Severance Plan.

(x) " Plan Committee ". The committee which shall have full power and authority to administer the Plan and may delegate to one or more officers and/or Employees of the Company such duties in connection with the administration of the Plan as it may deem necessary, advisable or appropriate. Prior to a Change in Control, the Plan Committee shall consist of the members of the Compensation Committee; *provided* , *however* , that any time prior to a Change in Control, the Plan Committee may designate Incumbent Board members or individuals who were officers of the Company as of immediately prior to the Change in Control (" Incumbent Members ") to serve as the Plan Committee following the Change in Control. Once designated by the Plan Committee prior to a Change in Control to serve following a Change in Control, Incumbent Members may not be removed from the Plan Committee following the Change in Control.

(y) " Required Base Salary ". With respect to any Participant, the higher of (x) the Participant's Base Salary as in effect immediately prior to the Change in Control and (y) the Participant's highest Base Salary in effect at any time thereafter.

(z) " SIP Maximum Award ". With respect to any Participant, the higher of (x) the Participant's maximum award under the SIP or any successor plan for the year immediately prior to the Change in Control, *provided* that if no maximum award has been established for such year under such plan, the most recent year preceding the Change in Control in which such an award has been established or (y) the Participant's maximum award under the SIP or any successor plan in effect at any time after the Change in Control.

(aa) " SIP Target Award ". With respect to any Participant, the higher of (x) the Participant's target award under the SIP or any successor plan for the year immediately prior to the Change in Control, *provided* that if no target award has been established for such year under such plan, the most recent year preceding the Change in Control in which such an award has been established or (y) the Participant's target award under the SIP or any successor plan in effect at any time after the Change in Control.

(bb) " Separation Agreement ". The Separation and Distribution Agreement by and between the Company and NCR Corporation.

(cc) " Separation Benefit ". The benefits payable in accordance with Section 4.2 of the Plan.

(dd) " Target Bonus ". With respect to any Participant, the higher of (x) the Participant's target bonus under the annual bonus plan applicable to the Participant immediately prior to the Change in Control, *provided* that if no target bonus has been established for such year under such plans, the year immediately preceding the year in which the Change in Control occurs or (y) the Participant's target bonus under the annual bonus plan applicable to the Participant in effect at any time after the Change in Control.

(ee) " Termination Date ". As defined in Section 6.1.

(ff) " Tier Level ". As defined in Section 3.1.

(gg) " Underpayment ". As defined in Section 4.4(b).

(hh) " Welfare Benefit Period ". For Participants designated as Tier Level I, three years. For Participants designated as Tier Level II, two years. For Participants designated as Tier Level III, one year; *provided , however* , that, to the extent required by Section 409A of the Code, in no event will the Welfare Benefit Period for any Participant extend beyond December 31 of the year that is two years after the calendar year in which the Date of Termination occurs. By way of example, if the Date of Termination for a Participant designated as Tier Level I is March 1, 2008, the Welfare Benefit Period for such Participant will extend from March 1, 2008, through December 31, 2010.

ARTICLE III
ELIGIBILITY

3.1 Participation . Each Employee who is designated by the Board as a Section 16 Officer shall be eligible to be a Participant in the Plan. The Plan Committee may also designate any other Employee as a Participant. In the event the Plan Committee designates

certain Participants by job title, position, function or responsibilities, an Employee who is appointed to such a position after the Effective Date of this Plan shall be eligible as a Participant upon the date he or she begins his or her duties in such position, unless otherwise determined by the Plan Committee. The Plan Committee shall designate each Participant in the Plan as a member of a specific tier for the purposes of calculating the Participants' Separation Benefit under this Plan (" Tier Level ").

3.2 Duration of Participation . Subject to Article VI, an Employee shall cease to be a Participant in the Plan when he or she (i) ceases to be an Employee or (ii) ceases to be designated by the Board as a Section 16 officer or (iii) ceases to be designated by the Board as a Participant (unless, in the case of clause (ii), the Plan Committee specifically determines that the Employee shall remain a Participant). Notwithstanding the foregoing, a Participant who is entitled, as a result of ceasing to be an Employee under the circumstances set forth in Section 4.1, to payment of a Separation Benefit or any other amounts under the Plan shall remain a Participant in the Plan until the full amount of the Separation Benefit and any other amounts payable under the Plan have been paid to the Participant.

ARTICLE IV
SEPARATION BENEFITS

4.1 Right to Separation Benefit . Except as otherwise provided in Section 4.4 with respect to the benefits thereunder, which shall be provided regardless of whether a Participant incurs a termination of employment, a Participant shall be entitled to receive from the Company a Separation Benefit in the amount provided in Section 4.2 if, within the two year period following the Change in Control, (i) a Participant's employment is terminated by the Company without Cause (other than by reason of the Participant's death or Disability) or (ii) a Participant's employment is terminated by the Participant for Good Reason; provided , that if the termination described in clause (i), or the event constituting Good Reason giving rise to the termination described in clause (ii), as applicable, occurs before such Change in Control but the Participant can reasonably demonstrate that such termination or event, as applicable, occurred at the request of a third party who had taken steps reasonably calculated to effect a Change in Control, the termination or event, as applicable, will be treated for all purposes of this Plan as having occurred immediately following the Change in Control. Notwithstanding the foregoing, in no event shall any benefits be provided to a Participant under this Plan unless the Participant has executed and not revoked a restrictive covenant and release agreement in the form attached hereto as Exhibit A .

4.2 Separation Benefits .

(a) In General . If a Participant's employment is terminated in circumstances entitling him or her to a Separation Benefit as provided in Section 4.1, the Company shall pay such Participant a lump sum in cash, within thirty (30) days of the date such termination takes effect (the " Date of Termination "), a Separation Benefit equal to the product of (a) the sum of the Participant's Required Base Salary and the Participant's Bonus Amount and (b) the Separation Multiplier shown in Table 1 as determined by the Participant's designated Tier Level.

Table 1

Tier Level	Separation Multiplier
I	
II	
III	

(b) Accrued Incentive Pay . In addition, if a Participant's employment is terminated in circumstances entitling him or her to a Separation Benefit as provided in Section 4.1, the Company shall pay such Participant a lump sum in cash, within 30 days after the Date of Termination, in an amount equal to the sum of (a) the amount of any unpaid annual bonus under the MIP or any successor plan and award under the SIP or any successor plan for any completed performance period, and (b) the product of (x) the Bonus Amount and (y) a fraction, the numerator of which is the number of days in the bonus year in which the Date of Termination occurs through the Date of Termination and the denominator of which is 365.

(c) Welfare and Other Benefits . In addition, during the Welfare Benefit Period or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall provide to a Participant entitled to a Separation Benefit, continued health care, dental and life insurance for the Participant and/or the Participant's family at least equal to, and at the same cost to the Participant and/or the Participant's family, as those that would have been provided to them in accordance with the plans, programs, practices and policies in effect as of immediately prior to a Change in Control or, if more favorable to the Participant, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliates and their families; *provided* , *however* , that notwithstanding the Welfare Benefit Period, such medical and other welfare benefits shall terminate upon such time as the Participant becomes reemployed with another employer and is eligible to receive such benefits under another employer provided plan. The Participant's entitlement to COBRA continuation coverage under Section 4980B of the Code (" COBRA Coverage ") shall not be offset by the provision of benefits under this Section and the period of COBRA Coverage shall commence at the end of the Welfare Benefit Period, during which the Participant receives benefits under this Section). A Participant entitled to a Separation Benefit will also be entitled to participate in the Company's outplacement assistance program, provided by the Company's selected outplacement services firm, as in effect under the Company's policy applicable to the Participant on the date of the Change in Control, for a period of one (1) year following his or her Date of Termination. In addition, to the extent a Participant entitled to a Separation Benefit was eligible to receive financial counseling benefits under the Company's policy in effect at the time of a Change in Control, such Participant shall be entitled to receive such financial counseling benefits for a period of one (1) year following his or her Date of Termination.

4.3 Other Benefits Payable . The Separation Benefit provided pursuant to Section 4.2 above shall be provided in addition to, and not in lieu of, all other accrued or vested or

earned but deferred compensation, rights, options or other benefits which may be owed to a Participant upon or following termination, including, but not limited to accrued vacation or sick pay, reimbursement for business expenses previously incurred, amounts or benefits payable under any bonus or other compensation plans, the MIP, the SIP, stock option plan, stock ownership plan, stock purchase plan, life insurance plan, health plan, disability plan or similar or successor plan, other than any severance plan, program, agreement or arrangement **,** unless such plan, program, agreement or arrangement has a specific reference to this Section. Stock options and other stock awards under the Teradata 2007 Stock Incentive Plan or comparable plan will vest and become payable or exercisable upon the occurrence of a Change in Control to the extent provided in that plan.

4.4 Tax Gross-Up .

(a) Anything in this Plan to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any Payment would be subject to the Excise Tax, then the Participant shall be entitled to receive an additional payment (the " Gross-Up Payment ") in an amount such that, after payment by the Participant of all taxes (and any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Participant retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Notwithstanding the foregoing provisions of this Section , if it shall be determined that the Participant is entitled to the Gross-Up Payment, but that the Parachute Value of all Payments does not exceed 110% of the Safe Harbor Amount, then no Gross-Up Payment shall be made to the Participant and the amounts payable under this Plan shall be reduced so that the Parachute Value of all Payments, in the aggregate, equals the Safe Harbor Amount. The reduction of the amounts payable hereunder, if applicable, shall be made by first reducing the payments under Section 4.2(a), unless an alternative method of reduction is elected by the Participant, and in any event shall be made in such a manner as to maximize the Value of all Payments actually made to the Participant. For purposes of reducing the Payments to the Safe Harbor Amount, only amounts payable under this Plan (and no other Payments) shall be reduced. If the reduction of the amount payable under this Plan would not result in a reduction of the Parachute Value of all Payments to the Safe Harbor Amount, no amounts payable under the Plan shall be reduced pursuant to this Section. Notwithstanding anything in this Plan to the contrary, the Company's obligations under this Section shall not be conditioned upon the Participant's termination of employment. By way of example, in the event of a Change In Control which does not result in a Participant's termination of employment or entitlement to a Separation Benefit under this Plan, but which causes the accelerated vesting of such Participant's stock options under a separate plan giving rise to an Excise Tax, the Company's obligations under this Section shall apply with respect to such accelerated vesting.

(b) Subject to the provisions of Section 4.4(c), all determinations required to be made under this Section, including whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the Company's then current independent outside auditors, or such other nationally recognized certified public accounting firm as may be designated by the Plan Committee immediately prior to a Change in Control (the " Accounting Firm "). The Accounting Firm shall provide detailed supporting calculations both to the Company and the

Participant within fifteen business days of the receipt of notice from the Participant that there has been a Payment or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Plan Committee may appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section, shall be paid by the Company to the Participant within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Participant. As a result of uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Company should have been made (the "Underpayment"), consistent with the calculations required to be made hereunder. In the event the Company exhausts its remedies pursuant to Section 4.4(c) and the Participant thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Participant.

(c) The Participant shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable, but no later than ten business days after the Participant is informed in writing of such claim. The Participant shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Participant shall not pay such claim prior to the expiration of the 30-day period following the date on which the Participant gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Participant in writing prior to the expiration of such period that the Company desires to contest such claim, the Participant shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided , however , that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Participant harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties) imposed as a result of such representation and payment of costs

and expenses. Without limitation on the foregoing provisions of this Section, the Company shall control all proceedings taken in connection with such contest and, at its sole discretion, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the applicable taxing authority in respect of such claim and may, at its sole discretion, either pay the tax claimed to the appropriate taxing authority on behalf of the Participant and direct the Participant to sue for a refund or contest the claim in any permissible manner, and the Participant agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; *provided* , *however* , that, if the Company pays such claim and directs the Participant to sue for a refund, the Company shall indemnify and hold the Participant harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties) imposed with respect to such payment or with respect to any imputed income in connection with such payment; and *provided* , *further* , that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Participant with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which the Gross-Up Payment would be payable hereunder, and the Participant shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Participant of a Gross-Up Payment or payment by the Company of an amount on the Participant's behalf pursuant to Section 4.4(c), the Participant becomes entitled to receive any refund with respect to the Excise Tax to which such Gross-Up Payment relates or with respect to such claim, the Participant shall (subject to the Company's complying with the requirements of Section 4.4(c), if applicable) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after payment by the Company of an amount on the Participant's behalf pursuant to Section 4.4 (c), a determination is made that the Participant shall not be entitled to any refund with respect to such claim and the Company does not notify the Participant in writing of its intent to contest such denial of refund prior to the expiration of thirty days after such determination, then the amount of such payment shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(e) Notwithstanding any other provision of this Section, the Company may, in its sole discretion, withhold and pay over to the Internal Revenue Service or any other applicable taxing authority, for the benefit of the Participant, all or any portion of any Gross-Up Payment, and the Participant hereby consents to such withholding.

(f) Definitions . The following terms shall have the following meanings for purposes of this Section.

(i) "Excise Tax" shall mean the excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(ii) "Parachute Value" of a Payment shall mean the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a "parachute payment" under Section

280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(iii) A "Payment" shall mean any payment or distribution in the nature of compensation (within the meaning of Section 280G (b)(2) of the Code) to or for the benefit of the Participant, whether paid or payable pursuant to this Plan or otherwise.

(iv) The "Safe Harbor Amount" means 2.99 times the Participant's "base amount," within the meaning of Section 280G(b)(3) of the Code.

(v) "Value" of a Payment shall mean the economic present value of a Payment as of the date of the change of control for purposes of Section 280G of the Code, as determined by the Accounting Firm using the discount rate required by Section 280G(d) (4) of the Code.

4.5 Payment Obligations Absolute . Except as otherwise provided in Section 4.2(c), the Company's obligation to make the payments provided for in this Plan and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense, or other claim, right or action that the Company may have against a Participant or others. In no event shall a Participant be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Participant under any of the provisions of this Plan, and such amounts shall not be reduced whether or not the Participant obtains other employment.

4.6 Section 409A . Notwithstanding the foregoing provisions of this Article IV, to the extent required in order to comply with Section 409A of the Code, amounts and benefits to be paid or provided under this Article IV shall be paid or provided to the Participants on the first business day after the date that is six months following the Participant's "separation from service" within the meaning of Section 409A of the Code.

ARTICLE V
SUCCESSOR TO COMPANY

This Plan shall bind any successor of or to the Company, its assets or its businesses (whether direct or indirect, by purchase, merger, consolidation or otherwise), in the same manner and to the same extent that the Company would be obligated under this Plan if no succession had taken place. In the case of any transaction in which a successor would not by the foregoing provision or by operation of law be bound by this Plan, the Company shall require such successor expressly and unconditionally to assume and agree to perform the Company's obligations under this Plan, in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. The term " Company ," as used in this Plan, shall mean the Company as hereinbefore defined and any successor or assignee to the business or assets which by reason hereof becomes bound by this Plan.

ARTICLE VI
DURATION, AMENDMENT AND TERMINATION

6.1 Duration . The Plan shall continue in effect from the Effective Date through December 31, 2009 (the " Termination Date "); *provided , however* , that, unless previously terminated, the Plan shall be automatically extended so as to terminate one year from the Termination Date, unless the Board determines, through a resolution duly adopted by a majority of the entire membership of the Board no later than ninety (90) days prior to the expiration of the then current term, that the Plan shall not be extended, in which event the Plan shall terminate at the expiration of the then current term. In the event that a Change of Control occurs within one year following a termination, the Plan shall not so terminate. If a Change in Control occurs, this Plan shall continue in full force and effect and shall not terminate or expire until after all Participants who become entitled to any payments hereunder shall have received such payments in full and all adjustments required to be made pursuant to Section 4.4 have been made.

6.2 Amendment and Termination . The Plan may be amended in any respect by resolution adopted by a majority of the Board; *provided ,* however, in the event that a Change in Control occurs within one year following an amendment to the Plan that would adversely affect the rights or potential rights of Participants, the amendment will not be effective. In anticipation of or on or following a Change in Control, the Plan shall no longer be subject to amendment, change, substitution, deletion, revocation or termination in any respect which adversely affects the rights of Participants without the consent of each Participant so affected. For the avoidance of doubt, removal of a Participant as a Participant (other than as a result of the Participant ceasing to be an Employee) or a decrease in the Participant's Tier Level shall be deemed to be an amendment of the Plan which adversely affects the right of the Participant.

6.3 Form of Amendment . The form of any amendment or termination of the Plan shall be a written instrument signed by a duly authorized officer or officers of the Company, certifying that the amendment or termination has been approved by the Board. An amendment of the Plan in accordance with the terms hereof shall automatically effect a corresponding amendment to all Participants' rights and benefits hereunder. A termination of the Plan shall in accordance with the terms hereof automatically effect a termination of all Participants' rights and benefits hereunder.

ARTICLE VII
MISCELLANEOUS

7.1 Determinations of the Plan Committee; Dispute Resolution . Any interpretation or construction of, or determination or action by, the Plan Committee with respect to the Plan and its administration shall be binding upon any and all parties and persons affected thereby, subject to the exclusive appeal procedure set forth herein, except for any interpretation or construction of, or determination or action by, the Plan Committee relating to whether a Participant has " Good Reason " to resign, which shall not be determined by the Plan Committee but instead shall be subject to *de novo* review. If any person eligible to receive benefits under the Plan, or claiming to be so eligible, believes he or she is entitled to benefits in an amount greater than those which he or she has received (a " Claimant "), he or she may file a claim in writing with the Teradata Pension and Benefits Committee (" PBC "). The PBC shall review the claim

and, within 90 days after the claim is filed, shall give written notice to the Claimant of the decision. If the claim is denied, the notice shall give the reason for the denial, the pertinent provisions of the Plan on which the denial is based, a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary, and an explanation of the claim review procedure under the Plan. Any person who has had a claim for benefits denied by the PBC shall have the right to request review by the Plan Committee. Such request must be in writing, and must be made within sixty days after such person is advised of the denial of benefits. If written request for review is not received within such sixty day period, the Claimant shall forfeit his or her right to review. The Plan Committee shall review claims that are appealed, and may hold a hearing if it deems necessary, and shall issue a written notice of the final decision. Such notice shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based. The decision shall be final and binding upon the Claimant and the Plan Committee and all other persons involved. Any dispute or controversy arising under or in connection with this Plan and not resolved through the foregoing process shall be settled exclusively by arbitration in the city of the Company's headquarters, in accordance with the rules of the American Arbitration Association then in effect. In addition, and as an exclusive alternative to the filing of a claim with the PBC, a Claimant may seek to resolve a dispute or controversy by filing a claim in arbitration without first seeking the review of the PBC or Plan Committee. The arbitrator may award only those damages which are consistent with the terms of this Plan and shall not have authority to award punitive damages. Judgment may be entered on the arbitrator's award in any court having jurisdiction.

7.2 Indemnification . If a Participant institutes any legal action in seeking to obtain or enforce, or is required to defend in any legal action the validity or enforceability of, any right or benefit provided by this Plan, the Company shall reimburse the Participant for all reasonable costs and expenses relating to such legal action, including reasonable attorney's fees and expenses incurred by such Participant, unless a court or other finder of fact having jurisdiction thereof makes a determination that the Participant's position was frivolous. In no event shall the Participant be required to reimburse the Company for any of the costs and expenses relating to such legal action. The Company's obligations under this Section shall survive the termination of this Plan.

7.3 Employment Status . This Plan does not constitute a contract of employment or impose on the Participant or the Company any obligation to retain the Participant as an Employee, to change the status of the Participant's employment, or to change the Company's policies or those of its Subsidiaries' regarding termination of employment.

7.4 Validity and Severability . The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision of the Plan, which shall remain in full force and effect, and any prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.5 Section 409A Savings Clause . If any compensation or benefits provided by this Plan may result in the application of Section 409A of the Code, the Company shall modify the Plan in the least restrictive manner necessary in order to exclude such compensation from the definition of "deferred compensation" within the meaning of such Section 409A or in order

to comply with the provisions of Section 409A, other applicable provision(s) of the Code and/or any rules, regulations or other regulatory guidance issued under such statutory provisions and without any diminution in the value of the payments to the Participants.

7.6 Governing Law . The validity, interpretation, construction and performance of the Plan shall in all respects be governed by the laws of Delaware, without reference to principles of conflict of law, and to the extent not preempted by ERISA.

7.7 Trust . The Compensation Committee may establish a trust with a bank trustee, for the purpose of paying benefits under this Plan. If so established, the trust shall be a grantor trust subject to the claims of the Company's creditors and shall, immediately prior to a Change in Control, be funded in cash or common stock of the Company or such other assets as the Compensation Committee deems appropriate with an amount equal to 120 percent of the aggregate benefits payable under this Plan (including without limitation any required Gross-Up Payments) assuming that all Participants in the Plan incurred a termination of employment entitling them to Separation Benefits immediately following the Change in Control, *provided* , that, in the event that such funding would result in the imposition of taxes and penalties under Section 409A of the Code with respect to any current or former Section 16 Officers or any "covered employees" within the meaning of Section 162(m) of the Code, the trust shall not be funded with respect to such individuals.

7.8 Withholding . The Company may withhold from any amount payable or benefit provided under this Plan such Federal, state, local, foreign and other taxes as are required to be withheld pursuant to any applicable law or regulation.

Exhibit A
GENERAL RELEASE

1. In consideration of the payments and benefits to which _____(the "Participant") is entitled from the Teradata Corporation Change in Control Severance Plan (the "Plan") as set forth on Schedule A hereto [1], the Participant for himself, his heirs, administrators, representatives, executors, successors and assigns (collectively "Releasors") does hereby irrevocably and unconditionally release, acquit and forever discharge Teradata Corporation (the "Company") and its subsidiaries, affiliates and divisions (the "Affiliated Entities") and their respective predecessors and successors and their respective, current and former, trustees, officers, directors, partners, shareholders, agents, employees, consultants, independent contractors and representatives, including without limitation all persons acting by, through, under or in concert with any of them (collectively, "Releasees"), and each of them from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, remedies, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses (including attorneys' fees and costs) of any nature whatsoever, known or unknown, whether in law or equity and whether arising under federal, state or local law and in particular including any claim for discrimination based upon race, color, ethnicity, sex, age [(including the Age Discrimination in Employment Act of 1967)] [2], national origin, religion, disability, or any other unlawful criterion or circumstance, relating to the Participant's employment or termination thereof, which the Participant and Releasors had, now have, or may have in the future against each or any of the Releasees from the beginning of the world until the date hereof (the "Execution Date").

2. [The Participant acknowledges that: (i) this entire agreement is written in a manner calculated to be understood by him; (ii) he has been advised to consult with an attorney before executing this agreement; (iii) he was given a period of [forty-five][twenty-one] days within which to consider this agreement; and (iv) to the extent he executes this agreement before the expiration of the [forty-five][twenty-one]-day period, he does so knowingly and voluntarily and only after consulting his attorney. The Participant shall have the right to cancel and revoke this agreement during a period of seven days following the Execution Date, and this agreement shall not become effective, and no money shall be paid hereunder, until the day after the expiration of such seven-day period. The seven-day period of revocation shall commence upon the Execution Date. In order to revoke this agreement, the Participant shall deliver to the Company, prior to the expiration of said seven-day period, a written notice of revocation. Upon such revocation, this agreement shall be null and void and of no further force or effect.] [3]

3. Notwithstanding anything else herein to the contrary, this Release shall not affect: the obligations of the Company set forth in the Plan or other obligations that, in each case, by their terms, are to be performed after the date hereof (including, without limitation, obligations to Participant under any stock option, stock award or agreements or obligations under any pension

1 To set forth benefits payable or provided to Participant.

2 Only for those to whom ADEA is applicable.

3 Only for those to whom ADEA is applicable.

plan or other benefit or deferred compensation plan, all of which shall remain in effect in accordance with their terms); obligations to indemnify the Participant respecting acts or omissions in connection with the Participant's service as a director, officer or employee of the Affiliated Entities; obligations with respect to insurance coverage under any of the Affiliated Entities' (or any of their respective successors) directors' and officers' liability insurance policies; or any right Participant may have to obtain contribution in the event of the entry of judgment against Participant as a result of any act or failure to act for which both Participant and any of the Affiliated Entities are jointly responsible.

4. The Participant shall not, at any time during the 12-month period following the Participant's Date of Termination (the "Restricted Period"), without the prior written consent of the Company, directly or indirectly, solicit or recruit (whether as an employee, officer, director or Independent Contractor) any person who is, or was at any time during the three months prior to such solicitation or recruitment, an employee, officer, director or Independent Contractor of the Company or any of its Affiliates. Further, during the Restricted Period, the Participant shall not take any action that could reasonably be expected to have the effect of encouraging or inducing any employee, officer, director or Independent Contractor of the Company or of its Affiliates to cease their relationship with the Company or any of its Affiliates for any reason. Notwithstanding the foregoing, a general solicitation of the public for employment shall not violate the foregoing provisions of this Section so long as such general solicitation does not target any employee, officer, director or Independent Contractor of the Company or any of its Affiliates.

5. The Participant shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or its Affiliates, and their respective businesses, which information, knowledge or data shall have been obtained by the Participant during the Executive's employment by the Company and its Affiliates and which information, knowledge or data shall not be or become public knowledge (other than by acts by the Participant or representatives of the Participant in violation of this Agreement). After termination of the Participant's employment with the Company, the Participant shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those persons designated by the Company.

6. The Participant understands that if the Participant breaches Sections 5 or 6, the Company may sustain irreparable injury and may not have an adequate remedy at law. As a result, the Participant agrees that in the event of the Participant's breach of Sections 5 or 6, the Company may, in addition to any other remedies available to it, bring an action or actions for injunction, specific performance, or both, and have entered a temporary restraining order, preliminary or permanent injunction, or order compelling specific performance.

7. This Agreement shall be construed, enforced and interpreted in accordance with and governed by the laws of the State of Delaware, without reference to its principles of conflict of laws.

8. It is the intention of the parties hereto that the provisions of this Agreement shall be enforced to the fullest extent permissible under all applicable laws and public policies, but that the

unenforceability or the modification to conform with such laws or public policies of any provision hereof shall not render unenforceable or impair the remainder of the Agreement. Accordingly, if any provision shall be determined to be invalid or unenforceable either in whole or in part, this Agreement shall be deemed amended to delete or modify as necessary the invalid or unenforceable provisions to alter the balance of this Agreement in order to render the same valid and enforceable.

9. This Agreement may not be orally canceled, changed, modified or amended, and no cancellation, change, modification or amendment shall be effective or binding, unless in writing and signed by both parties to the Agreement.

10. If the Participant institutes any legal action in seeking to obtain or enforce, or is required to defend in any legal action the validity or enforceability of, any right or benefit provided by the Plan, the Company shall reimburse the Participant for all reasonable costs and expenses relating to such legal action, including reasonable attorney's fees and expenses incurred by such Participant, unless a court or other finder of fact having jurisdiction thereof makes a determination that the Participant's position was frivolous. In no event shall the Participant be required to reimburse the Company for any of the costs and expenses relating to such legal action.

11. Capitalized terms used but not defined herein shall have the meaning set forth in the Plan.

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement, which includes a release.

TERADATA CORPORATION

By: _____
[name]
[title]

PARTICIPANT

Voluntarily Agreed to and Accepted this
_____day of _____20 __

_____
[ ]

Exhibit 10.11

Form of Stock Option Agreement
Under the Teradata Corporation 2007 Stock Incentive Plan
(Non-Statutory Stock Option)

You have been granted an option (the "Option") under the 2007 Stock Incentive Plan (the "Plan") of Teradata Corporation ("Teradata") to purchase from Teradata a number of shares of common stock of Teradata ("Shares") at the price per Share as described on the stock option information page on the website of Teradata's third party Plan administrator, subject to the terms and conditions of this 2007 Stock Option Agreement (this "Agreement") and the Plan.

1. Your right to exercise this Option will expire on the tenth (10 th) anniversary (the "Expiration Date") of the date of grant of this Option (the "Grant Date"), unless sooner terminated due to the termination of your employment as described below. If the Expiration Date falls on a Saturday, Sunday or holiday, it will be deemed to occur on the next following business day.

2. This Option will vest, and the vested shares ("Option Shares") may be exercised, in equal annual installments (subject to mathematical rounding performed by Teradata's third party Plan administrator) over the four year period commencing on the Grant Date, such that all of the shares represented by this Option shall be vested on the fourth anniversary of the Grant Date. This vesting schedule is contingent upon your continuous employment with Teradata or any of its affiliate companies (collectively referred to in this Agreement as "Teradata") as of and until each of the vesting dates. In the event your employment with Teradata terminates prior to the fourth (4 th) anniversary of the Grant Date, except as otherwise provided below, this Option will terminate with respect to the then unvested portions.

3. This Option will vest in full if you (a) die while actively employed by Teradata, or (b) cease to be actively employed by Teradata as a result of a disability for which you qualify for benefits from the Teradata Long-Term Disability Plan or another long-term disability plan sponsored by Teradata ("Disability"). In such cases, if you, on the date of death or Disability, have not yet attained the age of 55, this Option may be exercised until the later of the one (1) year anniversary of the date of death or Disability or the Expiration Date. If death or Disability occurs on or after your attainment of age 55, this Option may be exercised until the later of the third (3 rd) anniversary of the date of death or Disability or the Expiration Date.

4. If you voluntarily terminate employment with Teradata due to Retirement (as defined in this Section 4), the unvested portion of this Option will terminate and be forfeited, and the vested portion may be exercised until the earlier of (a) the third (3 rd) anniversary of your Retirement, or (b) the Expiration Date. For purposes of this Agreement, "Retirement" means termination by you of employment at or after age 55 other than, if applicable to you, for Good Reason (as described below) following a Change in Control (as defined in the Plan).

5. Notwithstanding any provision in this Agreement to the contrary, in the event a Change in Control occurs and this Option award is not assumed, converted or replaced by the continuing entity, the Option shall vest immediately prior to the Change in Control. In the event of a Change in Control wherein this Option award is assumed, if a Termination of Employment (as defined in the Plan) by the Company other than for Cause or Disability (as such terms are defined in the Plan) occurs during the twenty-four (24) months following the Change in Control, this Option shall vest in full immediately upon your Termination of Employment, and the Option shall remain exercisable until the later of (a) the earlier of the one (1) year anniversary of your Termination of Employment or the Expiration Date; or (b) the applicable date determined under Sections 3 and 4 above. If you are a participant in the Teradata Change in Control Severance Plan, a Teradata Severance Policy or a similar arrangement that defines "Good Reason" in the context of a resignation following a Change in Control and you terminate your employment for Good Reason as so defined within twenty-four (24) months following a Change in Control, this Option shall vest immediately upon your Termination of Employment, and the Option Shares shall remain exercisable until the earlier of (a) the Expiration Date or (b) the first anniversary of your Termination of Employment.

6. If your Teradata employment is involuntarily terminated for Cause (as defined in the Plan) at any time, this Option will automatically terminate and all unexercised vested and unvested Option Shares will be forfeited and will not be exercisable as of the date of such termination.

7. If you terminate your employment with Teradata for any other reason, including but not limited to reduction-in-force, this Option will automatically terminate, any unvested Option Shares will be forfeited and the vested portion of this Option may be exercised no later than the earlier of (a) the 59 th day after the date of termination of your employment, or (b) the Expiration Date.

8. In the event that you die after your termination of employment by Teradata, but while this Option remains exercisable, this Option may be exercised, by your beneficiary or heir, until the one (1) year anniversary of the date of your death, regardless of the Expiration Date.

9. By accepting this award, except to the extent that disclosure is required by applicable law or regulation, you agree to keep this Agreement confidential and not to disclose its contents to anyone except your attorney, your immediate family, or your financial consultant provided such persons agree in advance to keep such information confidential and not to disclose it to others. The Option will be forfeited if you violate the terms of this Section 9.

10. This Option will be cancelled if the Committee determines that you engaged in misconduct in connection with your employment with Teradata.

11. This Option shall be exercised in accordance with procedures established by the administrator of Teradata's stock option program, including broker-assisted cashless exercises. In countries where deemed mandatory, upon exercise, the purchase

price will be paid by simultaneous sale of the Option Shares exercised, in such a manner that Teradata is not subject to taxation upon grant of the option award. Any taxes required by law to be withheld or paid with respect to exercise of this Option shall be deducted from the proceeds of the Option exercise. If Teradata or the administrator of the stock option program is unable to withhold required taxes from the proceeds of the Option exercise, you or your legal representative or beneficiary will be required to pay such amounts, and Teradata may take any action necessary to satisfy such obligation, including but not limited to withholding cash from compensation otherwise due to you or your beneficiary, or withholding from the Option Shares exercised such numbers of Option Shares as it, in its sole discretion, shall determine to be required to satisfy such withholding requirements.

12. Within a reasonable period after any vested portion of this Option is exercised, Teradata will instruct its Transfer Agent and/or third party Plan administrator to credit you or your successor with the number of Option Shares you exercised. Neither you nor your legal representative shall be, or have any of the rights and privileges of, a stockholder of Teradata in respect of any Shares purchasable upon the exercise of this Option, in whole or in part, unless and until Teradata credits you with, or causes a credit to you of, such Option Shares.

13. This Option is not transferable by you other than by beneficiary designation, will or the laws of descent and distribution, and during your lifetime this Option may be exercised only by you or your guardian or legal representative.

14. You may designate one or more beneficiaries to receive all or part of this Option in case of your death, and you may change or revoke such designation at any time. In the event of your death, any portion of this Option that is subject to such a designation will be distributed to such beneficiary or beneficiaries in accordance with this Agreement. Any other portion of this Option not designated by you shall be distributable to your estate. If there is any question as to the legal right of any beneficiary to receive a distribution hereunder, the Option Shares in question may be purchased by and distributed to your estate, in which event Teradata shall have no further liability to anyone with respect to such Option Shares.

15. In exchange for this Option, you agree that during your employment with Teradata and for a period of twelve (12) months after termination of your Teradata employment (or if applicable law mandates a maximum time that is shorter than twelve months, then for a period of time equal to that shorter maximum period), regardless of the reason for termination, you will not, without the prior written consent of the Chief Executive Officer of Teradata, (1) render services directly or indirectly to, or become employed by, any Competing Organization (as defined in this Section 15) to the extent such services or employment involves the development, manufacture, marketing, advertising, sale or servicing of any product, process, system or service which is the same or similar to, or competes with, a product, process, system or service manufactured, sold, serviced or otherwise provided by Teradata to its customers and upon which you worked or in which you participated during the last two (2) years of your Teradata employment; (2) directly or indirectly recruit, hire, solicit or induce, or attempt to induce, any exempt

employee of Teradata to terminate his or her employment with Teradata or otherwise cease his or her relationship with Teradata; or (3) solicit the business of any firm or company with which you worked during the preceding two (2) years while employed by Teradata, including customers of Teradata. If you breach the terms of this Section 15, you agree that in addition to any liability you may have for damages arising from such breach, this Option will be immediately cancelled, all vested and unexercised Option Shares shall be forfeited, and you will pay to Teradata the difference between the exercise price and the Fair Market Value on the date of exercise of any Option Shares received in connection with the exercise of this Option on or after the date which is twelve (12) months prior to the date of the breach.

As used in this Section 15, "Competing Organization" means an organization identified as a Competing Organization by the Chief Executive Officer of Teradata at the beginning of the year in which your employment with Teradata terminates, and any other person or organization which is engaged in or about to become engaged in research on or development, production, marketing, leasing, selling or servicing of a product, process, system or service which is the same or similar to or competes with a product, process, system or service manufactured, sold, serviced or otherwise provided by Teradata to its customers. The list of Competing Organizations identified by the Chief Executive Officer is maintained by the Teradata Law Department.

16. By accepting this Option, you agree that, where permitted by local law, any controversy or claim arising out of or related to your employment relationship with Teradata shall be resolved by arbitration. If you are employed in the United States, the arbitration shall be pursuant to the Teradata dispute resolution policy and the then current rules of the American Arbitration Association and shall be held in the city of the location of the headquarters of Teradata. If you are employed outside the United States, where permitted by local law, the arbitration shall be conducted in the regional headquarters city of the business unit in which you work. The arbitration shall be held before a single arbitrator who is an attorney knowledgeable in employment law. 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; all other aspects shall be interpreted in accordance with the laws of the state in which the headquarters of Teradata is located. Each party shall bear its own attorney's fees associated with the arbitration and other costs and expenses of the arbitration shall be borne as provided by the rules of the American Arbitration Association for an arbitration held in the United States, or similar applicable rules for an arbitration held outside the United States.

Notwithstanding the preceding subparagraph, you acknowledge that if you breach Section 15, Teradata 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 of Section 15 Teradata may, in addition to any other remedies available to it, bring an action in a court of competent jurisdiction for equitable relief to preserve the status quo pending appointment of an arbitrator and completion of an arbitration. You stipulate to the exclusive

jurisdiction and venue of the state and federal courts located in the location from which Teradata's Option program is administered for any such proceedings.

17. The provisions of this Agreement are severable. If any provision of this Agreement is held to be unenforceable or invalid by a court or other tribunal of competent jurisdiction (including an arbitration tribunal), it shall be severed and shall not affect any other part of this Agreement, which will be enforced as permitted by law.

18. The terms of this Option as evidenced by this Agreement may be amended by the Teradata Board of Directors or the Committee at any time.

19. In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of the Plan, the terms and conditions of the Plan shall prevail, except that with respect to matters involving choice of law the terms and conditions of Section 16 of this Agreement shall prevail.

Exhibit 10.12

Form of Restricted Stock Agreement
Under the Teradata Corporation 2007 Stock Incentive Plan

You have been awarded a number of restricted shares of Teradata common stock (the "Restricted Stock") under the 2007 Stock Incentive Plan (the "Plan") of Teradata Corporation ("Teradata"), as described on the restricted share grant information page on the website of Teradata's third party Plan administrator (the "Information Page"), subject to the terms and conditions of this 2007 Restricted Stock Agreement (this "Agreement") and the Plan.

1. All or a portion of the Restricted Stock will become non-forfeitable ("Vested") on the vesting date(s) described on the Information Page (each, a "Vesting Date"), provided that you are continuously employed by Teradata or any of its affiliate companies (referred to collectively herein as "Teradata") until the Vesting Date.

2. If your employment with Teradata terminates prior to your Vesting Date due to (i) your death; or (ii) cessation of active employment by Teradata as a result of a disability for which you qualify for benefits under the Teradata Long-Term Disability Plan or another long-term disability plan sponsored by Teradata ("Disability"); then, upon such termination of employment, the restricted stock award will become fully Vested. If your employment with Teradata terminates prior to your Vesting Date due to your (a) Retirement (defined as termination by you of your employment with Teradata at or after age 55 with the consent of the Committee other than, if applicable to you, for Good Reason (as described below) following a Change in Control (as defined in the Plan)); or (b) reduction-in-force; then, upon such termination of employment, a pro rata portion of the Restricted Stock will become fully Vested. The pro rata portion of the Restricted Stock that will become fully Vested will be determined by multiplying the total number of the shares of Restricted Stock awarded pursuant to this Agreement by a fraction, the numerator of which is the number of full and partial months of employment that you completed after the date of grant of this award (the "Grant Date"), and the denominator of which is the total number of months during the period beginning on the Grant Date and ending on your Vesting Date.

Notwithstanding any provision in this Agreement to the contrary, in the event a Change in Control occurs and this restricted stock award is not assumed, converted or replaced by the continuing entity, the Restricted Stock shall become fully Vested immediately prior to the Change in Control. In the event of a Change in Control wherein this restricted stock award is assumed, if a Termination of Employment (as defined in the Plan) by the Company other than for Cause or Disability (as such terms are defined in the Plan) occurs during the twenty-four (24) months following the Change in Control, the Restricted Stock shall become fully Vested immediately upon your Termination of Employment. If you are a participant in the Teradata Change in Control Severance Plan, a Teradata Severance Policy or a similar arrangement that defines "Good Reason" in the context of a resignation following a Change in Control and you terminate your employment for Good Reason as so defined within twenty-four (24) months following a Change in Control, the Restricted Stock shall become fully vested immediately upon your Termination of Employment.

3. If your employment terminates prior to your Vesting Date for any reason other than as described in Section 2, the Restricted Stock will automatically terminate and be forfeited.

4. By accepting this award, except to the extent that disclosure is required by applicable law or regulation, you agree to keep this Agreement confidential and not to disclose its contents to anyone except your attorney, your immediate family, or your financial consultant, provided such persons agree in advance to keep such information confidential and not disclose it to others. The Restricted Stock will be forfeited if you violate the terms and conditions of this Section 4.

5. You will be the record owner of the Restricted Stock unless and until such shares are forfeited, and as the record owner you will be entitled to all rights of a common stockholder of Teradata, including without limitation, voting rights and rights to cash and in-kind dividends, if any, on the Restricted Stock; provided, however, that the right to dividends will be subject to Section 7 below, and, prior to your Vesting Date, the Restricted Stock is not freely transferable. As soon as practicable after your Vesting Date, subject to Section 7 below, Teradata will instruct its Transfer Agent and/or its third party Plan administrator to release the restrictions on your record account and the Restricted Stock will become freely transferable.

6. At all times before your Vesting Date, the Restricted Stock may not be sold, transferred, pledged, assigned or otherwise alienated, except by beneficiary designation, will or by the laws of descent and distribution upon your death.

7. Any regular cash dividends on the Restricted Stock declared before your Vesting Date shall not be paid currently, but shall be reinvested in shares of common stock of Teradata. Any shares resulting from such reinvestment (the "Dividend Shares") will be considered Restricted Stock for purposes of this Agreement and will be subject to all of the terms, conditions and restrictions set forth herein. As of each date that Teradata would otherwise pay the declared dividend on the Restricted Stock (the "Dividend Payment Date") in the absence of the reinvestment requirements of this Section 7, the number of Dividend Shares will be determined by dividing the amount of dividends attributable to the Restricted Stock but not paid on the Dividend Payment Date by the closing price of Teradata's common stock on the Dividend Payment Date. The Committee may, in its discretion, take such action as it deems appropriate regarding in-kind dividends or distributions with respect to the Restricted Stock prior to your Vesting Date, which actions may include, without limitation, current distribution or liquidation or reinvestment in Restricted Stock. Any securities or property so distributed may, in the Committee's discretion, be subject to any or all of the forfeiture provisions set forth in this Agreement.

8. Teradata has the right to deduct or cause to be deducted from, or collect or cause to be collected, with respect to the taxation of any Restricted Stock, any federal, state or local taxes required by the laws of the United States or any other country to be withheld or paid with respect to the Restricted Stock, and you or your legal representative or beneficiary will be required to pay any such amounts. By accepting this award, you consent and direct that, if you are paid through Teradata's United States payroll system at the time the Restricted Stock vests, Teradata's stock plan administrator may withhold or sell the number of shares underlying Restricted Stock from your award as Teradata, in its sole discretion, deems necessary to satisfy such withholding requirements. If you are paid through a non-United States Teradata payroll system, you agree that Teradata may satisfy any withholding

obligations by withholding cash from your compensation otherwise due to you or by any other action as it may deem necessary to satisfy any withholding obligation.

9. The Restricted Stock will be forfeited if the Committee determines that you engaged in misconduct in connection with your employment with Teradata.

10. In exchange for the Restricted Stock, you agree that during your employment with Teradata and for a period of twelve (12) months after the termination of employment (or if applicable law mandates a maximum time that is shorter than twelve months, then for a period of time equal to that shorter maximum period), regardless of the reason for termination, you will not, without the prior written consent of the Chief Executive Officer of Teradata, (1) render services directly or indirectly to, or become employed by, any Competing Organization (as defined in this Section 10) to the extent such services or employment involves the development, manufacture, marketing, sale, advertising or servicing of any product, process, system or service which is the same or similar to, or competes with, a product, process, system or service manufactured, sold, serviced or otherwise provided by Teradata to its customers and upon which you worked or in which you participated during the last two (2) years of your Teradata employment; (2) directly or indirectly recruit, hire, solicit or induce, or attempt to induce, any exempt employee of Teradata to terminate his or her employment with or otherwise cease his or her relationship with Teradata; or (3) solicit the business of any firm or company with which you worked during the preceding two (2) years while employed by Teradata, including customers of Teradata. If you breach the terms of this Section 10, you agree that in addition to any liability you may have for damages arising from such breach, any unvested Restricted Stock will be immediately forfeited, and you agree to pay to Teradata the Fair Market Value of any Restricted Stock that Vested during the twelve (12) months prior to the date of your termination of employment. Such Fair Market Value shall be determined as of the Vesting Date.

As used in this Section 10, "Competing Organization" means an organization identified by the Chief Executive Officer of Teradata as a Competing Organization for the year in which your employment with Teradata terminates, and any other person or organization which is engaged in or about to become engaged in research on or development, production, marketing, leasing, selling or servicing of a product, process, system or service which is the same or similar to or competes with a product, process, system or service manufactured, sold, serviced or otherwise provided by Teradata to its customers. The list of Competing Organizations identified by the Chief Executive Officer is maintained by the Teradata Law Department.

11. By accepting this award, you agree that, where permitted by local law, any controversy or claim arising out of or related to your employment relationship with Teradata shall be resolved by arbitration. If you are employed in the United States, the arbitration shall be pursuant to the Teradata dispute resolution policy and the then current rules of the American Arbitration Association and shall be held in the city of the location of the headquarters of Teradata. If you are employed outside the United States, where permitted by local law, the arbitration shall be conducted in the regional headquarters city of the business unit in which you work. The arbitration shall be held before a single arbitrator who is an attorney knowledgeable in employment law. 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; all other aspects shall be interpreted in accordance with the laws of the state in which the headquarters of Teradata is located. Each party shall bear its own attorney's fees associated with the arbitration, and other costs and expenses of the arbitration shall be borne as provided by the rules of the American Arbitration Association for an arbitration held in the United States, or similar applicable rules for an arbitration held outside the United States.

Notwithstanding the preceding subparagraph, you acknowledge that if you breach Section 10, Teradata 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 of Section 10 Teradata may, in addition to any other remedies available to it, bring an action in a court of competent jurisdiction for equitable relief to preserve the status quo pending appointment of an arbitrator and completion of an arbitration. You stipulate to the exclusive jurisdiction and venue of the state and federal courts located in the location from which Teradata's equity programs are administered, for any such proceedings.

12. Subject to the terms of this Agreement, you may designate one or more beneficiaries to receive all or part of any Restricted Stock to be distributed in case of your death, and you may change or revoke such designation at any time. In the event of your death, any Restricted Stock distributable hereunder that is subject to such a designation will be distributed to such beneficiary or beneficiaries in accordance with this Agreement. Any other Restricted Stock 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, the Restricted Stock in question may be transferred to your estate, in which event Teradata will have no further liability to anyone with respect to such Restricted Stock.

13. The provisions of this Agreement are severable. If any provision of this Agreement is held to be unenforceable or invalid by a court or other tribunal of competent jurisdiction (including an arbitration tribunal), it shall be severed and shall not affect any other part of this Agreement, which will be enforced as permitted by law.

14. The terms of this award of Restricted Stock as evidenced by this Agreement may be amended by the Teradata Board of Directors or the Committee.

15. In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of the Plan, the terms and conditions of the Plan shall prevail, except that with respect to matters involving choice of law the terms and conditions of Section 11 of this Agreement shall prevail.

Exhibit 10.13

Form of Restricted Stock Unit Agreement
Under the Teradata Corporation 2007 Stock Incentive Plan

You have been awarded a number of restricted stock units (the "Stock Units") under the 2007 Stock Incentive Plan (the "Plan") of Teradata Corporation ("Teradata"), as described on the restricted stock unit information page on the website of Teradata's third party Plan administrator, subject to the terms and conditions of this 2007 Restricted Stock Unit Agreement (this "Agreement") and the Plan.

1. The Stock Units will become non-forfeitable ("Vested") on the vesting date described on the Information Page ("Vesting Date"), provided that you are continuously employed by Teradata or any of its affiliate companies (referred to collectively herein as "Teradata") until the Vesting Date.

2. If your employment with Teradata terminates prior to your Vesting Date due to (i) your death; or (ii) cessation of active employment by Teradata as a result of a disability for which you qualify for benefits under the Teradata Long-Term Disability Plan or another long-term disability plan sponsored by Teradata ("Disability"); then, upon such termination of employment, your Stock Units will become fully Vested. If your employment with Teradata terminates prior to your Vesting Date due to your (a) Retirement (defined as termination by you of your employment with Teradata at or after age 55 other than, if applicable to you, for Good Reason (as described below) following a Change in Control (as defined in the Plan)); or (b) reduction-in-force; then, upon such termination of employment, a pro rata portion of the Stock Units will become fully Vested. The pro rata portion of the Stock Units that will become fully Vested will be determined by multiplying the total number of the Stock Units awarded pursuant to this Agreement by a fraction, the numerator of which is the number of full and partial months of employment that you completed after the date of grant of this award (the "Grant Date"), and the denominator of which is the total number of months during the period beginning on the Grant Date and ending on your Vesting Date.

Notwithstanding any provision in this Agreement to the contrary, in the event a Change in Control occurs and this restricted stock unit award is not assumed, converted or replaced by the continuing entity, the Stock Units shall become fully Vested immediately prior to the Change in Control. In the event of a Change in Control wherein this restricted stock unit award is assumed, if a Termination of Employment (as defined in the Plan) by the Company other than for Cause or Disability (as such terms are defined in the Plan) occurs during the twenty-four (24) months following the Change in Control, the Stock Units shall become fully Vested immediately upon your Termination of Employment. If you are a participant in the Teradata Change in Control Severance Plan, a Teradata Severance Policy or a similar arrangement that defines "Good Reason" in the context of a resignation following a Change in Control and you terminate your employment for Good Reason as so defined within twenty-four (24) months following a Change in Control, the Stock Units shall become fully Vested immediately upon your Termination of Employment.

3. When Vested, the Stock Units will be paid to you in shares of Teradata common stock (such that one Stock Unit equals one share of Teradata common stock) or, in Teradata's sole discretion, in an amount of cash equal to the Fair Market Value of such number of shares of Teradata common stock as of the Vesting Date, or a combination thereof.

Notwithstanding the foregoing provisions of this Section 3, in the event that you are a "specified employee" within the meaning of Section 409A of the Code, amounts that would otherwise be payable under this Section 3 during the six-month period immediately following your "separation from service" within the meaning of Section 409A of the Code shall instead be paid on the first business day after the date that is six months following your "separation from service" within the meaning of Section 409A of the Code.

4. By accepting this award, unless disclosure is required by applicable law or regulation, you agree to keep this Agreement confidential and not to disclose its contents to anyone except your attorney, your immediate family, or your financial consultant, provided such persons agree in advance to keep such information confidential and not disclose it to others. The Stock Units will be forfeited if you violate the terms and conditions of this Section 4.

5. At all times before your Vesting Date, the Stock Units may not be sold, transferred, pledged, assigned or otherwise alienated, except by beneficiary designation, will or by the laws of descent and distribution upon your death. As soon as practicable after your Vesting Date, if Stock Units are to be paid in the form of shares of Teradata common stock, Teradata will instruct its Transfer Agent and/or its third party Plan administrator to record on your account the number of shares of Teradata common stock underlying the number of Stock Units that you opted to be paid to you in shares of Teradata common stock and such shares will be freely transferable.

6. Any cash dividends declared before your Vesting Date on the shares underlying the Stock Units shall not be paid currently, but shall be converted into additional 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. As of each date that Teradata 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 6, 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 Teradata's common stock on the Dividend Payment Date.

7. Teradata has the right to deduct or cause to be deducted from, or collect or cause to be collected, with respect to the taxation of any Stock Units, any federal, state or local taxes required by the laws of the United States or any other country to be withheld or paid with respect to the Stock Units, and you or your legal representative or beneficiary will be required to pay any such amounts. By accepting this award, you consent and direct that, if you are paid through Teradata's United States payroll system at the time the Stock Units vest, Teradata's stock plan administrator may withhold or sell the number of Stock Units from your award as Teradata, in its sole discretion, deems necessary to satisfy such withholding requirements. If you are paid through a non-United States Teradata payroll system, you agree that Teradata may satisfy any withholding obligations by withholding cash from your compensation otherwise due to you or by any other action as it may deem necessary to satisfy any withholding obligation.

8. The Stock Units will be forfeited if the Committee determines that you engaged in misconduct in connection with your employment with Teradata.

9. In exchange for the Stock Units, you agree that during your employment with Teradata and for a period of twelve (12) months after the termination of employment (or if applicable law mandates a maximum time that is shorter than twelve months, then for a period of time equal to that shorter maximum period), regardless of the reason for termination, you will not, without the prior written consent of the Chief Executive Officer of Teradata, (1) render services directly or indirectly to, or become employed by, any Competing Organization (as defined in this Paragraph 10 below) to the extent such services or employment involves the development, manufacture, marketing, sale, advertising or servicing of any product, process, system or service which is the same or similar to, or competes with, a product, process, system or service manufactured, sold, serviced or otherwise provided by Teradata to its customers and upon which you worked or in which you participated during the last two (2) years of your Teradata employment; (2) directly or indirectly recruit, hire, solicit or induce, or attempt to induce, any exempt employee of Teradata to terminate his or her employment with or otherwise cease his or her relationship with Teradata; or (3) solicit the business of any firm or company with which you worked during the preceding two (2) years while employed by Teradata, including customers of Teradata. If you breach the terms of this Section 10, you agree that in addition to any liability you may have for damages arising from such breach, any unvested Stock Units will be immediately forfeited, and you agree to pay to Teradata the Fair Market Value of any Stock Units that Vested or cash paid to you in lieu of such Stock Units during the twelve (12) months prior to the date of your termination of employment. Such Fair Market Value shall be determined as of your Vesting Date.

As used in this Section 9, “Competing Organization” means an organization identified as a Competing Organization by the Chief Executive Officer of Teradata for the year in which your employment with Teradata terminates, and any other person or organization which is engaged in or about to become engaged in research on or development, production, marketing, leasing, selling or servicing of a product, process, system or service which is the same or similar to or competes with a product, process, system or service manufactured, sold, serviced or otherwise provided by Teradata to its customers. The list of Competing Organizations identified by the Chief Executive Officer is maintained by the Teradata Law Department.

10. By accepting this award, you agree that, where permitted by local law, any controversy or claim arising out of or related to your employment relationship with Teradata shall be resolved by first exhausting any Teradata internal dispute resolution process and policy, and then by arbitration pursuant to such policy. If you are employed in the United States, the arbitration shall be pursuant to the Teradata dispute resolution policy and the then current rules of the American Arbitration Association and shall be held in the city of the location of the headquarters of Teradata. If you are employed outside the United States, where permitted by local law, the arbitration shall be conducted in the regional headquarters city of the business unit in which you work. The arbitration shall be held before a single arbitrator who is an attorney knowledgeable in employment law. 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; all other aspects shall

be interpreted in accordance with the laws of the state in which the headquarters of Teradata is located. Each party shall bear its own attorney's fees associated with the arbitration, and other costs and expenses of the arbitration shall be borne as provided by the rules of the American Arbitration Association for an arbitration held in the United States, or similar applicable rules for an arbitration held outside the United States.

Notwithstanding the preceding subparagraph, you acknowledge that if you breach Section 9, Teradata 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 of Section 9 Teradata may, in addition to any other remedies available to it, bring an action in a court of competent jurisdiction for equitable relief to preserve the status quo pending appointment of an arbitrator and completion of an arbitration. You stipulate to the exclusive jurisdiction and venue of the state and federal courts located in the location from which Teradata's Option program is administered, for any such proceedings.

11. You may designate one or more beneficiaries to receive all or part of any Stock Units to be distributed in case of your death, and you may change or revoke such designation at any time. In the event of your death, any Stock Units distributable hereunder that are subject to such a designation will be distributed to such beneficiary or beneficiaries in accordance with this Agreement. Any other 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, the Stock Units in question may be transferred to your estate, in which event Teradata will have no further liability to anyone with respect to such Stock Units.

12. The provisions of this Agreement are severable. If any provision of this Agreement is held to be unenforceable or invalid by a court or other tribunal of competent jurisdiction (including an arbitration tribunal), it shall be severed and shall not affect any other part of this Agreement, which will be enforced as permitted by law.

13. The terms of this award of Stock Units as evidenced by this Agreement may be amended by the Teradata Board of Directors or the Committee.

14. In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of the Plan, the terms and conditions of the Plan shall prevail, except that with respect to matters involving choice of law the terms and conditions of Section 10 of this Agreement shall prevail.

Form of 2007 Performance Based Restricted Stock Unit Agreement
Under the Teradata 2007 Stock Incentive Plan

You have been awarded a number of restricted stock units (the "Stock Units") under the 2007 Stock Incentive Plan (the "Plan") of Teradata Corporation ("Teradata") as described on the restricted stock unit information page on the website of Teradata's third party Plan administrator, subject to the terms and conditions of this 2007 Performance Based Restricted Stock Unit Agreement (this "Agreement") and the Plan.

1. All, a portion, a multiple, or none of the Stock Units will become nonforfeitable ("Vested") on the date (your "Vesting Date") that the Compensation & Human Resource Committee of the Teradata Board of Directors (the "Committee") determines that the performance goals set forth on Exhibit A (the "Performance Goals") have been achieved during the period from [ ] through [ ] (the "Performance Period") at the level described in Section 2 below, provided that (i) you are continuously employed by Teradata or any of its affiliate companies (referred to collectively herein as "Teradata") until your Vesting Date, and (ii) the applicable performance measures described in Section 2 below are met.

2. Subject to your continued employment through the Vesting Date, in the event that Teradata achieves the Performance Goal during the Performance Period, you will become Vested on your Vesting Date in a designated percentage of the Stock Units awarded to you under this Agreement, as set forth on Exhibit A. The Performance Goal will be determined by the Committee, and will be communicated in your award letter.

3. If your employment with Teradata terminates prior to your Vesting Date due to (i) your death; (ii) cessation of active employment by Teradata as a result of a disability for which you qualify for benefits under the Teradata Long-Term Disability Plan or another long-term disability plan sponsored by Teradata ("Disability"); (iii) Retirement (defined as termination by you of your employment with Teradata at or after age 55 other than, if applicable to you, for Good Reason (as described below) following a Change in Control (as defined in the Plan)); or (iv) reduction-in-force; then, on your Vesting Date, and based upon the Committee's determination of the Performance Goal, a pro rata portion of the Stock Units will become Vested. The pro rata portion will be determined by calculating the total number of shares or cash you would have received (through vesting of Stock Units) if your Teradata employment had not terminated prior to your Vesting Date, and multiplying that number by a fraction, the numerator of which is the number of full and partial months of employment you completed after the date of grant of this award, and the denominator of which is the number of months in the Performance Period. If your employment terminates prior to your Vesting Date for any reason other than as otherwise described in this Section 3, the Stock Units will automatically terminate and be forfeited and no shares or cash will be issued or paid (as the case may be).

Notwithstanding any provision in this Agreement to the contrary:

(i) in the event a Change in Control occurs on or prior to the first anniversary of grant and this restricted stock unit award is not assumed, converted or replaced by the continuing entity, the Stock Units shall vest immediately prior to the Change in Control (without regard to performance or pro-ration) at the "Target" level,

(ii) in the event a Change in Control occurs after the first anniversary of grant and this restricted stock unit award is not assumed, converted or replaced by the continuing entity, the Stock Units shall vest immediately prior to the Change in Control (without regard to performance after the Change in Control or pro-ration) based on actual performance through the end of the calendar year immediately preceding the date on which the Change in Control occurs,

(iii) in the event of a Change in Control on or prior to the first anniversary of grant wherein this restricted stock unit award is assumed, the Stock Units shall vest at the end of the Performance Period (without regard to performance or pro-ration) at the "Target" level, subject to your continued employment through the end of the Performance Period, and

(iv) in the event of a Change in Control after the first anniversary of grant wherein this restricted stock unit award is assumed, the Stock Units shall vest at the end of the Performance Period (without regard to performance after the Change in Control or pro-ration) based on actual performance through the end of the calendar year immediately preceding the date on which the Change in Control occurs, subject to your continued employment through the end of the Performance Period.

Notwithstanding the provisions of clause (iii) and (iv) to the contrary, if, during the 24 months following the Change in Control, you incur a Termination of Employment (as defined in the Plan) by the Company other than for Cause or Disability (as such terms are defined in the Plan) or, if you are a participant in the Teradata Change in Control Severance Plan, a Teradata Severance Policy or a similar arrangement that defines "Good Reason" in the context of a resignation following a Change in Control, to the extent not then-vested, the Stock Units shall vest immediately upon your Termination of Employment at the level specified in clause (iii) or (iv) as applicable. Notwithstanding the foregoing provisions of this Section 3, in the event that you are a "specified employee" within the meaning of Section 409A of the Code, amounts that would otherwise be payable under this Section 3 during the six-month period immediately following your "separation from service" within the meaning of Section 409A of the Code shall instead be paid on the first business day after the date that is six months following your "separation from service" within the meaning of Section 409A of the Code.

4. By accepting this award, unless disclosure is required by applicable law or regulation, you agree to keep this Agreement confidential and not to disclose its contents to anyone except your attorney, your immediate family, or your financial consultant, provided such persons agree in advance to keep such information confidential and not disclose it to others. The Stock Units will be forfeited if you violate the terms and conditions of this Section 4.

5. At all times before your Vesting Date, the Stock Units may not be sold, transferred, pledged, assigned or otherwise alienated, except by beneficiary designation, will or by the laws of descent and distribution upon your death. As soon as practicable after your Vesting Date, if Stock Units are to be paid in the form of shares of Teradata common stock, Teradata will instruct its Transfer Agent and/or third party Plan administrator to record on your account the number of such shares underlying the number of Stock Units, and such shares will be freely transferable.

6. Any cash dividends declared before your Vesting Date on the shares underlying the Stock Units shall not be paid currently, but shall be converted into additional 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. As of each date that Teradata 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 6, 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 Teradata's common stock on the Dividend Payment Date.

7. Teradata has the right to deduct or cause to be deducted from, or collect or cause to be collected, with respect to the taxation of any Stock Units, any federal, state or local taxes required by the laws of the United States or any other country to be withheld or paid with respect to the Stock Units, and you or your legal representative or beneficiary will be required to pay any such amounts. By accepting this award, you consent and direct that, if you are paid through Teradata's United States payroll system at the time the Stock Units vest, Teradata's stock plan administrator will withhold or sell the number of Stock Units from your award as Teradata, in its sole discretion, deems necessary to satisfy such withholding requirements. If you are paid through a non-United States Teradata payroll system, you agree that Teradata may satisfy any withholding obligations by withholding cash from your compensation otherwise due to you or by any other action as it may deem necessary to satisfy the withholding obligation.

8. In exchange for the Stock Units, you agree that during your employment with Teradata and for a period of twelve (12) months after the termination of employment (or if applicable law mandates a maximum time that is shorter than twelve months, then for a period of time equal to that shorter maximum period), regardless of the reason for termination, you will not, without the prior written consent of the Chief Executive Officer of Teradata, (1) render services directly or indirectly to, or become employed by, any Competing Organization (as defined in this Section 8) to the extent such services or employment involves the development, manufacture, marketing, sale, advertising or servicing of any product, process, system or service which is the same or similar to, or competes with, a product, process, system or service manufactured, sold, serviced or otherwise provided by Teradata to its customers and upon which you worked or in which you participated during the last two (2) years of your Teradata employment; (2) directly or indirectly recruit, hire, solicit or induce, or attempt to induce, any exempt employee of Teradata to terminate his or her employment with or otherwise cease his or her relationship with Teradata; or (3) solicit the business of any firm or company with which you worked during the preceding two (2) years while employed by Teradata, including customers of Teradata. If you breach the terms of this Section 8, you agree that in addition to any liability you may have for damages arising from such breach, any unvested Stock Units will be immediately forfeited, and you will pay to Teradata the Fair Market Value of any Stock Units that Vested or cash paid to you in lieu of such Stock Units that were issued during the twelve (12) months prior to the date of termination of your employment. Such Fair Market Value shall be determined as of your Vesting Date. If you breach the terms of this Section 8 prior to the end of the Performance Period but after your employment terminates due to the circumstances described in the first paragraph of Section 3, your award will be forfeited and you will not receive a pro rata portion of the Stock Units.

As used in this Section 8, “Competing Organization” means an organization identified by the Chief Executive Officer of Teradata as a Competing Organization for the year in which your employment with Teradata terminates, and any other person or organization which is engaged in or about to become engaged in research on or development, production, marketing, leasing, selling or servicing of a product, process, system or service which is the same or similar to or competes with a product, process, system or service manufactured, sold, serviced or otherwise provided by Teradata to its customers. The list of Competing Organizations identified by the Chief Executive Officer is maintained by the Teradata Law Department.

9. By accepting the Stock Units, you agree that, where permitted by local law, any controversy or claim arising out of or related to your employment relationship with Teradata shall be resolved by arbitration. If you are employed in the United States, the arbitration shall be pursuant to the Teradata dispute resolution policy and the then current rules of the American Arbitration Association and shall be held in the city of the location of the headquarters of Teradata. If you are employed outside the United States, where permitted by local law, the arbitration shall be conducted in the regional headquarters city of the business unit in which you work. The arbitration shall be held before a single arbitrator who is an attorney knowledgeable in employment law. 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; all other aspects shall be interpreted in accordance with the laws of the state in which the headquarters of Teradata is located. Each party shall bear its own attorney’s fees associated with the arbitration and other costs and expenses of the arbitration shall be borne as provided by the rules of the American Arbitration Association for an arbitration held in the United States, or similar applicable rules for an arbitration held outside the United States. The Stock Units will be forfeited if the Committee determines that you engaged in misconduct in connection with your employment with Teradata.

Notwithstanding the preceding subparagraph, you acknowledge that if you breach Section 8, Teradata 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 of Section 8 Teradata may, in addition to any other remedies available to it, bring an action in a court of competent jurisdiction for equitable relief to preserve the status quo pending appointment of an arbitrator and completion of an arbitration. You stipulate to the exclusive jurisdiction and venue of the state and federal courts located in the location from which Teradata’s equity programs are administered, for any such proceedings.

10. Subject to the terms of this Agreement, you may at any time designate one or more beneficiaries to receive all or part of any Stock Units. In the event of your death, any Stock Units distributable hereunder that are subject to such a designation will be distributed to such beneficiary or beneficiaries in accordance with this Agreement. Any other 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, the Stock Units in question may be transferred to your estate, in which event Teradata will have no further liability to anyone with respect to such Stock Units.

11. The provisions of this Agreement are severable. If any provision of this Agreement is held to be unenforceable or invalid by a court or other tribunal of competent

jurisdiction (including an arbitration tribunal), it shall be severed and shall not affect any other part of this Agreement, which will be enforced as permitted by law.

12. The terms of this award of Stock Units as evidenced by this Agreement may be amended by the Teradata Board of Directors or the Committee.

13. In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of the Plan, the terms and conditions of the Plan shall prevail, except that with respect to matters involving choice of law the terms and conditions of Section 9 of this Agreement shall prevail.

Form of Performance Based Restricted Stock Agreement
Under the Teradata 2007 Stock Incentive Plan

You have been awarded a number of restricted shares of Teradata common stock (the "Restricted Stock") under the 2007 Stock Incentive Plan (the "Plan") of Teradata Corporation ("Teradata"), as listed on the restricted stock grant information page on the website of Teradata's third party Plan administrator, subject to the terms and conditions of this 2007 Performance Based Restricted Stock Agreement (this "Agreement") and the Plan.

1. All, a portion, a multiple, or none of the Restricted Stock will become nonforfeitable ("Vested") on the date (your "Vesting Date") that the Compensation & Human Resource Committee of the Teradata Board of Directors (the "Committee") determines that the performance goals set forth on Exhibit A (the "Performance Goals") have been achieved during the period from [ ] through [ ] (the "Performance Period") at the level described in Section 2 below, provided that (i) you are continuously employed by Teradata or any of its affiliate companies (referred to collectively herein as "Teradata") until your Vesting Date, and (ii) the applicable performance measures described in Section 2 below are met.

2. Subject to your continued employment through the Vesting Date, in the event that Teradata achieves the Performance Goal during the Performance Period, you will become Vested on your Vesting Date in a designated percentage of the Restricted Stock awarded to you under this Agreement, as set forth on Exhibit A. The Performance Goal will be determined by the Committee, and will be communicated in your award letter.

3. If your employment with Teradata terminates prior to your Vesting Date due to (i) your death; (ii) cessation of active employment by Teradata as a result of a disability for which you qualify for benefits under the Teradata Long-Term Disability Plan or another long-term disability plan sponsored by Teradata ("Disability"); (iii) Retirement (defined as termination by you of your employment with Teradata at or after age 55 with the consent of the Committee, other than, if applicable to you, for Good Reason (as described below) following a Change in Control (as defined in the Plan)); or (iv) reduction-in-force; then, on your Vesting Date, and based upon the Committee's determination of the Performance Goal, a pro rata portion of the Restricted Stock will become Vested. The pro rata portion will be determined by calculating the total number of shares you would have received (through vesting of Restricted Stock) if your Teradata employment had not terminated prior to your Vesting Date, and multiplying that number by a fraction, the numerator of which is the number of full and partial months of employment you completed after the date of grant of this award (the "Grant Date"), and the denominator of which is the number of months in the Performance Period. If your employment terminates prior to your Vesting Date for any reason other than as otherwise described in this Section 3, the Restricted Stock will automatically be forfeited and no shares will be issued.

Notwithstanding any provision in this Agreement to the contrary:

(i) in the event a Change in Control occurs on or prior to the first anniversary of grant and this restricted stock award is not assumed, converted or replaced by the continuing entity, the Restricted Stock shall vest immediately prior to the Change in Control (without regard to performance or pro-ration) at the "Target" level,

(ii) in the event a Change in Control occurs after the first anniversary of grant and this restricted stock award is not assumed, converted or replaced by the continuing entity, the Restricted Stock shall vest immediately prior to the Change in Control (without regard to performance after the Change in Control or pro-ration) based on actual performance through the end of the calendar year immediately preceding the date on which the Change in Control occurs,

(iii) in the event of a Change in Control on or prior to the first anniversary of grant wherein this restricted stock award is assumed, the Restricted Stock shall vest at the end of the Performance Period (without regard to performance or pro-ration) at the "Target" level, subject to your continued employment through the end of the Performance Period, and

(iv) in the event of a Change in Control after the first anniversary of grant wherein this restricted stock award is assumed, the Restricted Stock shall vest at the end of the Performance Period (without regard to performance after the Change in Control or pro-ration) based on actual performance through the end of the calendar year immediately preceding the date on which the Change in Control occurs, subject to your continued employment through the end of the Performance Period.

Notwithstanding the provisions of clause (iii) and (iv) to the contrary, if, during the 24 months following the Change in Control, you incur a Termination of Employment (as defined in the Plan) by the Company other than for Cause or Disability (as such terms are defined in the Plan) or, if you are a participant in the Teradata Change in Control Severance Plan, a Teradata Severance Policy or a similar arrangement that defines "Good Reason" in the context of a resignation following a Change in Control, to the extent not then-vested, the Restricted Stock shall vest immediately upon your Termination of Employment at the level specified in clause (iii) or (iv) as applicable.

4. By accepting this award, unless disclosure is required by applicable law or regulation, you agree to keep this Agreement confidential and not to disclose its contents to anyone except your attorney, your immediate family, or your financial consultant, provided such persons agree in advance to keep such information confidential and not disclose it to others. The Restricted Stock will be forfeited if you violate the terms and conditions of this Section 4.

5. You will be the record owner of the Restricted Stock until such shares are forfeited, and as the record owner you will be entitled to all rights of a common stockholder of Teradata, including without limitation, voting rights and rights to cash and in-kind dividends, if any, on the Restricted Stock; provided, however, that the right to dividends will be subject to Section 8 below, and, prior to your Vesting Date, the Restricted Stock is not freely transferable. As soon as practicable after your Vesting Date, subject to Section 9 below, Teradata will instruct its Transfer Agent and/or third party Plan administrator to release the restrictions on your record account and the Restricted Stock will become freely transferable.

6. Prior to Vesting, the Restricted Stock may not be sold, transferred, pledged, assigned or otherwise alienated, except by beneficiary designation, will or by the laws of descent and distribution upon your death.

7. Any regular cash dividends declared before your Vesting Date on the Restricted Stock shall not be paid currently, but shall be reinvested in shares of common stock of Teradata. Any shares resulting from such reinvestment (the "Dividend Shares") will be considered Restricted Stock for purposes of this Agreement and will be subject to all of the terms, conditions and restrictions set forth herein. As of each date that Teradata would otherwise pay the declared dividend on the Restricted Stock (the "Dividend Payment Date") in the absence of the reinvestment requirements of this Section 7, the number of Dividend Shares will be determined by dividing the amount of dividends otherwise attributable to the Restricted Stock but not paid on Dividend Payment Date by the Fair Market Value of Teradata's common stock on the Dividend Payment Date. The Committee may, in its discretion, take such action as it deems appropriate regarding in-kind dividends or distributions with respect to the Restricted Stock prior to your Vesting Date, which actions may include, without limitation, current distribution or liquidation or reinvestment in Restricted Stock. Any securities or property so distributed may, in the Committee's discretion, be subject to any or all of the forfeiture provisions set forth in this Agreement.

8. Teradata has the right to deduct or cause to be deducted from, or collect or cause to be collected, with respect to the taxation of any Restricted Stock, any federal, state or local taxes required by the laws of the United States or any other country to be withheld or paid with respect to the Restricted Stock, and you or your legal representative or beneficiary will be required to pay any such amounts. By accepting this award, you consent and direct that, if you are paid through Teradata's United States payroll system at the time the Restricted Stock vests, Teradata's stock plan administrator will withhold or sell the number of shares of Restricted Stock from your award as Teradata, in its sole discretion, deems necessary to satisfy such withholding requirements. If you are paid through a non-United States Teradata payroll system, you agree that Teradata may satisfy any withholding obligations by withholding cash from your compensation otherwise due to you or by any other action as it may deem necessary to satisfy the withholding obligation.

9. In exchange for the Restricted Stock, you agree that during your employment with Teradata and for a period of twelve (12) months after the termination of employment (or if applicable law mandates a maximum time that is shorter than twelve months, then for a period of time equal to that shorter maximum period), regardless of the reason for termination, you will not, without the prior written consent of the Chief Executive Officer of Teradata, (1) render services directly or indirectly to, or become employed by, any Competing Organization (as defined in this Section 9) to the extent such services or employment involves the development, manufacture, marketing, sale, advertising or servicing of any product, process, system or service which is the same or similar to, or competes with, a product, process, system or service manufactured, sold, serviced or otherwise provided by Teradata to its customers and upon which you worked or in which you participated during the last two (2) years of your Teradata employment; (2) directly or indirectly recruit, hire, solicit or induce, or attempt to induce, any exempt employee of Teradata to terminate his or her employment with or otherwise cease his or her relationship with Teradata; or (3) solicit the business of any firm or company with which you worked during the preceding two (2) years while employed by Teradata, including customers of Teradata. If you breach the terms of this Section 9, you agree that in addition to any liability you may have for damages arising from such breach, any unvested Restricted Stock will be immediately forfeited, and you will pay to Teradata the Fair Market Value of any Restricted Stock that Vested during the twelve (12) months prior to the date of termination of your

employment. Such Fair Market Value shall be determined as of the Vesting Date. If you breach the terms of this Section 9 prior to the end of the Performance Period but after your employment terminates due to the circumstances described in the first paragraph of Section 3, your award will be forfeited and you will not receive a pro rata portion of the Restricted Stock.

As used in this Section 9, "Competing Organization" means an organization identified by the Chief Executive Officer of Teradata as a Competing Organization for the year in which your employment with Teradata terminates, and any other person or organization which is engaged in or about to become engaged in research on or development, production, marketing, leasing, selling or servicing of a product, process, system or service which is the same or similar to or competes with a product, process, system or service manufactured, sold, serviced or otherwise provided by Teradata to its customers. The list of Competing Organizations is maintained by the Teradata Law Department.

10. By accepting the Restricted Stock, you agree that, where permitted by local law, any controversy or claim arising out of your employment relationship with Teradata shall be resolved by arbitration. If you are employed in the United States, the arbitration shall be pursuant to the Teradata dispute resolution policy and the then current rules of the American Arbitration Association and shall be held in the city of the location of the headquarters of Teradata. If you are employed outside the United States, where permitted by local law, the arbitration shall be conducted in the regional headquarters city of the business unit in which you work. The arbitration shall be held before a single arbitrator who is an attorney knowledgeable in employment law. 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; all other aspects shall be interpreted in accordance with the laws of the state in which the headquarters of Teradata is located. Each party shall bear its own attorney's fees associated with the arbitration and other costs and expenses of the arbitration shall be borne as provided by the rules of the American Arbitration Association for an arbitration held in the United States, or similar applicable rules for an arbitration held outside the United States. The Restricted Stock will be forfeited if the Committee determines that you engaged in misconduct in connection with your employment with Teradata.

Notwithstanding the preceding subparagraph, you acknowledge that if you breach Section 9, Teradata 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 of Section 9 Teradata may, in addition to any other remedies available to it, bring an action in a court of competent jurisdiction for equitable relief to preserve the status quo pending appointment of an arbitrator and completion of an arbitration. You stipulate to the exclusive jurisdiction and venue of the state and federal courts located in the location from which Teradata's equity programs are administered, for any such proceedings.

11. You may designate one or more beneficiaries to receive all or part of any Restricted Stock to be distributed in case of your death, and you may change or revoke such designation at any time. In the event of your death, any Restricted Stock distributable hereunder that is subject to such a designation will be distributed to such beneficiary or beneficiaries in accordance with this Agreement. Any other Restricted Stock 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, the Restricted Stock in question may be transferred to your estate, in which event Teradata will have no further liability to anyone with respect to such Restricted Stock.

12. The provisions of this Agreement are severable. If any provision of this Agreement is held to be unenforceable or invalid by a court or other tribunal of competent jurisdiction (including an arbitration tribunal), it shall be severed and shall not affect any other part of this Agreement, which will be enforced as permitted by law.

13. The terms of this award of Restricted Stock as evidenced by this Agreement may be amended by the Teradata Board of Directors or the Committee.

14. In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of the Plan, the terms and conditions of the Plan shall prevail, except that with respect to matters involving choice of law the terms and conditions of Section 10 of this Agreement shall prevail.

FORM OF MASTER AGREEMENT

TERMS & CONDITIONS FOR
NCR'S ACQUISITION OF
GOODS, LICENSES & SERVICES FROM TERADATA
FOR NCR'S INTERNAL END-USER BUSINESS-OPERATIONS USE ONLY

CUSTOMER NAME: NCR CORPORATION ("you" or "Customer" or "Buyer")

VENDOR NAME: TERADATA US, INC. ("Vendor" or "Teradata")

EFFECTIVE DATE: _____, 2007 (the "Effective Date")

The terms of this Master Agreement, including any attachments to it and any amendments to it entered into by the parties, ("this Agreement") apply to all goods, licenses and services ("Products") ordered or acquired from Vendor (or its affiliates which agree in writing to be bound by the terms of this Agreement) during the Term of this Agreement and all Legacy Products (as defined herein) acquired by you (or by your affiliates, authorized lessors or authorized procurement or outsource providers which agree in writing to be bound by the terms of this Agreement) only for your and your affiliates' internal end-user business-operations use, including access to and use by external partners, suppliers, dealers, affiliates, contractors and customers to support your and your affiliates' business operations, ("Internal Use"). "Order-Specific Terms" for Products, such as Product identities, prices, discounts, quantities, dates, and any unique provisions which apply only to a particular order, will be set forth in the variable-content portions of each order entered into by the parties (such as your purchase order form, Vendor's order form, an order addendum, an order exhibit, or a statement of work). The Order-Specific Terms, once entered into by the parties, together with the applicable terms of this Agreement, whether referenced in the order or not, constitute an "Order" under this Agreement. If there are any conflicts between the Order-Specific Terms and the provisions of this Agreement, then the provisions of this Agreement shall apply and take precedence over the conflicting provisions of the Order-Specific Terms with respect to that Order (*i.e.,* if the parties wish to deviate from the provisions of this Agreement with respect to a particular Order or set of Orders or a particular Product or set of Products, then the parties will need to, separate and apart from the applicable Order-Specific Terms, enter into a written mutually-signed amendment to this Agreement which expressly provides that it is amending this Agreement and which expressly sets forth what the amended provisions are). Other than with respect to the Order-Specific Terms, provisions on your purchase order forms or on Vendor's order forms (such as preprinted terms and conditions typically found on their reverse side) shall not apply and are superseded in their entirety by the provisions of this Agreement. This Agreement and Orders under it may be changed only by written agreement of the parties. This Agreement and any attachments to it become binding on the parties when signed by both of their authorized representatives.

CUSTOMER: NCR CORPORATION	**VENDOR: TERADATA US, INC.**
Signature: _____	Signature: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

1. Term . The "Term" of this Agreement runs from the Effective Date set forth on the front page of this Agreement until this Agreement is terminated. Either party may terminate this Agreement by providing the other with at least 30 days advance written notice. Termination will not end or change either party's rights or duties which accrue during the Term or arise under Orders entered into during the Term of this Agreement.

2. Scope . Products provided under this Agreement are intended only for delivery to destinations in the country of your ship-to address set forth in the applicable Order, not for export, and only for Internal Use. If you or your affiliates wish to acquire Products for export or for resale, sublicensing, or operation of a service-bureau-type data center where the functionality and/or capabilities of the Products are sold by you as a standalone service offering for the benefit of and business operations of your customers, then you will need to enter into a separate agreement with Vendor which expressly permits such. For purposes of this Agreement, "affiliates" means entities which are more than 50%-owned by or more than 50%-owner of an entity signing this Agreement, and entities which are more than 50%-owned by another affiliate.

3. Product Definitions .

3.1 "Annuity Services" means Products which you are entitled to receive during a prepaid coverage period under an Order. Annuity Services include: "Maintenance" Services (*e.g.*, annually-ordered and quarterly-billed maintenance and repair coverage for Equipment); "Software Maintenance and Support" Services (*e.g.*, annually-ordered and quarterly-billed maintenance, fix, and support coverage for Software); and, "Subscription" (*e.g.*, annually-ordered and quarterly-billed entitlement to receive copies of new updates and/or upgrades for specified Software beyond what is included within the scope of and price for Software Maintenance and Support Services).

3.2 "Deliverable" means a tangible item, including any electronic, computer-coded form of it: (a) which is defined as a Deliverable in a statement of work or other Order (*e.g.*, a report or custom-created computer code), or is Product-related and provided to you by Vendor (*e.g.*, documentation and user instructions for Equipment and Supplies); but (b) which does not meet the definition of Equipment, Software, Supplies or Diagnostic Tools under this Agreement.

3.3 "Equipment" means hardware, including peripherals and Parts.

3.4 "Legacy Products" means those Products listed in Attachment A to this Agreement which the parties hereby mutually agree you have acquired and deployed for Internal Use prior to the Effective Date of this Agreement or prior to the effective date of the spin-off of Vendor into an independent corporation, and which you shall have the fully paid-up, perpetual right to retain and use.

3.5 "Other Equipment" means Equipment which is not Teradata-Branded Equipment (defined below), which is manufactured or assembled by a third party supplier to that third party supplier's specifications, and which is resold by Vendor with reference to the third party supplier's name or brand in the Product name on the applicable Order(s)(*e.g.*, "EMC"-branded disk arrays and "Sun/StorageTech"-branded back-up and recovery systems).

3.6 "Parts" means hardware component elements.

3.7 "Professional Services" means the subcategory of Services comprised of consulting, development, implementation, and like tasks performed under a statement of work ("SOW") or other form of Order for Professional Services.

3.8 "Services" means work performed under an Order to install, maintain, support, fix, repair, modify, consult, implement, operate, design, develop, create, program, train, or perform other tasks.

3.9 "Software" means pre-written computer programs which are licensed or provided to you under an Order or which are provided to you in connection with Services; fixes, updates, upgrades, and enhancements to such programs to which you are entitled, licensed or provided under an Order; logical data models licensed or provided to you by Vendor under an Order; and, any documentation for these which Vendor provides to you.

3.10 "Supplies" means consumable items, such as paper, forms, storage media, print ribbons, ink cartridges, and batteries.

3.11 "Teradata-Branded Equipment" means Equipment which bears the "Teradata" name or logo on it and Equipment that is manufactured or assembled by or for Vendor to Vendor's specifications, but such does not include Other Equipment (as defined above).

3.12 "Third Party Software/Deliverables" means Software and Deliverables which are not created by Vendor or are not created to Vendor's specifications and which bear the logo or copyright notice of a third party supplier, which are expressly identified as being "open source" products or as being subject to "open source" licensing terms (*e.g.*, LINUX), or which are resold by Vendor with reference to the third party supplier's/source's name or brand in the Product name on the applicable Order(s).

4. Orders .

4.1 New Orders — You may provide Vendor with Order-Specific Terms acceptable to you in written or electronic form as signed or otherwise authenticated by you (*e.g.,* a signed or electronically-validated purchase order form from you, an order placed through electronic data interchange ("EDI") or secure web-based ordering site, or other form of purchase order which qualifies as having been "signed" or "authenticated" under the Uniform Commercial Code of the governing-law state)(an "Order Request"). Vendor will confirm or accept an Order Request, by providing you with an original or copy of it as signed or otherwise authenticated by Vendor, by other written or electronic communication confirming or accepting it, by performing in reliance upon it, or by making Delivery of the Products covered by it ("Order Acceptance"). Upon Order Acceptance, the Order Request shall constitute the sole written mutually-entered-into set of Order-Specific Terms for the Products covered by it. A facsimile, photocopy, electronic image, or print-out of an Order Request or of an acknowledgement of Order Acceptance will be considered equivalent to an original. Order Requests and Order Acceptances may be delivered in person or by mail, courier, facsimile, email, the worldwide web, EDI, electronic transmission, or other intermediary as selected by the initiating party or as mutually agreed upon by the parties.

4.2 Legacy Orders — Irrespective of any other provisions set forth in this Agreement, the parties agree that: the Order-Specific Terms for Legacy Products are and shall be as set forth in Attachment A; you shall be deemed to have fully paid for the Legacy Products (including for fully-paid-up Internal Use licenses to Software Legacy Products) as of the effective date of the spin-off of Vendor into an independent corporation from you; and, the date(s) of "Delivery" (as defined below) for Legacy Products shall be deemed to be and have been the applicable delivery date(s) set forth in Attachment A. To the extent, if any, that you wish to obtain Products, including without limitation Annuity Services coverage, Annuity Services renewals, or Professional Services for or related to Legacy Products, after the effective date of the spin-off of Vendor into an independent corporation from you, then you and Vendor will need to enter into mutually-acceptable new Orders for such at mutually-agreed-upon prices, as set forth in the immediately-preceding section of this Agreement and the Products to be provided under such new Orders shall not be considered to be Legacy Products.

5. Prices .

5.1 The pricing terms for Products are set out in Attachment C.

6. Delivery .

6.1 "Delivery" for shipped Products shall occur on an "FOB Destination (Point of Delivery) – Freight Prepaid and Added to Buyer's Invoice" basis (*i.e.,* upon delivery to Customer's dock of the Products in undamaged condition).

6.2 "Delivery" for non-shipped Equipment, Software, Deliverables and Supplies occurs when the Products are tendered to you in undamaged condition (*e.g.,* when they are hand delivered, or the earlier of when downloadable Products are (i) actually downloaded by you or (ii) fifteen (15) days after Vendor has made such fully available to you for downloading, including having provided you in writing with all instructions, links, web addresses and passwords necessary to allow you to download the Product).

6.3 "Delivery" for Services occurs when the Services are performed unless the applicable Order or SOW specifies otherwise. Services which are not within the scope of Annuity Services will be provided on a time-and-expenses basis unless the applicable Order or SOW specifies that such will be provided on a mutually agreed upon fixed-fee basis or some other mutually agreed upon fee basis. Annuity Services shall be deemed performed and delivered on a monthly prorated basis over the then-applicable periodic (*e.g.,* annual) billing and coverage period.

6.4 Vendor will use commercially reasonable efforts to make Delivery of Products by the Delivery date(s), if any, set forth in an Order. Vendor will notify you immediately upon learning of any event which may result in any delay in the Delivery date. Vendor's agreement to a specific Delivery date is conditioned on your Order Request being received within any lead-time and other requirements of which Vendor notifies you before Order Acceptance. If Vendor misses a firm Delivery date set forth in an Order and if your accepted Order Request meets Vendor's lead-time requirements, then (except to the extent that you request or cause the delay) you may, upon written notice provided to Vendor before Delivery, cancel that Order without further obligation or liability by either party. Unless expressly otherwise set forth in the Order, pre-Delivery cancellation as set forth in this paragraph is the sole remedy for a missed Delivery date.

7. Title, Risk of Loss, License Commencement & Acceptance .

7.1 Title, Risk or Loss & License Commencement . Title to Equipment and Supplies passes upon their Delivery. At the time of title passage, title to Equipment and Supplies shall be free and clear of all liens and encumbrances, other than, to the extent applicable, purchase-money security interests/liens, if any, retained by Vendor under this Agreement or the applicable Order. Risk of loss for Equipment, Software, Supplies, and Deliverables passes upon their Delivery. Licenses to Software and Deliverables commence upon their Delivery.

7.2 Acceptance . Unless the applicable Order or SOW specifies that other acceptance criteria/requirements apply to Products covered by that Order/SOW and what those criteria/requirements are ("Acceptance Procedures"), Product acceptance occurs upon their Delivery. If a Product is to be subject to any Acceptance Procedures, including acceptance testing, acceptance period, customer acceptance sign-off or other acceptance criteria, then such shall be specified in the applicable Order or SOW and the objective acceptance requirements, criteria and procedures regarding such shall be as indicated in the applicable Order or SOW or as otherwise agreed upon in writing. Once the Acceptance Procedures successfully have been fulfilled, then the Products shall be deemed to have been accepted and "Acceptance Procedures Achievement" shall be deemed to have occurred. If such a Product does not reach Acceptance Procedures Achievement in accordance with the applicable Acceptance Procedures, then you may, at your sole option and election, unless the applicable Order or SOW specifies another remedy, either: (i) accept such Product subject to Vendor's obligation to correct any nonconformities pursuant to applicable warranties and/or any Annuity Services coverage that you have in place for the Product; (ii) reject such Product by giving Vendor written notice of rejection and making it available for removal by Vendor, at Vendor's sole cost, within fifteen (15) days after providing Vendor with the notice of rejection, in which case Vendor shall, within fifteen (15) days thereafter, refund to you any amounts paid by you to Vendor for the rejected Product and fully write-off and cancel any Vendor invoices to you for the rejected Product; upon Vendor re-taking possession of the rejected Product all risk of loss for the Product shall rest solely with Vendor; upon Vendor providing you with all such refunds, write-offs and cancellations of invoices for the rejected Product, clear title to the returned rejected Products shall rest solely with Vendor and all licenses to you for the rejected Product shall terminate; or (iii) agree with Vendor in writing to an extension of the time period for acceptance to be achieved; but, in such event and if the Product is not accepted in accordance with the applicable Acceptance Procedures within the extended time period, then you still may resort to either of the two options set forth above.

8. Licenses .

8.1 Vendor grants you a non-exclusive, perpetual, worldwide license to use Software and Deliverables for your Internal Use only.

8.2 Unless the applicable Order expressly provides otherwise, you may use Software and computer-coded Deliverables only on a processing unit of the Processing Capability so licensed, and, to the extent, if any, such is identified in the applicable Order as being applicable, for the number of nodes and/or TPERFs for which you originally license them, except that, in the case of Legacy Products, in no event will your authorized use be deemed to be more restrictive than your use of such Products as of the date of this Agreement; irrespective of the foregoing limitation, however, Vendor will, subject to the Migration Credits provisions of this Agreement, provide you with dollar-for-dollar migration credits for the license fees that you paid Vendor for such Software and/or computer-coded Deliverables when you wish to use a replacement of that Software and/or computer-coded Deliverable on replacement Equipment. You may make archival backup copies of Software and computer-coded Deliverables, but you may use the backup copies only for your Internal Use, only in lieu of the original, and only subject to the license rights and duties applicable to the original (*i.e.*, except for testing and development purposes where you have a test-and-development-use license as set forth herein), you may not run an archival back-up copy and the original at the same time or have them installed on multiple systems at the same time; if you require multiple copies of Software or computer-coded Deliverables for simultaneous installation, running, or redundancy on multiple systems, then you will need to enter into an Order with Vendor which grants you such an additional license, and you will need to pay Vendor any agreed-upon license fees under that Order; irrespective of the foregoing, however, you may order and Vendor then will provide you with a single test-and-development-use-only license at no additional charge for Software and computer-coded Deliverables where you have ordered and agreed to pay Vendor for a production-use license for that same Software or computer-coded Deliverable (i.e., you will obtain and be granted a test-and-development license for Software for which you have a paid-up production-use license by you and Vendor entering into a "zero-dollar" Order for that test-and-development license).

8.3 Except to the extent that Vendor provides you with source code or that an Order expressly provides that you are entitled to receive or have access to source code, your licenses are only for the object code form of Software and computer-coded Deliverables. You may not take any steps to derive a source code equivalent of Software or computer-coded Deliverables (*e.g.*, reverse assembly or reverse compilation). You will retain any copyright notices and proprietary legends on all copies of Software and Deliverables.

8.4 Third Party Software/Deliverables are subject to the license terms and limitations, if any, regarding them provided by the supplier/source, where Vendor provides you such third party supplier's/source's license terms and limitations for such Third Party Software/Deliverables prior to Vendor accepting the applicable Order from you for such Third Party Software/Deliverable, and, in which case, Vendor assigns, on a-pass-through basis, the supplier's/source's license terms,

warranties and limitations to you, and those shall be deemed to be Order-Specific Terms which apply to such Third Party Software/Deliverables. Otherwise (*e.g.*, for third party supplied/sourced Software which is embedded in Vendor's Software and/or where Vendor does not provide you with the third party supplier's/source's license terms and limitations prior to Vendor accepting the applicable Order from you), such Third Party Software/Deliverables will be subject to the license terms and limitations set forth in this Agreement. Irrespective of the foregoing, however, Vendor represents and warrants that in all events Vendor has the right to distribute such Third Party Software/Deliverables to you and to license you to possess and use, to the full extent of the license terms set forth in this Agreement or in the applicable Order, the Third Party Software/Deliverables for Internal Use, and, if applicable, in connection with Vendor's other Products in which the Third Party Software/Deliverable is embedded, ordered with, distributed with and/or intended to be used with/on at the time of Order.

8.5 License terms for Software and Deliverables also apply to any fixes, patches, derivatives, updates and upgrades for them to which you are entitled under an Order or which Vendor otherwise provides to you.

8.6 Except for the express license grants set forth in this Agreement and an Order, Vendor and its suppliers retain ownership of and all rights to Software and Deliverables, including methodologies, processes and templates used by Vendor and/or its suppliers to create or modify them or which are incorporated into or embodied in them. Any modifications to Software or Deliverables by or for you do not create any ownership or other intellectual property rights in or to the underlying Software or Deliverables by you or any third party. You may not disclose, distribute, license, or transfer any Software or Deliverables to any third party or modify Software or computer-coded Deliverables, except as expressly set forth in this Agreement or in the Order.

9. Product Warranties .

9.1 Vendor warrants that:

9.1.1 Each Product will materially conform to its published specifications, to any documentation for it which is provided to you by Vendor, and to any other mutually agreed upon requirements set forth in the Order for it;

9.1.2 Equipment, Supplies and Software media will be free from defects in material and workmanship, and any refurbished or used Parts will function equivalently to new;

9.1.3 Services and Deliverables will materially conform to the mutually agreed upon requirements set forth in the applicable SOW or Order;

9.1.4 Services will be performed in a professional manner consistent with industry standards by trained and experienced personnel; and

9.1.5 Vendor has the right and authority to provide you with Other Equipment and Third Party Software/Deliverables; Vendor has the right and authority to, and upon an applicable Order being entered into by the parties does, assign to you, on a pass-through basis, the terms, warranties, indemnities and limitations of the third party suppliers/sources where Vendor has provided you with the third party supplier's/source's terms, warranties, indemnities and limitations for such Third Party Software/Deliverables prior to Vendor accepting your Order for such Third Party Software/Deliverables, in which case the supplier's/source's terms, warranties, indemnities and limitations shall be deemed to be Order-Specific Terms which apply to such Other Products and such Third Party Software/Deliverables; otherwise (*e.g.*, for third party supplied/sourced Software embedded in Vendor's Software and/or where Vendor does not provide you with the third party supplier's/source's terms warranties, indemnities and limitations prior to Vendor accepting the applicable Order from you), such Third Party Software/Deliverables will be subject to the license terms and limitations set forth in this Agreement; in all events, however, Vendor has the right to distribute Third Party Software/Deliverables to you and to license you to possess and use, to the full extent of the license terms set forth in this Agreement or in the applicable Order, the Third Party Software/Deliverables for Internal Use in connection with Vendor's other Products in which the Third Party Software/Deliverable is embedded, ordered with, distributed with and/or intended to be used with/on at the time of the Order.

9.1.6 Vendor will ensure that all units delivered under this Agreement or an Order will meet the regulatory requirements of the country to which it is destined, including but not limited to RoHS where applicable.

9.2 A Product's warranties commence upon its Delivery and run, for the periods specified below, as measured from the later of its (i) Delivery or (ii) Acceptance Procedures Achievement (if the Product is subject to Acceptance Procedures under its applicable Order or SOW). The warranty period shall be 1 year for Teradata-Branded Equipment, 90 days for Other Equipment, and 90 days for Software, Services, Deliverables and Supplies. Vendor also may make upgraded Product warranties available to you on terms, including additional warranty upgrade charges, as set forth in an Order.

9.3 If a Product does not conform to its warranties and you notify Vendor of the nonconformity in writing during the warranty period, Vendor will, at no additional charge to you, correct, re-perform, repair, or replace the nonconforming Product to make it conform.

9.3.1 If Vendor fails to conform an Equipment, Software, or Deliverable Product to its warranties within a reasonable time after receiving your notice: you may retain it as is; or, you may return it to Vendor within 30 days after the notice is delivered to Vendor, and, within 30 days after the Product is returned to Vendor, Vendor will refund the amount paid to Vendor for it.

9.3.2 If Vendor fails to conform a Services Product to its warranties within a reasonable time after receiving your notice and you give Vendor written notice of your request for a refund within 30 days thereafter, then, within 30 days after receipt of your request, Vendor will refund the amount paid to Vendor for it. A warranty refund for a nonconforming Annuity Services Product will not exceed the advance payment made to Vendor for it for the then-current periodic (*e.g.,* annual) billing period.

9.4 THE SOLE AND EXCLUSIVE WARRANTIES AND WARRANTY REMEDIES ARE AS SET FORTH IN THIS AGREEMENT AND IN ORDERS. THERE ARE NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO OTHER WARRANTIES OR WARRANTY REMEDIES, ORAL OR WRITTEN, EXPRESS OR IMPLIED. Vendor does not warrant that a Product will yield any particular business or financial results, that data, reports or analysis will be totally accurate, that a Product will be free from all bugs and errors, or that a Product will operate without interruption. Vendor's warranty obligations set forth in this Section 9 will apply to Products irrespective of whether or not the Products are subject to Acceptance Procedures, irrespective of whether or not Acceptance Procedures Achievement has occurred for such Products, and irrespective of whether or not you have accepted such Products in any other fashion *(i.e.,* Product acceptance does not waive or alter Vendor's warranty obligations to you).

10. Exclusions . Except to the extent otherwise expressly set forth in an Order, Vendor will not be responsible for, and Vendor's warranties and Annuity Services coverage do not include:

10.1 providing or maintaining your operating environment in conformity with published Product specifications, interface requirements or documentation;

10.2 operating, implementing, tuning, field-testing or backing-up Products or systems;

10.3 data used in connection with or processed or produced by a Product, including: data security for your systems (except that Vendor will comply with your written security procedures, policies and requirements which you provide to Vendor in advance and which are consistent with the Order and the published specifications and documentation for the Product); determining whether any privacy laws, regulations or other legal duties or restrictions apply to your possession, processing, use, disclosure or distribution of data; or, loss, corruption not caused by the Products, or unavailability of data;

10.4 negligence, abuse, misuse, improper handling, improper storage or modifications by anyone other than Vendor or its employees, affiliates or contractors, or for any claims, losses or damages resulting from such; damage not caused by Vendor or its employees, affiliates or contractors: (a) to Products after risk of loss for them has passed from Vendor; or (b) to any property, including due to fire, water, acts of God, terrorism, catastrophic events, or acts or omission of others; and

10.5 except for RoHS or other similar regulatory requirements to the extent applicable and to the extent that such obligations cannot enforceably be allocated to a buyer by a seller through contractual provisions, obtaining necessary and applicable governmental permits and consents or complying with any applicable governmental mandates, or paying any applicable associated fees, taxes or other costs, regarding your use of data, regarding your export of Products or data to locations outside of the United States or, to the extent permitted by law, regarding disposal of Equipment you obtain from Vendor or of the items replaced by Equipment you obtain from Vendor.

11. Infringement Claims .

11.1 Vendor (or its third party suppliers/sources to the extent set forth in their applicable contracts with Vendor or their indemnity terms applicable to you with respect to Other Equipment and Third Party Software/Deliverables) will, at its expense, defend, indemnify and hold you harmless from any claim or suit brought against you alleging that a Product or Diagnostic Tool (defined below) infringes a patent, copyright or trade secret, and will pay all costs and damages finally awarded as a result thereof, if you promptly notify Vendor of the claim and give Vendor (and its third party supplier/sources, if applicable) reasonably requested information and cooperation and sole authority to defend and settle the claim.

11.2 In handling the claim, Vendor (or its third party suppliers/sources, if applicable) may obtain, at no additional charge to you, the right for you to continue using the Product or Diagnostic Tool at issue, or replace or modify it so that it becomes non-infringing. If Vendor (or its third party suppliers/sources, if applicable) is unable to reasonably secure those

remedies, and if you must discontinue use of an infringing Product, and in addition to providing the defense and indemnification set forth above, Vendor (or the third party suppliers/sources, if applicable) will refund, on a five-year straight-line depreciation basis, the price paid to Vendor for the infringing Product.

11.3 Vendor's and its third party suppliers'/sources' indemnification does not apply, and you correspondingly will defend them, indemnify them and hold them harmless, to the extent that alleged infringement by you is caused by: use of a Product in connection with goods or services not furnished by Vendor or its suppliers, sources or contractors; Vendor's or its suppliers', sources' or contractors' compliance with your own designs, specifications or instructions; or, modifications by anyone other than Vendor or its employees, suppliers, sources or contractors.

11.4 EACH PARTY'S OBLIGATIONS AND LIABILITIES FOR THIRD PARTY INTELLECTUAL PROPERTY INFRINGEMENT CLAIMS RELATED TO PRODUCTS, AND EACH PARTY'S RIGHTS AND REMEDIES AGAINST THE OTHER AND ITS AFFILIATES, EMPLOYEES, SUPPLIERS, SOURCES AND CONTRACTORS FOR SUCH CLAIMS, ARE AS SOLELY AND EXCLUSIVELY AS SET FORTH IN THIS SECTION OF THIS AGREEMENT.

12. Mutual Liability Limitations .

12.1 NEITHER PARTY (OR ITS AFFILIATES, EMPLOYEES, SUPPLIERS, SOURCES OR CONTRACTORS, WHEN ACTING IN SUCH CAPACITY WITH RESPECT TO THIS AGREEMENT OR WITH RESPECT TO PRODUCTS COVERED BY THIS AGREEMENT) WILL BE LIABLE TO THE OTHER (OR ITS AFFILIATES, EMPLOYEES, SUPPLIERS, SOURCES OR CONTRACTORS, WHEN ACTING IN SUCH CAPACITY WITH RESPECT TO THIS AGREEMENT OR PRODUCTS COVERED BY THIS AGREEMENT) FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES, FOR LOSS OF PROFITS OR REVENUE (OTHER THAN THE PROFITS AND REVENUE INCLUDED IN THE PRODUCT PRICE FOR AN ACTION BY VENDOR TO RECOVER PAYMENT OF A PRICE OWED) OR LOSS OF TIME, OPPORTUNITY OR DATA, WHETHER IN AN ACTION IN CONTRACT, TORT, PRODUCT LIABILITY, STRICT LIABILITY, STATUTE, LAW, EQUITY OR OTHERWISE. NEITHER PARTY (OR ITS AFFILIATES, EMPLOYEES, SUPPLIERS, SOURCES OR CONTRACTORS, WHEN ACTING IN SUCH CAPACITY WITH RESPECT TO THIS AGREEMENT OR WITH RESPECT TO PRODUCTS COVERED BY THIS AGREEMENT) WILL BE CUMULATIVELY LIABLE TO THE OTHER (OR ITS AFFILIATES, EMPLOYEES, SUPPLIERS, SOURCES OR CONTRACTORS, WHEN ACTING IN SUCH CAPACITY WITH RESPECT TO THIS AGREEMENT OR WITH RESPECT TO PRODUCTS COVERED BY THIS AGREEMENT) FOR ANY AMOUNT GREATER THAN THE PURCHASE PRICE, FEES AND CHARGES SET FORTH IN THE PRODUCT ORDER(S) AT ISSUE.

12.2 Notwithstanding the above provision of this section, a party's liability for:

12.2.1 personal injury, including death, will be unlimited to the extent caused by its negligence or willful misconduct;

12.2.2 physical damage to tangible real or personal property will be the amount of direct damages, to the extent caused by its negligence or willful misconduct, up to one million dollars per occurrence;

12.2.3 an express obligation under this Agreement to indemnify, defend and hold the other harmless from third party intellectual property infringement claims is not limited by this Section; and

12.2.4 violating intellectual property rights or intentionally breaching the confidentiality provisions of this Agreement is not limited by this Section.

12.3 EACH CLAUSE OF THIS SECTION IS SEPARATE FROM EACH OTHER CLAUSE OF THIS SECTION AND FROM THE REMEDY LIMITATIONS AND EXCLUSIONS ELSEWHERE IN THIS AGREEMENT, AND WILL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF A REMEDY OR ANY TERMINATION OF THIS AGREEMENT.

13. Invoices & Payments .

13.1 Shipped Products will be invoiced upon their shipment.

13.2 Customer will provide a purchase order within 15 days of receipt of a renewal quote from vendor. While Annuity Services will be ordered on an annual basis (unless the applicable Order specifies some other period), Annuity Services will (unless the applicable Order specifies otherwise) be invoiced on a quarterly basis commencing near the beginning of the initial coverage period under the Order at the prices set forth in the Order, with the annual fees for Annuity Services invoiced and payable by you in four equal quarterly installments at the beginning of each quarter of the annual coverage period. Thereafter, you may, at your sole option and election, to be expressed to Vendor in writing (such as through an Order) prior to the end of the then-current Annuity Services coverage period or by you paying the first quarterly installment of the Vendor's invoice for renewal for the next Annuity Services coverage year, on a consecutive annual basis, renew such Annuity Services with Vendor at the then-current year's prices for the same such Annuity Services coverage. Notwithstanding the foregoing, however, unless you have entered into an Order with Vendor which establishes Annuity

Services prices for longer than a one-year period, Vendor may, by giving you written notice at least 90 days prior to the end of the then-current Annuity Services coverage year, increase its prices for such Annuity Services by not more than the lesser of five percent (5%) or the Consumer Price Index as reported in on the first business day in October of the previous calendar year for the year subsequent to the initial coverage year and for each renewal year thereafter since the prior price increase, if any. If you wish to renew Annuity Services at Vendor-quoted renewal rates, you will provide Vendor with a purchase order for such renewal within 15 days after your receipt of the renewal quote from Vendor.

13.3 Products ordered through a Vendor web site or otherwise to be paid for by a credit/debit card/account at the time of transaction will be invoiced or billed when Vendor is provided with the applicable web or credit/debit card/account billing authorization.

13.4 All other Products will be invoiced upon their Delivery.

13.5 Vendor will, upon your written request, issue electronic invoices and accept electronic or wire transfer invoice payments, provided that: you provide Vendor with reasonable instructions, account information, passwords, and other information reasonably necessary for Vendor to do so; you comply with Vendor's reasonable instructions to accommodate such; and, Vendor does not incur any charges from you, your bank or your other representatives (*e.g.*, your procurement services providers) to do so.

13.6 Vendor will include your corresponding purchase order number on an invoice if you provide it to Vendor before the invoicing date.

13.7 The invoice payment terms are Net 45 Days (*i.e.*, invoices are payable upon their issuance; you will pay invoices within 45 days after their issuance, except that, unless the applicable Order-Specific Terms provide otherwise, you shall have no duty to pay an invoice amounts for Products which are subject to Acceptance Procedures within that time frame unless, and then until, Acceptance Procedures Achievement has occurred for the Product (the "Invoice Payment Due Date").

13.8 Unless the Order expressly provides otherwise, Product prices do not include, and you will be invoiced for, freight, installation, and distribution charges, as well as any applicable sales, use, and like taxes (but for not taxes on Vendor's or its suppliers', sources' or contractors' net income, nor for import/export duties on any Products). If Vendor agrees in writing to store Products for you at your written request, then Vendor also will invoice you for, and you will pay, Vendor's then-current applicable storage charges for such or other storage charges as mutually agreed upon in writing by the parties.

13.9 Vendor may make its acceptance of Orders, and its consent to your assignment of Orders to your affiliates or your leasing, procurement, or outsource providers conditioned upon acceptable credit, payment, confidentiality and security arrangements.

13.10 Vendor retains a purchase money security interest in ordered Products and may record a financing statement to perfect its security interest in them. The security interest will be fully satisfied and dissolved when Vendor receives payment of the purchase price for the Products, and, if Vendor records a financing statement to perfect its security interest in Products, then it also shall record a corresponding release of its security interest within 30 days after it has been paid in full for them.

13.11 If you default on your Product payment obligations which are not disputed in good faith and in writing before the payment is first due, and if you fail to cure such default within 15 days after you receive written notice of default, then Vendor may repossess the Products for which you are in default, terminate licenses to Software and Deliverables for which you are in default, suspend performing not-yet-fully-paid-for Services, and suspend delivery of not-yet-fully-paid-for Products.

13.12 On the occurrence of either party's insolvency, all unfulfilled Orders will automatically terminate except to the extent, if any, that the other party elects to have such Orders continue or except to the extent limited or prohibited by applicable law.

13.13 Any price or rate changes by Vendor will not affect Orders placed by you with Vendor prior to the effective date of the change.

14. Assignments; Transfers .

14.1 You may, after providing Vendor with written notice, assign or transfer some or all of your rights or duties under an Order to your affiliates, lenders, lessors, outsourcers or other contractors which have agreed in writing to be bound by the terms of the Order, including its license restrictions and confidentiality terms, and provided that any transferred Software and Deliverables are used only for your and/or your affiliates' Internal Use.

14.2 You may, after providing Vendor with written notice, transfer Software installed on Equipment to a third party along with transfer of that Equipment, but only if the third party first agrees in writing with Vendor to the terms of the Order, including its license restrictions and confidentiality terms, and only if it first pays Vendor re-license fees if the Software is to be used for any purpose other than your or your affiliates' Internal Use.

14.3 Vendor may use contractors, resellers, suppliers and other sources to fulfill its Product and/or Order obligations, but in such event Vendor will assure that they are bound to the same confidentiality obligations as Vendor with respect to your Confidential Information, Vendor will be solely responsible for them to the same extent as Vendor would be if it had provided the Products at issue directly to you, and they will have no greater rights against you or owe greater obligations to you than would Vendor if Vendor had provided the Products at issue directly to you subject to the terms of the applicable Order.

15. Diagnostic Tools . In providing Products, Vendor may include certain computer programs, data, documentation, tools and other materials which Vendor uses solely to assist it in providing Services ("Diagnostic Tools"). Diagnostic Tools are the confidential intellectual property of Vendor, and, unless specifically identified as an itemized and licensed Product under an Order, they are not and shall not be deemed to be Products under this Agreement or to be licensed or transferred to you. Except as may be required for licensed test-and-development-use-only environment and/or archival purposes only, Diagnostic Tools may not be copied, transferred, disclosed, or used by anyone other than Vendor without Vendor's advance written consent. Vendor may install, update, change, and/or remove Diagnostic Tools at its discretion. Vendor warrants that Diagnostic Tools will not cause Equipment or Software Products to fail to conform to their warranties or specifications. If Diagnostic Tools do not conform to their warranties, then Vendor will either change them so that they do conform or will remove them. In all other respects, Diagnostic Tools are "as is." The provisions in this Section, together with applicable provisions in the intellectual property infringement indemnification and confidentiality sections of this Agreement and/or of Orders, set forth Vendor's exclusive obligations and your exclusive rights and remedies with respect to Diagnostic Tools.

16. Replacement & Returned Products & Parts .

16.1 Replacement Products and Parts, which are provided to you by Vendor under warranty, as part of Annuity Services coverage or otherwise, are subject to the same Delivery, warranty, title, risk of loss and license provisions which applied to the Products and Parts being replaced (*e.g.*, commencement of warranties and licenses, transfer of risk of loss, and passage of title for Equipment and Supplies for the replacement Products and Parts occur upon their receipt by you). Title, risk of loss and license rights with respect to the replaced Products and Parts pass back to Vendor upon Delivery of the replacement Products/Parts.

16.2 Title to Equipment and Supplies returned to Vendor for a refund as a warranty remedy or indemnification remedy passes to Vendor when Vendor issues the refund for them. Title to trade-in equipment passes to Vendor upon Delivery of the Product(s) against which the traded-in equipment is to be applied. Risk of loss for Products returned to Vendor under warranty or indemnity remedies and for traded-in items passes to Vendor, and any Vendor Annuity Services coverage for them with Vendor automatically terminates, when Vendor takes possession of them. Licenses to Software and Deliverables returned to Vendor as a warranty remedy or indemnity remedy terminate when Vendor takes possession of them or you certify in writing to Vendor that they and all copies of them have been irretrievably destroyed.

17. Confidentiality .

17.1 "Confidential Information" is proprietary information disclosed by one party to the other related to the disclosing party, this Agreement, Products, or an Order, including without limitation technologies, methodologies, business plans, business records, requests for proposals ("RFPs"), requests for information ("RFIs"), responses to RFPs and/or RFIs, bids, pricing and discussions regarding potential future business between the parties. Your data values stored in or processed by computers, personal individually identifiable information, customer records/lists, financial/account records, employee records, medical/health records, business plans, pricing, software in human-readable form (*e.g.*, source code), logical data models, Diagnostic Tools, and any other information that, by its nature or on its face, reasonably should be understood by the receiving party to be confidential will be considered Confidential Information whether or not it is marked as such. Otherwise, Confidential Information disclosed in documents or other tangible form must be marked as confidential at the time of disclosure, and Confidential Information in oral or other intangible form must be identified as confidential at the time of disclosure, and summarized in tangible form marked as confidential and delivered to the recipient within 10 days after disclosure.

17.2 Confidential Information does not include information that is or becomes available without restriction to the recipient or another through no wrongful act.

17.3 Each party will use reasonable efforts to prevent the disclosure of the other's Confidential Information to third parties and its employees who do not have a need to know it, but may disclose it for confidentiality-protected financial, legal, compliance and/or tax reviews, advice, disclosures and audits, or to the extent compelled by process of law, provided that the original disclosing party is given advance written notice of such unless such notice is prohibited by law.

17.4 Except as expressly set forth in a writing mutually entered into by the parties, all Confidential Information remains the disclosing party's property. Upon the disclosing party's request, all Confidential Information (other than materials that have been licensed to the recipient and with respect to which the recipient is in full compliance with its obligations under this Agreement and the applicable Order) will be destroyed or returned to the disclosing party, less a single archival copy which may be used only for purposes of business discussions with the other party and/or addressing compliance issues or disputes related to that Confidential Information.

17.5 Confidentiality obligations under this Agreement with respect to your data values stored in or processed by computers, personal individually identifiable information, customer records/lists, financial/account records, employee records, medical/health records, business plans, software in human-readable form (*e.g.,* source code), logical data models, and Diagnostic Tools will continue indefinitely. Otherwise, confidentiality obligations under this Agreement will end 3 years after the date of disclosure.

17.6 With prior written approval, either party may disclose that Vendor is your vendor and that you are a Vendor customer and the general type of Products you have acquired from Vendor. Except as otherwise set forth above or as required by law, the parties will keep all other Order-Specific Terms, including pricing details, confidential.

17.7 Either party may disclose Confidential Information to its affiliates subject to the confidentiality terms of this Agreement, and to its contractors which are not direct competitors to the other party, which have a need to know the Confidential Information related to performance under this Agreement, and which agree in writing to confidentiality obligations consistent with this Agreement. You may also disclose Vendor Confidential Information to your consultants solely to support your Internal Use of Products, provided that the consultants are not direct competitors to Vendor with respect to the Products at issue and they agree in writing to be bound by the terms of this Agreement and applicable Orders, including their intellectual property and confidentiality provisions. Each party will be deemed an intended third party beneficiary of any such agreement and shall have the right to enforce it directly.

18. Insurance & Employees .

18.1 Each party will, at its own expense, maintain not less than: statutory minimum workers' compensation coverage regarding its employees; statutory minimum automobile insurance coverage regarding its vehicles used in relation to this Agreement or an Order; and, one million dollars per occurrence in General Liability insurance coverage.

18.2 The parties are independent contractors to one another. Employees of one will not be deemed to be or act as employees or other representatives of the other. A party will not, with respect to the other's employees or contractors, be responsible for: compensating them; providing insurance or benefits for them; making unemployment, Social Security or Medicare contributions for them; or, withholding income taxes or other taxes or withholdings against earnings regarding them.

19. Notices . All notices made under this Agreement or Orders will be in writing and deemed provided on first receipt. Vendor will send notices to you at General Counsel/Notices, WHQ-1, NCR Corporation, 1700 South Patterson Blvd., Dayton, OH 45479; fax: (937) 445-7214; email: law.notices@ncr.com and to the NCR Contract Manager at fh129302@ncr.com, and you will send notices to Vendor at its local address through which it handles your account (*e.g.,* to Vendor's account executive assigned to call on you) or any other address designated in writing by Vendor, with an additional copy to: General Counsel/Notices at the then-current United States headquarters address for Teradata Corporation designated by Vendor or as set forth in Vendor's incorporation and/or Securities and Exchange Commission filings. Either party may change or supplement its notice address(es) and other contact information by delivering written notice of such to the other.

20. Governing Law; Disputes . Article VIII and Section 11.2 of the Separation and Distribution Agreement by and between you and Vendor dated as of _____, 2007 (the "Separation Agreement") relating to dispute resolution and governing law is hereby incorporated herein by reference, and unless otherwise expressly specified herein, the provisions of Article VIII and Section 11.2 of the Separation Agreement shall apply as if fully set forth herein.

21. Force Majeure . Neither party will be liable for failing to fulfill its obligations to the extent that such failure is due to acts of God or government, civil commotion, military authority, war, riots, terrorism, strikes, fire, or other causes beyond its reasonable control; but, in all such events, the party which owes the obligation at issue shall act to reasonably mitigate the impact of the event on impairing its ability to meet its obligation, give the other party written notice of the event, of the expected duration of the delay and of the steps being taken by it to mitigate the impact of the event on its ability to meet its obligation, and promptly fulfill its obligation after the impairment caused by the event has been sufficiently mitigated to allow performance of the obligation.

22. Integration, Severability, Survival & Waiver . The provisions of this Agreement, together with non-conflicting Order-Specific Terms for any given Order, constitute the complete, integrated agreement and understanding of the parties with respect to their subject matters; there are no, and shall be no, other terms, express or implied, oral or written, or arising through course of conduct, which are or will be construed to be a part of the contract of the parties with respect to such subject matters, except to the extent that the parties otherwise hereafter expressly agree and set forth in a mutually-entered into writing. If any provision of this Agreement or of an Order is held to be illegal, invalid or unenforceable, it will be enforced to the maximum extent permissible so as to affect the intent of the parties, and the remaining provisions will remain in full force and effect. Terms of this Agreement and of Orders which are intended by the parties to survive termination, including but not limited to Sections 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 20 of this Agreement, will survive termination. Failure to enforce any provision of this Agreement or of an Order shall not constitute a waiver of future enforcement of that or any other provision.

23. Attachments. The following are attachments to this Agreement, which are incorporated into this Agreement by reference and entered into by the parties with their entering into of this Agreement:

Attachment A – Legacy Products Listing
Attachment B – ESS Addendum
Attachment C – Pricing

FORM OF NETWORK SUPPORT AGREEMENT

This Network Support Agreement (the "Agreement"), effective as of _____**, 2007** ("Effective Date"), is made and entered into by and between **Teradata Operations, Inc.** ("Client" or "you"), a Delaware corporation with its principal offices at 1700 South Patterson Boulevard, Dayton, Ohio, 45479 , and **NCR Corporation** ("NCR") **,** a Maryland corporation with its principal offices at 1700 South Patterson Boulevard, Dayton, Ohio, 45479 United States of America ("U.S.A.").

WHEREAS, the parties wish to define the respective rights and responsibilities of (i) Client and NCR for the provision by NCR and the receipt by Client of certain services and/or deliverables, both during the term of this Agreement.

NOW, THEREFORE, Client and NCR agree as follows:

1.0 SCOPE

1.1 NCR will provide those services and deliverables specified in a Statement of Work ("SOW") executed by the parties pursuant to this Agreement. Each SOW will specify (i) the nature of the services to be performed and/or deliverables to be provided; (ii) the delivery schedule; (iii) the name of the individuals who will coordinate such services and deliverables on behalf of NCR and Client; (iv) the price of the services and/or deliverables (including any travel, labor, and material costs as applicable); (v) the invoicing and payment schedule; (vi) the geographic locations of the Services; (viii) if the Services include remedial maintenance, the scope of service, hours of coverage, response times, and other appropriate details, and (viii) any additional information necessary to clarify the SOW.

1.2 For each SOW an operations plan will be developed, as applicable, which will govern the implementation and management of the services and deliverables provided under the applicable SOW.

1.3 In the event of conflict between the terms and conditions of a SOW and the terms and conditions of this Agreement, the SOW will prevail.

2.0 DEFINITIONS

2.1 "Services" means all the services defined by SOWs executed by the parties, and unless the context requires otherwise, also includes deliverables provided by NCR under SOWs.

2.2 "Contracts." This Agreement and each set of transaction-specific documentation (SOW) constitutes a Contract between Client and NCR that is a binding agreement separate from other Contracts.

2.3 "Activated Service Location" means specific locations where NCR has agreed to provide the Services.

3.0 ORDERS FOR SERVICES

This Agreement, standing alone, does not constitute an obligation to buy or provide products or services except and until Client and NCR execute a SOW. Client may issue orders for Services to NCR under this Agreement. Orders will explicitly reference this Agreement and the applicable SOW(s), and will be subject solely to their terms and any mutually agreed upon provisions in the order. Orders will be subject to NCR's written acceptance which only in the case of the transition assistance SOW mentioned in Section 3 of Network Service Provider Statement of Work will not be unreasonably withheld.

4.0 INTENTIONALLY OMITTED

5.0 DELIVERY; CHANGE MANAGEMENT PROCESS

5.1 NCR will use reasonable efforts to accomplish delivery of Services by the dates and times identified in the SOW.

5.2 Changes (including additions, deletions, or modifications) to Services, including but not limited to changed delivery dates or locations, requested by a party after the SOW is signed or the order placed will be subject to this Section.

5.3 The party requesting a change will deliver a change request to the other party's Project Manager, ("Change Request") describing the change, the reason for it, and the effect it may have on the project. The Project Manager receiving the request will deliver an initial response ("Change Request Evaluation Response") within fifteen (15) business days.

5.4 Within fifteen (15) business days after delivery of the response, the Project Managers of each party will meet to discuss the requested change and will agree, in writing, to (a) approve the Change Request; (b) undertake further study regarding its desirability and project impact (and agree on the funding of the study); or (c) reject it.

5.5 Both parties must sign the approval portion of the Change Request to authorize the implementation of any change that affects the scope, schedule, or price established in the SOW.

6.0 WARRANTY

NCR warrants and represents to Client that:

6.1 The Services performed by NCR hereunder will materially conform to the requirements of the applicable Statement of Work and any changes thereto made pursuant to Section 5 herein.

6.2 In carrying out the Services, professional technical practices, skills, procedures, care and judgment will be employed, and the Services will be performed in a workmanlike manner;

6.3 INTENTIONALLY OMITTED.

6.4 If Client provides NCR with notice that Services do not conform with the above warranties within thirty (30) days after completion of work on a specific order (in the case of deliverables, within thirty (30) days after delivery), NCR will promptly reperform the nonconforming service or correct the nonconforming deliverable. If NCR is unable to do so within a reasonable time, Client will have the right to either (i) return the nonconforming deliverables, if any, to NCR and receive a refund of all payments made to NCR for the nonconforming deliverables under the SOW, or (ii) keep the nonconforming deliverables "as is." NCR may charge for reperformance if it determines that the nonconformity was caused by (i) Client's failure to comply with its obligations under this Agreement such as defective Client product or parts; (ii) unauthorized alteration or manipulation of the hardware or software by a party other than NCR; or (iii) by a Force Majeure event. This Section 6.4 states Client' sole remedy, and NCR's sole liability, for breach of warranty.

6.5 **NCR DISCLAIMS ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND THOSE ARISING FROM A COURSE OF DEALING. NCR DOES NOT WARRANT THAT SERVICES AND/OR DELIVERABLES WILL OPERATE UNINTERRUPTED OR ERROR FREE, OR THAT ALL DEFICIENCIES, ERRORS, DEFECTS OR NONCONFORMITIES WILL BE CORRECTED. NCR HAS NO WARRANTY OBLIGATION FOR PRODUCTS, MATERIALS, OR SERVICES THAT CLIENT ACQUIRES FROM THIRD PARTIES, EVEN IF NCR ASSISTED IN EVALUATING OR SELECTING THEM. THE FAILURE OF PRODUCTS, MATERIALS, OR SERVICES CLIENT ACQUIRES FROM THIRD PARTIES OR THEIR SUPPLIERS WILL NOT AFFECT CLIENT'S OBLIGATIONS TO NCR. IF NCR DESIGNATES THAT ITS PRODUCTS, DELIVERABLES, OR SERVICES ARE PROVIDED "AS IS", THERE IS NO WARRANTY.**

6.6 **Exclusive Remedies.** Client's rights and remedies set forth in this Agreement are exclusive and in lieu of all other rights and remedies, except to the extent that applicable law prohibits agreements to disclaim warranties or limit liabilities.

7.0 PRICES, INVOICE, PAYMENT, CURRENCY, TAXES

7.1 **Prices.** Prices will be stated in each SOW.

7.2 **Invoice and Payment.** In consideration for NCR's work under this Agreement, NCR will invoice Client in accordance with the specific schedule set forth in an SOW. Invoices are payable upon receipt. The invoice payment terms are Net 45 Days (*i.e.*, invoices are payable upon their issuance; Client will pay invoices within 45 days after their issuance). NCR reserves the right to charge late fees if it does not receive payment when due, at the rate of one and one-half percent per month, or up to the maximum allowed by law, whichever is more. If Client does not pay after NCR notifies Client of default, NCR may also suspend or terminate applicable Services and repossess or reclaim applicable deliverables without waiving NCR's right to payment. NCR may also choose other avenues of collection, which may result in fees for which Client will be responsible.

7.3 **Currency.** All invoices will be made and payable in U.S. dollars unless otherwise specified in an SOW signed by both parties.

7.4 **Taxes and Other Charges.** Fees for Services exclude delivery and all taxes (such as sales, use, and ad valorem taxes, VAT taxes, and assessments after audit) other than NCR's net income or franchise taxes. If Client qualifies for tax exemptions, Client must provide NCR with appropriate exemption documentation.

8.0 COMPLIANCE WITH APPLICABLE LAW.

NCR and Client will each comply with all applicable laws, statutes, ordinances, administrative or executive orders, rules and regulations as they relate to this Agreement and the Services.

9.0 CONFIDENTIALITY.

"Confidential Information" is proprietary information disclosed by one party to the other related to the disclosing party, this Agreement, Products, or an Order, including without limitation technologies, methodologies, business plans, business records, requests for proposals ("RFPs"), requests for information ("RFIs"), responses to RFPs and/or RFIs, bids, pricing and discussions regarding potential future business between the parties. Data values of Client, NCR or other persons transmitted in, stored in or processed by computers or voice or data networks, personal individually identifiable information, customer records/lists, financial/account records, employee records,

medical/health records, business plans, pricing, software in human-readable form (*e.g.*, source code), logical data models, Diagnostic Tools, and any other information that, by its nature or on its face, reasonably should be understood by the receiving party to be confidential will be considered Confidential Information whether or not it is marked as such. Otherwise, Confidential Information disclosed in documents or other tangible form must be marked as confidential at the time of disclosure, and Confidential Information in oral or other intangible form must be identified as confidential at the time of disclosure, and summarized in tangible form marked as confidential and delivered to the recipient within 10 days after disclosure. Confidential Information does not include information which is or becomes available without restriction to the recipient or any other person through no wrongful act.

Each party will use reasonable efforts to prevent the disclosure of the other's Confidential Information to third parties and its employees who do not have a need to know it, but may disclose it for confidentiality-protected financial, legal, compliance and/or tax reviews, advice, disclosures and audits, or to the extent compelled by process of law, provided that the original disclosing party is given advance written notice of such unless such notice is prohibited by law. Confidentiality obligations under this Agreement with respect to data values stored in or processed by computers, personal individually identifiable information, customer records/lists, financial/account records, employee records, medical/health records, business plans, software in human-readable form (*e.g.*, source code), logical data models, and Diagnostic Tools will continue indefinitely. Otherwise, confidentiality obligations under this Agreement will end 3 years after the date of disclosure. All materials containing Confidential Information are and remain the discloser's property, and upon written request the recipient will promptly return them, and all copies of them, except a single archival copy.

Either party may disclose Confidential Information to its affiliates subject to the confidentiality terms of this Agreement, and to its contractors which are not direct competitors to the other party, which have a need to know the Confidential Information related to performance under this Agreement, and which agree in writing to confidentiality obligations consistent with this Agreement. Each party will be deemed an intended third party beneficiary of any such agreement and shall have the right to enforce it directly.

10.0 INSURANCE.

During the term of this Agreement and at all times that NCR performs work for Client under this Agreement, NCR shall maintain in full force and effect, at NCR's own expense, insurance coverage to include:

10.1 **Workers' Compensation and Employer's Liability Insurance**

10.1.1 Workers' Compensation insurance shall be provided as required by law or regulation.

10.1.2 Employer's Liability insurance shall be provided in amounts not less than $500,000 per accident for bodily injury by accident, $500,000 policy limit by disease, and $500,000 per employee for bodily injury by disease.

10.2 **General Liability Insurance**

NCR shall carry or Commercial General Liability Insurance with limits of liability and coverage as indicated below:

10.2.1 Commercial General Liability (Occurrence) policy limits shall be not less than $1,000,000 per occurrence (combined single limit for bodily injury and property damage), $1,000,000 for Personal Injury Liability; $1,000,000 Aggregate for Products and Completed Operations, and $1,000,000 General Aggregate.

10.2.2 If “claims made” policies are provided, NCR shall maintain such policies, without endangering aggregate limits at the above stated minimums, for not less than one (1) year following the date of termination of this Agreement.

10.3 **Automobile Insurance**

NCR shall carry bodily injury, property damage, and automobile contractual liability coverage for owned, hired and non-owned autos with a combined single limit of liability for each accident of not less than $1,000,000.

10.4 **Certificate of Insurance**

Certificates of Insurance evidencing the required coverage and limits shall be furnished to Client upon written request.

10.5. **INTENTIONALLY OMITTED**

11.0 INDEMNIFICATION

NCR will, at its expense, defend, indemnify and hold Client harmless from any claim or suit brought against Client alleging that Services infringe a patent, copyright or trade secret and will pay all costs and damages finally awarded as a result thereof, if Client promptly notifies NCR of the claim and gives NCR reasonably requested information and cooperation and sole authority to defend and settle the claim. NCR’s indemnification does not apply, and Client will correspondingly defend, indemnify and hold NCR harmless, to the extent that the alleged infringement is caused by use of Services in connection with goods or services not furnished by NCR; compliance with Client’s designs, specifications, or instructions; or modifications by anyone other than NCR or its contractors. EACH PARTY’S OBLIGATIONS AND LIABILITY TO THE OTHER FOR THIRD PARTY INTELLECTUAL PROPERTY INFRINGEMENT CLAIMS, AND EACH PARTY’S RIGHTS AND REMEDIES AGAINST THE OTHER FOR SUCH CLAIMS, ARE SOLELY AND EXCLUSIVELY AS SET FORTH IN THIS SECTION OF THIS AGREEMENT.

12.0 PERSONNEL

12.1 Client will identify a Client Project Manager as NCR’s primary contact.

12.2 NCR will identify a Project Manager to act as Client’s primary contact.

12.3 All NCR personnel will be adequately trained, licensed and qualified to perform the tasks they are assigned. All NCR personnel will meet Client site requirements accepted by NCR in writing.

12.4 During the term of the relevant SOW and for a period of one (1) year thereafter, you and NCR agree not to knowingly solicit the hiring, either as an employee or contractor, of any current employee of the other party who is directly involved with the Services under this Agreement, except with the prior written consent of the other party.

12.5 NCR reserves the right to assign, re-assign and substitute its personnel with others having comparable qualifications at any time during the term of this Agreement.

13.0 STATUS REVIEW MEETINGS

NCR and Client will communicate on a regular basis for the purpose of reviewing the effectiveness

of the relationship and this Agreement, suggesting changes, and implementing improvements. Meetings will take place as mutually agreed between the parties and may include telephone conference calls as well as in-person meetings. Progress meetings will be scheduled between Client and NCR at agreed upon times.

14.0 QUALITY

Service performance metrics will be detailed in the applicable SOW.

15.0 TERM AND TERMINATION

15.1 The term of this Agreement will be from the Effective Date and will continue in effect for a period of three (3) years ("Initial Term") from such date, unless terminated earlier by either party in accordance with the provisions hereof. This Agreement will renew automatically for individual, successive one (1) year terms ("Renewal Term") thereafter. Either party may terminate this Agreement by providing one hundred twenty (120) days written notice to the other party of its intent to terminate or not to renew, provided, however, that this Agreement will remain in effect as to any SOW or executable order until the termination date of that SOW or order.

15.2 **INTENTIONALLY OMITTED**

15.3 Either party may terminate this Agreement prior to expiration of any individual term of an SOW if the other party fails to materially comply with the terms of this Agreement or any SOW hereto, and fails to cure its breach within sixty (60) days after the non-breaching party has given the other party written notice of such breach. To effect such termination, the non-breaching party must provide notice of termination within sixty (60) days after the end of the sixty (60) day cure period or forfeit such right to terminate. The Transition Period (as defined in the SOW) and Client's obligation to pay termination/downsizing charges incurred by NCR (as set forth in the SOW) shall not apply to a termination effected under this section 15.3, except that termination/downsizing charges shall apply if termination is due to Client's breach.

15.4 On the occurrence of any of the following, this Agreement will continue unless the non-affected party elects to terminate with thirty (30) days written notice: (i) the admission by either party in writing of its inability to pay its debts generally or the making of a general assignment for the benefit of creditors; (ii) any affirmative act of insolvency by either party or the filing by or against any party of any petition or action under any bankruptcy, reorganization related to bankruptcy, insolvency arrangement, liquidation, dissolution or moratorium law, or any other law or laws for the relief of, or relating to, debtors; (iii) the subjection of a material part of either party's property to any levy, seizure, assignment or sale for or by any creditor, third party or governmental agency; or (iv) the change in controlling ownership (whether by sale of substantially all of its assets or a sale of equity that changes the effective day-to-day management control of one party to a competitor of the other party).

15.5 Except as may be prohibited by applicable bankruptcy laws, in the event of any insolvency or inability to pay debts as they become due by a party hereto, or voluntary or involuntary bankruptcy proceeding by or against a party hereto, or appointment of a receiver or assignee for the benefit of creditors, the other party may terminate any unfulfilled obligations hereunder.

16.0 ASSIGNMENT

NCR may provide Services through its subsidiaries, distributors, subcontractors, or subcontracted employees, but doing so will not alter or transfer NCR's obligations to Client hereunder. Neither party will assign or transfer any of its rights or delegate any of its responsibilities under this

Agreement without the prior written consent of the other party, which will not be unreasonably withheld or delayed. Any purported assignment or delegation by either party contrary to this provision will be null and void.

17.0 NOTICES

Unless otherwise stated, all notices required under or regarding this Agreement will be in writing, and will be considered given upon personal delivery of the written notice to the designated Client Project Manager or NCR contact, or within two (2) days of mailing by registered or certified mail, return receipt requested, postage prepaid, and appropriately addressed thereto, or by other means providing reasonable confirmation of receipt. However, no action adverse to the other party may be taken unless the party taking action ascertains by any reasonable method that notice has been received. The primary points of contact for each party will be as follows:

If to Client:

General Counsel/Notices
Teradata Corporation
Email: law.notices@teradata.com

On or before December 31, 2007:
1700 S. Patterson Blvd, WHQ-4
Dayton, OH 45479
Fax: (937) 445-7214

After December 31, 2007:
2835 Miami Village Drive
Miamisburg, OH 45342

If to NCR:

Chief Information Officer
NCR Corporation , -
1700 South Patterson Boulevard
Dayton, Ohio 45479
U.S.A.

With a copy to:

General Counsel/Notices
NCR Corporation, WHQ-5
1700 South Patterson Boulevard
Dayton, Ohio 45479
U.S.A.
Facsimile: (937) 445-7214
Email: law.notices@daytonoh.ncr.com

Either party may change its contact points with written notice to the other party as provided in this Section 17.

18.0 RELATIONSHIP OF PARTIES

The parties hereto will be deemed to be independent contractors and the employees of one party will not be deemed to be employees of the other. This Agreement will not be interpreted as a joint venture, partnership, agency relationship, or formal business organization of any kind. Client intends to engage NCR as its sole provider of Services.

19.0 LIMITATION OF LIABILITY

EXCEPT FOR CLAIMS RELATED TO BREACH OF CONFIDENTIALITY, IN NO EVENT WILL EITHER PARTY BE LIABLE FOR DAMAGES IN THE AGGREGATE FOR ALL STATEMENTS OF WORK, WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE, IN AN AMOUNT THAT EXCEEDS $350,000.00. THE LIMITATION IN THE PREVIOUS

SENTENCE WILL NOT APPLY TO DAMAGES FOR BODILY INJURY (INCLUDING DEATH) OR DAMAGE TO TANGIBLE PROPERTY FOR WHICH A PARTY IS LEGALLY LIABLE. IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES INCLUDING, WITHOUT LIMITATION, ANY DAMAGES RESULTING FROM LOSS OF USE, LOSS OF DATA, LOSS OF PROFITS, LOSS OF SAVINGS, OR LOSS OF BUSINESS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE PERFORMANCE OF THE SERVICES, WHETHER OR NOT THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

20.0 SURVIVAL OF PROVISIONS

The Sections which by their nature will survive any expiration, termination, or cancellation of this Agreement include but are not limited the following Sections of this Agreement: 2 (Definitions); 6 (Warranty); 7 (Pricing, Invoice, Payment, Currency, Taxes); 9 (Confidentiality); 10 (Insurance); 11 (Indemnification); 17 (Notices); 18 (Relationship of the Parties); 19 (Limitation of Liability); 20 (Survival of Provisions); 21 (Dispute Resolution; Governing Law); 23 (General).

21.0 DISPUTE RESOLUTION ; GOVERNING LAW

Article VIII and Section 11.2 of the Separation and Distribution Agreement by and between Client and NCR dated as of _____, 2007 (the "Separation Agreement") relating to dispute resolution and governing law is hereby incorporated herein by reference, and unless otherwise expressly specified herein, the provisions of Article VIII and Section 11.2 of the Separation Agreement shall apply as if fully set forth herein.

22.0 INTENTIONALLY OMITTED

23.0 GENERAL

23.1 **All Amendments in Writing.** No waiver, amendment or modification of any provisions of this Agreement will be effective unless it is in writing prepared as an amendment referencing this Agreement, and signed by duly authorized representatives of both parties. Furthermore, no provisions in either party's purchase orders, invoices or other business forms employed by either party will supersede the terms and conditions of this Agreement.

23.2 **Delay is not waiver.** A party's failure to exercise any of its rights under this Agreement shall not constitute a waiver or forfeiture of any such rights nor of any other rights hereunder. Waiver of a breach of this Agreement shall not be deemed waiver of any future breach.

23.3 **INTENTIONALLY OMITTED**

23.4 **Force Majeure.** Neither party is liable for failing to fulfill its obligations due to acts of God or government, civil commotion, military authority, war, riots, strikes, fire, governmental regulations, power failures or other causes beyond its reasonable control. The party experiencing a Force Majeure Event will give notice to the other party as soon as is practically possible after becoming aware of the occurrence of said Force Majeure Event and will inform the other party as to how long it is expected to continue ("Force Majeure Period"). If a Force Majeure Event prevents delivery of a material portion of the Services for more than sixty (60) days, the affected party may follow the procedures set out in Section 5, "Change Orders," for changes to the Agreement. Notwithstanding the occurrence of any Force Majeure Event, Client will remain liable to pay NCR such portion of the fees as is allocated to the Services, if any, which NCR continues to perform during the Force Majeure Period.

23.6 **Headings.** The titles and headings of the various sections in this Agreement are intended solely for convenience of reference and are not intended for any other purpose whatsoever, or to explain, modify or place any construction upon any of the provisions of this Agreement.

23.7 **Severability.** If any provisions of this Agreement are held to be invalid or unenforceable, they are to that extent to be deemed omitted and the remaining provisions of this Agreement will remain in full force and effect.

23.8 **Trademarks.** Neither Client nor NCR has any right, title or interest in each other's trademark or trade name under this Agreement.

24.0 EXHIBITS

The following are annexed hereto and hereby made part of this Agreement:

Network Service Provider Statement of Work

Entire Agreement. This Agreement, including all Exhibits, SOWs or Attachments hereto and thereto, constitutes the entire agreement and understanding between the parties concerning the subject matter hereof and thereof, and supersedes all previous communications, representations, understandings and agreements, whether verbal or written, between the parties to this Agreement, including any terms preprinted on either party's business forms utilized hereunder.

In witness of this, the parties to this Agreement, by their respective duly authorized officers or representatives, have each executed this Agreement as of the dates entered below.

TERADATA OPERATIONS, INC. ("Client")	**NCR Corporation ("NCR")**
By: _____	By: _____
_____	_____
Print Name	Print Name
_____	_____
Print Title	Print Title
_____	_____
Date	Date

FORM OF SERVICE PROVIDER AGREEMENT

This Service Provider Agreement (the "Agreement"), effective as of _____**, 2007** ("Effective Date"), is made and entered into by and between **Teradata Operations, Inc.** ("Client" or "you"), a Delaware corporation with its principal offices at 1700 South Patterson Boulevard, Dayton, Ohio, 45479, and **NCR Corporation** ("NCR") **,** a Maryland corporation with its principal offices at 1700 South Patterson Boulevard, Dayton, Ohio, 45479 United States of America ("U.S.A.").

WHEREAS, the parties wish to define the respective rights and responsibilities of (i) Client and NCR for the provision by NCR and the receipt by Client of certain services and/or deliverables, both during the term of this Agreement.

NOW, THEREFORE, Client and NCR agree as follows:

1.0 SCOPE

1.1 NCR will provide those services and deliverables specified in a Statement of Work ("SOW") executed by the parties pursuant to this Agreement. Each SOW will specify (i) the nature of the services to be performed and/or deliverables to be provided; (ii) the delivery schedule; (iii) the name of the individuals who will coordinate such services and deliverables on behalf of NCR and Client; (iv) the price of the services and/or deliverables (including any travel, labor, and material costs as applicable); (v) the invoicing and payment schedule; (vi) the geographic locations of the Services; (viii) if the Services include remedial maintenance, the scope of service, hours of coverage, response times, and other appropriate details, and (viii) any additional information necessary to clarify the SOW.

1.2 For each SOW an operations plan will be developed, as applicable, which will govern the implementation and management of the services and deliverables provided under the applicable SOW.

1.3 In the event of conflict between the terms and conditions of a SOW and the terms and conditions of this Agreement, the SOW will prevail.

2.0 DEFINITIONS

2.1 "Services" means all the services defined by SOWs executed by the parties, and unless the context requires otherwise, also includes deliverables provided by NCR under SOWs.

2.2 "Contracts." This Agreement and each set of transaction-specific documentation (SOW) constitutes a Contract between Client and NCR that is a binding agreement separate from other Contracts.

2.3 "Activated Service Location" means specific locations where NCR has agreed to provide the Services.

3.0 ORDERS FOR SERVICES

This Agreement, standing alone, does not constitute an obligation to buy or provide products or services except and until Client and NCR execute a SOW. Client may issue orders for Services to NCR under this Agreement. Orders will explicitly reference this Agreement and the applicable SOW(s), and will be subject solely to their terms and any mutually agreed upon provisions in the order. Orders will be subject to NCR's written acceptance which only in the case of the transition assistance SOW mentioned in Section 3 of Network Service Provider Statement of Work will not be unreasonably withheld.

4.0 INTENTIONALLY OMITTED

5.0 DELIVERY; CHANGE MANAGEMENT PROCESS

5.1 NCR will use reasonable efforts to accomplish delivery of Services by the dates and times identified in the SOW.

5.2 Changes (including additions, deletions, or modifications) to Services, including but not limited to changed delivery dates or locations, requested by a party after the SOW is signed or the order placed will be subject to this Section.

5.3 The party requesting a change will deliver a change request to the other party's Project Manager, ("Change Request") describing the change, the reason for it, and the effect it may have on the project. The Project Manager receiving the request will deliver an initial response ("Change Request Evaluation Response") within fifteen (15) business days.

5.4 Within fifteen (15) business days after delivery of the response, the Project Managers of each party will meet to discuss the requested change and will agree, in writing, to (a) approve the Change Request; (b) undertake further study regarding its desirability and project impact (and agree on the funding of the study); or (c) reject it.

5.5 Both parties must sign the approval portion of the Change Request to authorize the implementation of any change that affects the scope, schedule, or price established in the SOW.

6.0 WARRANTY

NCR warrants and represents to Client that:

6.1 The Services performed by NCR hereunder will materially conform to the requirements of the applicable Statement of Work and any changes thereto made pursuant to Section 5 herein.

6.2 In carrying out the Services, professional technical practices, skills, procedures, care and judgment will be employed, and the Services will be performed in a workmanlike manner;

6.3 INTENTIONALLY OMITTED.

6.4 If Client provides NCR with notice that Services do not conform with the above warranties within thirty (30) days after completion of work on a specific order (in the case of deliverables, within thirty (30) days after delivery), NCR will promptly reperform the nonconforming service or correct the nonconforming deliverable. If NCR is unable to do so within a reasonable time, Client will have the right to either (i) return the nonconforming deliverables, if any, to NCR and receive a refund of all payments made to NCR for the nonconforming deliverables under the SOW, or (ii) keep the nonconforming deliverables "as is." NCR may charge for reperformance if it determines that the nonconformity was caused by (i) Client's failure to comply with its obligations under this Agreement such as defective Client product or parts; (ii) unauthorized alteration or manipulation of the hardware or software by a party other than NCR; or (iii) by a Force Majeure event. This Section 6.4 states Client' sole remedy, and NCR's sole liability, for breach of warranty.

6.5 **NCR DISCLAIMS ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, INCLUDING**

BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND THOSE ARISING FROM A COURSE OF DEALING. NCR DOES NOT WARRANT THAT SERVICES AND/OR DELIVERABLES WILL OPERATE UNINTERRUPTED OR ERROR FREE, OR THAT ALL DEFICIENCIES, ERRORS, DEFECTS OR NONCONFORMITIES WILL BE CORRECTED. NCR HAS NO WARRANTY OBLIGATION FOR PRODUCTS, MATERIALS, OR SERVICES THAT CLIENT ACQUIRES FROM THIRD PARTIES, EVEN IF NCR ASSISTED IN EVALUATING OR SELECTING THEM. THE FAILURE OF PRODUCTS, MATERIALS, OR SERVICES CLIENT ACQUIRES FROM THIRD PARTIES OR THEIR SUPPLIERS WILL NOT AFFECT CLIENT'S OBLIGATIONS TO NCR. IF NCR DESIGNATES THAT ITS PRODUCTS, DELIVERABLES, OR SERVICES ARE PROVIDED "AS IS", THERE IS NO WARRANTY.

6.6 **Exclusive Remedies.** Client's rights and remedies set forth in this Agreement are exclusive and in lieu of all other rights and remedies, except to the extent that applicable law prohibits agreements to disclaim warranties or limit liabilities.

7.0 PRICES, INVOICE, PAYMENT, CURRENCY, TAXES

7.1 **Prices.** Prices will be stated in each SOW.

7.2 **Invoice and Payment.** In consideration for NCR's work under this Agreement, NCR will invoice Client in accordance with the specific schedule set forth in an SOW. Invoices are payable upon receipt. The invoice payment terms are Net 45 Days (*i.e.,* invoices are payable upon their issuance; Client will pay invoices within 45 days after their issuance). NCR reserves the right to charge late fees if it does not receive payment when due, at the rate of one and one-half percent per month, or up to the maximum allowed by law, whichever is more. If Client does not pay after NCR notifies Client of default, NCR may also suspend or terminate applicable Services and repossess or reclaim applicable deliverables without waiving NCR's right to payment. NCR may also choose other avenues of collection, which may result in fees for which Client will be responsible.

7.3 **Currency.** All invoices will be made and payable in U.S. dollars unless otherwise specified in an SOW signed by both parties.

7.4 **Taxes and Other Charges.** Fees for Services exclude delivery and all taxes (such as sales, use, and ad valorem taxes, VAT taxes, and assessments after audit) other than NCR's net income or franchise taxes. If Client qualifies for tax exemptions, Client must provide NCR with appropriate exemption documentation.

8.0 COMPLIANCE WITH APPLICABLE LAW.

NCR and Client will each comply with all applicable laws, statutes, ordinances, administrative or executive orders, rules and regulations as they relate to this Agreement and the Services.

9.0 CONFIDENTIALITY.

"Confidential Information" is proprietary information disclosed by one party to the other related to the disclosing party, this Agreement, Products, or an Order, including without limitation technologies, methodologies, business plans, business records, requests for proposals ("RFPs"), requests for information ("RFIs"), responses to RFPs and/or RFIs, bids, pricing and discussions regarding potential future business between the parties. Data values of Client, NCR or other persons transmitted in, stored in or processed by computers or voice or data networks, personal individually identifiable information, customer records/lists, financial/account records, employee records,

medical/health records, business plans, pricing, software in human-readable form (*e.g.*, source code), logical data models, Diagnostic Tools, and any other information that, by its nature or on its face, reasonably should be understood by the receiving party to be confidential will be considered Confidential Information whether or not it is marked as such. Otherwise, Confidential Information disclosed in documents or other tangible form must be marked as confidential at the time of disclosure, and Confidential Information in oral or other intangible form must be identified as confidential at the time of disclosure, and summarized in tangible form marked as confidential and delivered to the recipient within 10 days after disclosure. Confidential Information does not include information which is or becomes available without restriction to the recipient or any other person through no wrongful act.

Each party will use reasonable efforts to prevent the disclosure of the other's Confidential Information to third parties and its employees who do not have a need to know it, but may disclose it for confidentiality-protected financial, legal, compliance and/or tax reviews, advice, disclosures and audits, or to the extent compelled by process of law, provided that the original disclosing party is given advance written notice of such unless such notice is prohibited by law. Confidentiality obligations under this Agreement with respect to data values stored in or processed by computers, personal individually identifiable information, customer records/lists, financial/account records, employee records, medical/health records, business plans, software in human-readable form (*e.g.*, source code), logical data models, and Diagnostic Tools will continue indefinitely. Otherwise, confidentiality obligations under this Agreement will end 3 years after the date of disclosure. All materials containing Confidential Information are and remain the discloser's property, and upon written request the recipient will promptly return them, and all copies of them, except a single archival copy.

Either party may disclose Confidential Information to its affiliates subject to the confidentiality terms of this Agreement, and to its contractors which are not direct competitors to the other party, which have a need to know the Confidential Information related to performance under this Agreement, and which agree in writing to confidentiality obligations consistent with this Agreement. Each party will be deemed an intended third party beneficiary of any such agreement and shall have the right to enforce it directly.

10.0 INSURANCE.

During the term of this Agreement and at all times that NCR performs work for Client under this Agreement, NCR shall maintain in full force and effect, at NCR's own expense, insurance coverage to include:

10.1 **Workers' Compensation and Employer's Liability Insurance**

10.1.1 Workers' Compensation insurance shall be provided as required by law or regulation.

10.1.2 Employer's Liability insurance shall be provided in amounts not less than $500,000 per accident for bodily injury by accident, $500,000 policy limit by disease, and $500,000 per employee for bodily injury by disease.

10.2 **General Liability Insurance**

NCR shall carry or Commercial General Liability Insurance with limits of liability and coverage as indicated below:

10.2.1 Commercial General Liability (Occurrence) policy limits shall be not less than $1,000,000 per occurrence (combined single limit for bodily injury and property damage), $1,000,000

for Personal Injury Liability; $1,000,000 Aggregate for Products and Completed Operations, and $1,000,000 General Aggregate.

10.2.2 If "claims made" policies are provided, NCR shall maintain such policies, without endangering aggregate limits at the above stated minimums, for not less than one (1) year following the date of termination of this Agreement.

10.3 **Automobile Insurance**

NCR shall carry bodily injury, property damage, and automobile contractual liability coverage for owned, hired and non-owned autos with a combined single limit of liability for each accident of not less than $1,000,000.

10.4 **Certificate of Insurance**

Certificates of Insurance evidencing the required coverage and limits shall be furnished to Client upon written request.

10.5. **INTENTIONALLY OMITTED**

11.0 INDEMNIFICATION

NCR will, at it expense, defend, indemnify and hold Client harmless from any claim or suit brought against Client alleging that Services infringe a patent, copyright or trade secret and will pay all costs and damages finally awarded as a result thereof, if Client promptly notifies NCR of the claim and gives NCR reasonably requested information and cooperation and sole authority to defend and settle the claim. NCR's indemnification does not apply, and Client will correspondingly defend, indemnify and hold NCR harmless, to the extent that the alleged infringement is caused by use of Services in connection with goods or services not furnished by NCR; compliance with Client's designs, specifications, or instructions; or modifications by anyone other than NCR or its contractors. EACH PARTY'S OBLIGATIONS AND LIABILITY TO THE OTHER FOR THIRD PARTY INTELLECTUAL PROPERTY INFRINGEMENT CLAIMS, AND EACH PARTY'S RIGHTS AND REMEDIES AGAINST THE OTHER FOR SUCH CLAIMS, ARE SOLELY AND EXCLUSIVELY AS SET FORTH IN THIS SECTION OF THIS AGREEMENT.

12.0 PERSONNEL

12.1 Client will identify a Client Project Manager as NCR's primary contact.

12.2 NCR will identify a Project Manager to act as Client's primary contact.

12.3 All NCR personnel will be adequately trained, licensed and qualified to perform the tasks they are assigned. All NCR personnel will meet Client site requirements accepted by NCR in writing.

12.4 During the term of the relevant SOW and for a period of one (1) year thereafter, you and NCR agree not to knowingly solicit the hiring, either as an employee or contractor, of any current employee of the other party who is directly involved with the Services under this Agreement, except with the prior written consent of the other party.

12.5 NCR reserves the right to assign, re-assign and substitute its personnel with others having comparable qualifications at any time during the term of this Agreement.

13.0 STATUS REVIEW MEETINGS

NCR and Client will communicate on a regular basis for the purpose of reviewing the effectiveness

of the relationship and this Agreement, suggesting changes, and implementing improvements. Meetings will take place as mutually agreed between the parties and may include telephone conference calls as well as in-person meetings. Progress meetings will be scheduled between Client and NCR at agreed upon times.

14.0 QUALITY

Service performance metrics will be detailed in the applicable SOW.

15.0 TERM AND TERMINATION

15.1 The term of this Agreement will be from the Effective Date and will continue in effect for a period of three (3) years ("Initial Term") from such date, unless terminated earlier by either party in accordance with the provisions hereof. This Agreement will renew automatically for individual, successive one (1) year terms ("Renewal Term") thereafter. Either party may terminate this Agreement by providing one hundred twenty (120) days written notice to the other party of its intent to terminate or not to renew, provided, however, that this Agreement will remain in effect as to any SOW or executable order until the termination date of that SOW or order.

15.2 **INTENTIONALLY OMITTED**

15.3 Either party may terminate this Agreement prior to expiration of any individual term of an SOW if the other party fails to materially comply with the terms of this Agreement or any SOW hereto, and fails to cure its breach within sixty (60) days after the non-breaching party has given the other party written notice of such breach. To effect such termination, the non-breaching party must provide notice of termination within sixty (60) days after the end of the sixty (60) day cure period or forfeit such right to terminate. The Transition Period (as defined in the SOW) and Client's obligation to pay termination/downsizing charges incurred by NCR (as set forth in the SOW) shall not apply to a termination effected under this section 15.3, except that termination/downsizing charges shall apply if termination is due to Client's breach.

15.4 On the occurrence of any of the following, this Agreement will continue unless the non-affected party elects to terminate with thirty (30) days written notice: (i) the admission by either party in writing of its inability to pay its debts generally or the making of a general assignment for the benefit of creditors; (ii) any affirmative act of insolvency by either party or the filing by or against any party of any petition or action under any bankruptcy, reorganization related to bankruptcy, insolvency arrangement, liquidation, dissolution or moratorium law, or any other law or laws for the relief of, or relating to, debtors; (iii) the subjection of a material part of either party's property to any levy, seizure, assignment or sale for or by any creditor, third party or governmental agency; or (iv) the change in controlling ownership (whether by sale of substantially all of its assets or a sale of equity that changes the effective day-to-day management control of one party to a competitor of the other party).

15.5 Except as may be prohibited by applicable bankruptcy laws, in the event of any insolvency or inability to pay debts as they become due by a party hereto, or voluntary or involuntary bankruptcy proceeding by or against a party hereto, or appointment of a receiver or assignee for the benefit of creditors, the other party may terminate any unfulfilled obligations hereunder.

16.0 ASSIGNMENT

NCR may provide Services through its subsidiaries, distributors, subcontractors, or subcontracted employees, but doing so will not alter or transfer NCR's obligations to Client hereunder. Neither party will assign or transfer any of its rights or delegate any of its responsibilities under this

Agreement without the prior written consent of the other party, which will not be unreasonably withheld or delayed. Any purported assignment or delegation by either party contrary to this provision will be null and void.

17.0 NOTICES

Unless otherwise stated, all notices required under or regarding this Agreement will be in writing, and will be considered given upon personal delivery of the written notice to the designated Client Project Manager or NCR contact, or within two (2) days of mailing by registered or certified mail, return receipt requested, postage prepaid, and appropriately addressed thereto, or by other means providing reasonable confirmation of receipt. However, no action adverse to the other party may be taken unless the party taking action ascertains by any reasonable method that notice has been received. The primary points of contact for each party will be as follows:

If to Client:

General Counsel/Notices
Teradata Corporation
Email: law.notices@teradata.com

On or before December 31, 2007:
1700 S. Patterson Blvd, WHQ-4
Dayton, OH 45479
Fax: (937) 445-7214

After December 31, 2007:
2835 Miami Village Drive
Miamisburg, OH 45342

If to NCR:

Chief Information Officer
NCR Corporation , -
1700 South Patterson Boulevard
Dayton, Ohio 45479
U.S.A.

With a copy to:

General Counsel/Notices
NCR Corporation, WHQ-5
1700 South Patterson Boulevard
Dayton, Ohio 45479
U.S.A.
Facsimile: (937) 445-7214
Email: law.notices@daytonoh.ncr.com

Either party may change its contact points with written notice to the other party as provided in this Section 17.

18.0 RELATIONSHIP OF PARTIES

The parties hereto will be deemed to be independent contractors and the employees of one party will not be deemed to be employees of the other. This Agreement will not be interpreted as a joint venture, partnership, agency relationship, or formal business organization of any kind. Client intends to engage NCR as its sole provider of Services.

19.0 LIMITATION OF LIABILITY

EXCEPT FOR CLAIMS RELATED TO BREACH OF CONFIDENTIALITY, IN NO EVENT WILL EITHER PARTY BE LIABLE FOR DAMAGES IN THE AGGREGATE FOR ALL STATEMENTS OF WORK, WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE, IN AN AMOUNT THAT EXCEEDS $350,000.00. THE LIMITATION IN THE PREVIOUS

SENTENCE WILL NOT APPLY TO DAMAGES FOR BODILY INJURY (INCLUDING DEATH) OR DAMAGE TO TANGIBLE PROPERTY FOR WHICH A PARTY IS LEGALLY LIABLE. IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES INCLUDING, WITHOUT LIMITATION, ANY DAMAGES RESULTING FROM LOSS OF USE, LOSS OF DATA, LOSS OF PROFITS, LOSS OF SAVINGS, OR LOSS OF BUSINESS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE PERFORMANCE OF THE SERVICES, WHETHER OR NOT THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

20.0 SURVIVAL OF PROVISIONS

The Sections which by their nature will survive any expiration, termination, or cancellation of this Agreement include but are not limited the following Sections of this Agreement: 2 (Definitions); 6 (Warranty); 7 (Pricing, Invoice, Payment, Currency, Taxes); 9 (Confidentiality); 10 (Insurance); 11 (Indemnification); 17 (Notices); 18 (Relationship of the Parties); 19 (Limitation of Liability); 20 (Survival of Provisions); 21 (Dispute Resolution; Governing Law); 23 (General).

21.0 DISPUTE RESOLUTION; GOVERNING LAW

Article VIII and Section 11.2 of the Separation and Distribution Agreement by and between Client and NCR dated as of _____, 2007 (the "Separation Agreement") relating to dispute resolution and governing law is hereby incorporated herein by reference, and unless otherwise expressly specified herein, the provisions of Article VIII and Section 11.2 of the Separation Agreement shall apply as if fully set forth herein.

22.0 INTENTIONALLY OMITTED

23.0 GENERAL

23.1 **All Amendments in Writing.** No waiver, amendment or modification of any provisions of this Agreement will be effective unless it is in writing prepared as an amendment referencing this Agreement, and signed by duly authorized representatives of both parties. Furthermore, no provisions in either party's purchase orders, invoices or other business forms employed by either party will supersede the terms and conditions of this Agreement.

23.2 **Delay is not waiver.** A party's failure to exercise any of its rights under this Agreement shall not constitute a waiver or forfeiture of any such rights nor of any other rights hereunder. Waiver of a breach of this Agreement shall not be deemed waiver of any future breach.

23.3 **INTENTIONALLY OMITTED**

23.4 **Force Majeure.** Neither party is liable for failing to fulfill its obligations due to acts of God or government, civil commotion, military authority, war, riots, strikes, fire, governmental regulations, power failures or other causes beyond its reasonable control. The party experiencing a Force Majeure Event will give notice to the other party as soon as is practically possible after becoming aware of the occurrence of said Force Majeure Event and will inform the other party as to how long it is expected to continue ("Force Majeure Period"). If a Force Majeure Event prevents delivery of a material portion of the Services for more than sixty (60) days, the affected party may follow the procedures set out in Section 5, "Change Orders," for changes to the Agreement. Notwithstanding the occurrence of any Force Majeure Event, Client will remain liable to pay NCR such portion of the fees as is allocated to the Services, if any, which NCR continues to perform during the Force Majeure Period.

23.6 **Headings.** The titles and headings of the various sections in this Agreement are intended solely for convenience of reference and are not intended for any other purpose whatsoever, or to explain, modify or place any construction upon any of the provisions of this Agreement.

23.7 **Severability.** If any provisions of this Agreement are held to be invalid or unenforceable, they are to that extent to be deemed omitted and the remaining provisions of this Agreement will remain in full force and effect.

23.8 **Trademarks.** Neither Client nor NCR has any right, title or interest in each other's trademark or trade name under this Agreement.

24.0 EXHIBITS

The following are annexed hereto and hereby made part of this Agreement:

Network Service Provider Statement of Work

Entire Agreement. This Agreement, including all Exhibits, SOWs or Attachments hereto and thereto, constitutes the entire agreement and understanding between the parties concerning the subject matter hereof and thereof, and supersedes all previous communications, representations, understandings and agreements, whether verbal or written, between the parties to this Agreement, including any terms preprinted on either party's business forms utilized hereunder.

In witness of this, the parties to this Agreement, by their respective duly authorized officers or representatives, have each executed this Agreement as of the dates entered below.

TERADATA OPERATIONS, INC. ("Client")	**NCR Corporation ("NCR")**
By: _____	By: _____
Print Name	Print Name
Print Title	Print Title
Date	Date

Exhibit 10.19

FORM OF MASTER RESELLER AGREEMENT

THIS MASTER RESELLER AGREEMENT , which includes the Exhibits referenced herein and attached hereto, (this "Agreement") is effective as of _____(the "Effective Date"), and is made and entered into by and between:

NCR MIDDLE EAST LIMITED , a company organized and existing under the laws of Cyprus, with its principal offices at 80 Limassol Avenue, 2014 Nicosia, Cyprus ("Reseller" or "you"), and

TERADATA IRELAND LIMITED , a company organized and existing under the laws of the Republic of Ireland, with its principal offices at Unit 4 Feltrim Industrial Park, Feltrim Road, Swords, Co Dublin, ("TERADATA").

PURPOSE

The purpose of this Agreement is to document the understanding between TERADATA and you with respect to:

- TERADATA's sale of Hardware and licensing of Software to you for your resale (in the case of Hardware) and licensed distribution (in the case of Software) to Customers;
- TERADATA's provision of Services, as a subcontractor to you, on Customer-specific engagements;
- Your referral (if such occurs) to TERADATA of Product opportunities involving Customers, and
- TERADATA's and Reseller's role in referring, selling and delivery of Support Services.

TERADATA and you may wish to engage in other mutually agreed upon activities not covered by this Agreement. In such event, the parties will set forth their mutual agreement to engage in such activities in a written document to be signed by authorized representatives of both parties. Such document may take the form of an amendment or exhibit to this Agreement, or an entirely separate agreement.

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1.0 DEFINITIONS

All of the capitalized terms used in this Agreement will have the meaning ascribed to them in this Section 1.0 or elsewhere in this Agreement, unless otherwise expressly stated.

1.1 "Alteration" means any modification to, including a change to the code, physical, mechanical, or electrical arrangement of, a Product, whether or not additional devices or parts are required.

1.2 "Customer" means the person or entity that first places a Product in productive use as an end user for its own internal use, and does not: (i) resell or distribute the Product, and/or (ii) use the Product to provide outsourcing and/or service bureau services to others.

1.3 "Documentation" means information in any form intended by TERADATA to be used by Customers pertaining to a Product (e.g., user manuals, training materials).

1.4 "Hardware" means hardware and associated peripherals and features that you acquire from TERADATA as listed on Exhibit A.

1.5 "LSMS" means License Continuation, Subscription and Maintenance & Support.

1.6 "TERADATA Marks" means the logos, trademarks and service marks by which TERADATA identifies the Products and its other goods and services, including without limitation "TERADATA", "personaS," "WorldMark", "Teradata", "ImageMark" and other marks.

1.7 "TERADATA Product Specifications" means TERADATA's official published specifications for Products when you acquire them (which TERADATA will provide to you upon request), and the Documentation which TERADATA includes with Products delivered to you.

1.8 "Products" means Hardware, Software, and Supplies as listed on Exhibit A.

1.9 "Revenue Quota" means the amount of revenue invoiced by TERADATA to Reseller for Hardware and Software (not for Services, Support Services or Supplies and not for any revenue resulting from a referral by Reseller) during the period(s) identified in Exhibit A-1 or subsequent periods detailed in subsequent agreed exhibits.

1.10 "Services" consist of activities, including professional and installation services, to be performed by TERADATA as a subcontractor to you for an identified Customer pursuant to a Statement of Work on a project-by-project basis in accordance with Exhibit C as attached hereto, but does not include Support Services. The tangible results of Services that are provided to you or the Customer by TERADATA are referred to herein as "Deliverables."

1.11 "Software" means computer programs (in object code form only) that you license from TERADATA as listed on Exhibit A.

1.12 "Supplies" means consumable items that you acquire from TERADATA as listed on Exhibit A.

1.13 "Support Services" means TERADATA-provided reactive, proactive and predictive Product maintenance support for Products in use at Customer locations provided under Exhibits F and G as attached hereto, and include TERADATA's Hardware maintenance, Software maintenance and support, including Teradata software upgrade subscription and LSMS, but does not include Services.

1.14 "Territory" is as defined in Exhibit B as attached hereto.

2.0 APPOINTMENT AND SCOPE

2.1 Products, Vertical Markets, and Territory – Subject to the terms of this Agreement and only during the term of this Agreement (unless this Agreement is terminated earlier as provide for herein), TERADATA appoints you a reseller of the Products, and as such, grants you the exclusive right to purchase Hardware and Supplies for resale, as well as distribute the Software, to Customers and Customer installations located within the Territory. Without limitation, the foregoing specifically excludes manufacturing rights for the Products. In addition, unless otherwise specified in Exhibit B, this authorization is limited to re-sales and distributions directly to Customers, and does not authorize you to resell or distribute to other resellers. Except for incidental quantities (as mutually agreed in a written document signed by you and TERADATA) for your internal use and to support your sales and marketing efforts under this Agreement, you agree to remarket all Products that you order from TERADATA to Customers. Notwithstanding anything to the contrary in this Agreement and unless TERADATA otherwise expressly agrees in writing, including in any other agreement that

is executed between the NCR Corporation or any of its affiliates worldwide and Teradata Corporation or any of its affiliates worldwide in relation to the spin-off by NCR Corporation of its Teradata datawarehousing division, you will not use any Products, Documentation, or TERADATA Confidential Information (whether in whole or in part) to facilitate, assist or otherwise engage in (either directly or indirectly) in the licensing, sale, development, modification, servicing and/or marketing of equipment, software, technology, services and/or documentation that are competitive to any of TERADATA's product or service offerings, including, without limitation, any Products or Support Services.

2.2 Support Services – Exhibit E and G sets forth the terms and conditions under which you will cooperate in the referring, selling and delivery of Support Services to TERADATA. Unless otherwise agreed to in a written document signed by Reseller and TERADATA, this Agreement does not obligate TERADATA to provide you with spare parts, diagnostic software, or other support in the context of Reseller providing Product maintenance or support services to Customers.

2.3 Services — Exhibit C sets forth the terms and conditions under which TERADATA will provide Services.

2.4 Referral Activities — Opportunities may arise where you choose not to act as a reseller of Products to a particular Customer and instead elect to refer the opportunity to TERADATA. Exhibit D sets forth the sole and exclusive terms and conditions under which this referral activity will operate. To the extent that Exhibit F includes a referral relationship for Support Services, Exhibits E, as well as their Appendices, set forth the sole and exclusive terms and conditions under which you may refer to TERADATA opportunities for TERADATA to directly sell Support Services to a Customer.

2.5 Exclusive — Reseller's rights under this Agreement are exclusive. However, TERADATA may itself sell or license the Products, Services and/or Support Services in the same vertical markets and Territory as you, EXCEPT THAT, in respect of Products only, provided that Reseller is complying with all of its obligations under this Agreement, and unless otherwise agreed by the parties in advance in writing, Teradata will not, whilst this Agreement is in force, address Products opportunities that are defined as NCR opportunities in an agreed Joint Business Plan and/or agreed sales opportunities funnel and which NCR is actively pursing.

3.0 <u>SALES AND MARKETING PLAN; OPERATION OF YOUR BUSINESS</u>

3.1 Certification – Reseller agrees to maintain properly equipped and located premises, and a competent group of marketing personnel dedicated to the promotion of the Products. Reseller agrees to maintain the skill levels appropriate to the mutually agreed upon levels of certification. TERADATA will conduct, and your personnel will attend, such Product sales and marketing training as TERADATA requires. As mutually agreed upon in writing, TERADATA will provide you access to TERADATA personnel. All such training, as well as all such access to TERADATA personnel, will be at TERADATA's then-current terms and rates. Reseller is responsible for all compensation, transportation, and living expenses for its personnel.

3.2 Joint Business Plan. Within sixty (60) days of the Effective Date, you and TERADATA will prepare and sign an initial joint business plan which outlines, among other things, the various marketing and training activities that Reseller will engage in under this Agreement. You will update it, at a minimum, on a calendar quarterly basis. TERADATA may or may not approve such updates in its reasonable discretion. Once approved by TERADATA in writing, these updates will either amend or replace (whichever as mutually agreed upon by you and TERADATA in writing) the then-current joint business plan. The joint business plan will reflect the Revenue Quotas set out in Exhibit A-1.

3.3 Forecasts and Customer lists — Reseller will prepare and transmit to TERADATA on a calendar quarterly basis such reports, including Product sales forecasts against Revenue Quotas, as TERADATA may reasonably require, including without limitation, incoming Product order reports and Product order forecasts. Reseller will compile and maintain a current list of names of all Customers within the Territory to whom you have sold Hardware or licensed Software. You will transmit these lists to TERADATA when requested.

3.4 Documentation and Marketing Materials — TERADATA will provide Reseller with such initial quantities of Documentation and marketing materials (typically in English) pertaining to Products, Services and Support Services (e.g., catalogs, promotional literature) as TERADATA deems appropriate in its sole discretion. At your request and subject to TERADATA's written agreement, TERADATA may make additional quantities available to you. However, such additional quantities will be subject to TERADATA's then-current terms and conditions, including rates. Reseller may translate these materials at your expense into the local languages of the Territory, but hereby assign to TERADATA ownership of all resulting copyrights and other intellectual property

rights in such translated materials. TERADATA reserves the right to review and approve any translated versions you have prepared prior to your publication or distribution, and Reseller hereby agrees to indemnify and defend TERADATA against any and all claims attributable to such translated materials to the extent caused by your negligence or willful misconduct. If Reseller wishes to use or distribute marketing materials not supplied by TERADATA for the Products, Reseller must first obtain TERADATA's written permission prior to any such use or distribution, which TERADATA may grant or withhold at TERADATA's sole discretion. Subject to Section 6.6 (TERADATA Resources), TERADATA may also provide you access to TERADATA's Internet site for current marketing material. Throughout the term of this Agreement and in the context of your marketing and sales activities hereunder, Reseller represents and warrants that it will use the most current version of TERADATA-provided Documentation and marketing materials pertaining to Products, Services and Support Services in conducting Reseller's authorized activities under this Agreement.

3.5 Customer surveys — Reseller agrees to participate in TERADATA's program of surveying Customers periodically to determine their levels of satisfaction with the Products, Services and Support Services and any Reseller-provided services or products, in any reasonable manner requested by TERADATA.

3.6 Compliance with Laws

3.6.1 Government approvals — Reseller will at its expense obtain any and all import licenses and local governmental approvals that may be necessary to permit TERADATA to sell (or license, in the case of Software) and Reseller to buy (or obtain a license, in the case of Software) Products hereunder; comply with all registration requirements in the Territory; obtain such approvals from governmental authorities of the Territory as may be necessary to guarantee payment of all amounts due hereunder to TERADATA in U.S. dollars or otherwise agreed currency; and comply with any and all governmental laws, regulations, and orders that may be applicable to you by reason of your execution of this Agreement, including: (i) any requirement to be registered as an independent reseller of TERADATA's Products with any governmental authority, and (ii) any and all laws, regulations, or orders that govern or affect the ordering, export, shipment, import, sale (including government procurement), leasing, delivery or redelivery of Products in the Territory. Reseller will furnish TERADATA with such documentation as TERADATA may reasonably request to confirm Reseller's compliance with this Section. Reseller agrees not to engage in any course of conduct that, in TERADATA's reasonable belief, would cause TERADATA to be in violation of the laws of any jurisdiction. As hereafter mutually agreed upon in writing, TERADATA will reasonably cooperate with and assist Reseller in complying with this Section.

3.6.2 Notice to TERADATA — During the term of this Agreement, Reseller will notify TERADATA immediately upon becoming aware of the existence and content of any regulation, directive or law in the Territory that conflicts with any provision of this Agreement.

3.6.3 U.S. export controls — Reseller warrants and represents to TERADATA that it is familiar with, and will take all actions and execute all documents necessary to be in compliance with all U.S. laws, rules, and regulations in effect from time to time applicable to the export of Products and technology from TERADATA to you, and to the export of such Products and technology to any location outside the Territory, or from one country to another country in the Territory.

3.6.4 U.S. Foreign Corrupt Practices Act — Reseller agrees to comply with, and not to perform any act that would subject TERADATA to sanctions under, the U.S. Foreign Corrupt Practices Act, 15 U.S.C. Section 78 *et seq* . In particular, Reseller agrees that in connection with, or in the performance of, this Agreement you will not make or promise to make any payment (whether in currency, property or other thing of value) to any third person, firm or entity (including, without limitation, any government official or representative) for the purpose of obtaining or retaining business. For its part, TERADATA agrees that it does not desire and will not request any service or action by you that would or might constitute a violation of the Foreign Corrupt Practices Act.

3.6.5 Further, Reseller agrees, directly and indirectly, not to participate in, or otherwise be compliant with, any boycotts that the US Government does not approve, including but not limited to the Arab boycott of Israel.

3.7 Indemnity — Reseller will indemnify and hold harmless TERADATA and its subsidiaries, as well as TERADATA's and its subsidiaries' respective officers, directors, employees, agents, successors, subcontractors, suppliers and assigns, (collectively and individually, the "Indemnified Parties") against any and all claims,

losses, damages, or expenses of whatever form or nature, including attorneys' fees and other costs of legal defense, whether direct or indirect, that any one or more of the Indemnified Parties may sustain or incur as a result of any wrongful acts or omissions by you, your subsidiaries or any of your or your subsidiaries' directors, officers, employees, agents, successors or assigns, (collectively and individually, the "Indemnifying Parties"), including, but not limited to your: (i) breach of any of the provisions of this Agreement; (ii) negligence or other tortious conduct; (iii) representations or statements about TERADATA and/or any of its product or services (including Products or Services) not specifically authorized by TERADATA herein or otherwise in writing; (iv) Alteration of a Product; and/or (v) violation of any applicable law, regulation, or order. In addition, Reseller will pay TERADATA the difference between TERADATA's list price of any Products involved and the net price Reseller actually paid TERADATA for such Products.

3.8 Advance Notice of Product Developments – TERADATA may notify you in advance of new Product releases, and may make other pre-general commercial released versions of the Software available to you under separately written agreements signed by Reseller and TERADATA.

4.0 ORDERING PRODUCTS

4.1 Purchase Orders – Reseller's orders must be placed with TERADATA by utilizing the then-current TERADATA order process (such process may be changed by TERADATA during the term of this Agreement upon written notice to you) that will include, for purposes of this Agreement, TERADATA checking your order for configuration validity and TERADATA approving any Customer-specific requirements. TERADATA accepts an order from Reseller when TERADATA's authorized representative signs it. Unless TERADATA specifically agrees in writing, any preprinted language on your order forms will not apply. TERADATA reserves the right not to accept any orders from Reseller for any reason without any liability; provided, however, that TERADATA will not unreasonably withhold its acceptance. In addition, TERADATA may make its acceptance of Reseller's orders subject to entering into additional mutually acceptable credit arrangements, which may include Reseller making advance payments. If TERADATA accepts your order, the contract concerning it consists of this Agreement and the order, with the Agreement controlling to the extent of any conflict between this Agreement and the order.

4.2 Lead Times — In order to enhance TERADATA's ability to better meet your requested delivery dates in line with TERADATA's normal production lead times, Reseller will use reasonable efforts to order Products at least sixty (60) days prior to the requested delivery date. Product specific lead-time information will be made available to you on request.

4.3 Delivery dates — TERADATA will use reasonable efforts to deliver the Products by the date stated on your TERADATA-accepted order. TERADATA will inform you of delays as far in advance as reasonably possible. If TERADATA's performance is delayed (other than by a force majeure) for an unreasonable length of time, Reseller may cancel the order without penalty under exclusion of all further claims.

4.4 Rescheduling Orders — Reseller may reschedule its orders only on the following conditions: (i) you may reschedule each order only once; (ii) you must give TERADATA written notice of your request to reschedule an order at least thirty (30) days before the scheduled shipment date; and (iii) you may not delay shipment of the order by more than ninety (90) days after the originally scheduled shipment date. A request for rescheduling that does not meet each of these criteria may, at TERADATA's discretion, be treated as an order cancellation.

4.5 Canceled Orders – Reseller will not cancel an order for Products within forty-five (45) days of the scheduled shipment date.

4.6 Product changes — TERADATA may at any time introduce new Products, discontinue the manufacture or sale of any Product, or change the design of any Product in whole or in part. TERADATA will notify Reseller as soon as reasonably practicable after TERADATA has decided to discontinue manufacturing or selling a product and in any event no less than ninety (90) days before discontinuing the manufacture or sale of any Product covered by this Agreement. However, Teradata will fulfill orders from Reseller that Teradata has already accepted for a discontinued Product. If TERADATA notifies you that it is discontinuing a Product, you may within thirty (30) days after receiving such notice cancel, without liability, any orders for the discontinued Product that TERADATA has not yet shipped to you; provided, however, if TERADATA has announced a replacement Product, Reseller must immediately issue an order for equivalent quantities of the replacement Product in order to exercise the foregoing option. If during such thirty (30) day period Reseller chooses not to cancel open orders for the discontinued Product, or if you place new orders for the discontinued Product, you may not thereafter cancel those orders. Changes in Product design will not obligate TERADATA to modify any Product previously delivered. Notifications required under this Section may be provided via a general posting on TERADATA's Internet Web site.

5.0 PRICES, INVOICE, PAYMENT, TAXES, AND TITLE

5.1 Product prices — Except as provided in Exhibit A, (i) the Product prices are TERADATA's list price for the relevant country in the Territory in effect on the date of shipment; (ii) the prices are expressed and payable in U.S. dollars or in another currency as mutually agreed to in writing (either by cash against documents or by irrevocable letter of credit confirmed by a major multinational bank); and (iii) if TERADATA announces a price increase for a Product which you have ordered and the order specifies delivery more than one hundred-twenty (120) days after the price increase becomes effective, TERADATA may increase your price for the Product (price increases for Software licensed for a periodic fee will only apply to subsequent billing periods).

5.2 Invoice and Payment — TERADATA will invoice Reseller for (i) Hardware and Software after shipment, unless TERADATA stores Hardware or Software for you, in which case TERADATA will invoice you when storage begins; and (ii) non-recurring Services, including the provision of training, as set forth in the applicable statement of work, and, if not set forth therein, on a monthly time, materials and expenses basis. Payment is due within forty-five (45) days after the date of invoice. TERADATA reserves the right to charge late fees if payment is not received within forty-five (45) days from the date of the invoice at a rate not to exceed the maximum allowed by law. If Reseller does not pay after TERADATA notifies you of your default, TERADATA may also (without waiving TERADATA's right to payment): (i) suspend or terminate Services and/or Support Services; (ii) repossess and/or reclaim the applicable Products; and/or (iii) suspend Product, Service and/or Support Service order acceptance and/or shipment. Reseller has no right of set-off with respect to the payments you are required to make under this Agreement.

5.3 Title; risk of loss - Unless otherwise stated in an Order, title to Hardware, as well as risk of loss and damage to Products, passes to Reseller and delivery occurs when TERADATA has tendered the Products to: (i) the applicable shipping agent (either as selected by Reseller or TERADATA); or (ii) when TERADATA stores Products for Reseller, the applicable storage facility. Teradata may repossess products if Reseller does not pay for them in accordance with the provisions of this Agreement.

5.4 Services – Invoicing, payment and pricing terms and conditions for Services are set forth in Exhibit C of this Agreement.

5.5 Support Services – Invoicing, payment and pricing terms and conditions for Support Services are set forth in Exhibit G of this Agreement and in the services program guide.

5.5 Taxes, Duties Insurance and Shipping Charges – Product, Support Service and Service prices exclude all applicable taxes (including, but not limited to, sales, use, value-added and ad valorem taxes, tariffs, and assessments after audit) and duties. Reseller is responsible for payment of all applicable taxes, exclusive of taxes based on TERADATA's net income, and duties resulting from this Agreement. If Reseller qualifies for tax exemptions, you must provide TERADATA with appropriate exemption documentation applicable to the particular tax authority within the Territory. Except where TERADATA specifically advises you in writing that TERADATA's price includes shipping and insurance charges, you will reimburse TERADATA for all such charges.

6.0 CONDITIONS ON THE RESALE OF PRODUCTS

6.1 Alterations — If Reseller makes any Alteration to a Product bearing a TERADATA Mark, then before furnishing that Product to your Customer, you agree to notify the Customer in writing (i) of the nature of the Alteration, (ii) that TERADATA's warranties do not cover the Alteration, and (iii) that TERADATA may not maintain or support the altered Product. You will not make any Alterations to any products that bear the logo, trademark or copyright of another person or entity without obtaining such person's or entity's prior written consent.

6.2 Provision of Documentation — Reseller agrees to provide each of its Customers with (i) a bill of sale or other document stating the date of sale or license and the serial numbers, if any, of the Products furnished, and (ii) any other materials TERADATA may include with the Products.

6.3 Disclaimers — Reseller agrees to make no warranty of any kind to your Customers on behalf of TERADATA, and to include in your written terms and conditions of sale a conspicuous statement that the manufacturers, licensors and suppliers of the Products disclaim all implied warranties, including the implied warranties of merchantability, satisfactory quality and fitness for a particular purpose. If TERADATA does not

warrant the Products to your Customers, you agree to remove any TERADATA Customer warranty documents (other than "break-the-seal" license agreements) from Product packaging before delivering Products to a Customer.

6.4 Safety modifications — Reseller agrees to assist TERADATA in implementing safety modifications to Products, and to maintain a list of each Customer to whom you sell or license Products that includes the last address you knew for each Customer, and the serial numbers of the Products each Customer purchased or licensed, and the dates that such Products were purchased or licensed.

6.5 Resale efforts and Customer pricing — Reseller will use all commercially reasonable efforts to resell and distribute the Products directly to Customers in accordance with the terms and conditions of this Agreement. Reseller will resell and distribute Products to Customers at the prices you choose.

6.6 TERADATA Resources . Should TERADATA grant Reseller access to TERADATA's internal computer programs, systems, and communication networks (collectively, "TERADATA Resources"), this Section 6.6 governs such access to TERADATA Resources, and Reseller's access is hereby limited solely to those activities of yours directly pertaining to your resale and distribution of Products as authorized under this Agreement ("Permitted Use"). TERADATA Resources are provided to you on an **AS-IS** basis. Notwithstanding anything to the contrary in this Agreement, TERADATA Resources constitute Confidential Information for purposes of Section 8 hereof.

(a) Only those employees of Resellers that TERADATA approves and identifies by name and in writing ("Authorized Users") are permitted access to TERADATA Resources solely for Permitted Use and subject at all times to TERADATA's then-current policies and procedures. Reseller will ensure that all of your Authorized Users are informed of the provisions of this Section 6.6 in writing. TERADATA will provide Authorized Users with passwords and other information necessary to enable them to access TERADATA Resources, and you will not disclose or cause to be disclosed such passwords and information without TERADATA's prior written consent. Reseller is responsible for all costs and expenses it incurs in accessing TERADATA Resources. Reseller will comply with all instructions TERADATA provides Reseller concerning access to TERADATA Resources. Reseller agrees that it has no expectation of privacy when using or accessing TERADATA Resources, and that TERADATA may access, review, copy or delete your messages and files for any purpose and disclose them to any party that TERADATA deems appropriate.

(b) Notwithstanding anything to the contrary herein, TERADATA may terminate Reseller's (including any or all of the Authorized Users') access to TERADATA Resources with or without cause upon notice to you. Reseller may terminate its access to TERADATA Resources at any time upon providing notice to TERADATA. Upon termination, Reseller will immediately cease accessing all TERADATA Resources.

(c) Reseller will not access or attempt to access those TERADATA Resources that TERADATA has not authorized Reseller to access in writing, nor will you modify, view, copy, store, transfer, install, delete or obtain programs or data from TERADATA Resources unless TERADATA expressly authorizes Reseller to do so in writing. Under no circumstances will Reseller cause TERADATA to incur fees or service charges, nor will Reseller change the configuration or topology of TERADATA Resources. Reseller will immediately notify TERADATA verbally and in writing, should Reseller become aware of any prohibited use or unauthorized access involving TERADATA Resources.

6.7 Data. Reseller and your Customers are responsible for data used in connection with a Product. Reseller's and Customers' responsibilities include determining whether any privacy laws, regulations or duties apply to the data. They also include providing for data security and for adequate backup procedures. Reseller warrants that there are no restrictions on the processing or use of the data in connection with the Products, and TERADATA will have no liability to Reseller or any other person, including any Customers, arising from TERADATA's violation of any restriction on the processing or use of such data while performing any Services or providing any Products.

6.8 Revenue Quota(s) — Reseller shall use reasonable efforts to achieve a Revenue Quota(s). Additional specific provisions may be agreed in respect of Revenue Quotas that apply on expiry of the Term.

7.0 LICENSE TO USE AND DISTRIBUTE SOFTWARE AND DOCUMENTATION

7.1 During the term of this Agreement, (unless this Agreement is terminated earlier as provided for herein) and subject to Reseller's payment of all applicable one-time and recurring license fees (if any), TERADATA grants Reseller a non-transferable and non-exclusive license to use the Software solely for demonstrations to prospective Customers, provided that such demonstrations are only: (i) on Hardware (consisting of a single processing unit of the class and model for which you originally licensed it that TERADATA has approved in writing); and (ii) for purposes of generating such prospective Customers' interest in purchasing a license to such demonstrated Software. Reseller is not authorized to use the Software for any other purposes. Without limitation to the foregoing, Reseller will not use the Software for internal productive or operational use. Reseller may temporarily use a copy of the Software on backup equipment if the Hardware becomes temporarily inoperable. Software used for demonstration purposes under this Section 7.1 is to remain at all times under Reseller's exclusive care, custody and control, and will not be used by Customers or otherwise provided to Customers. By itself, this Section 7.1 does not constitute an obligation on the part of TERADATA to provide Reseller with any Software. A binding obligation will only be created when TERADATA and the Reseller mutually agree in writing as to the actual Software and number of copies thereof that Reseller will receive under this Section 7.1. The availability of Hardware to Reseller for demonstration purposes is subject to TERADATA's prior written approval, as well as TERADATA and the Reseller entering into a separately written and mutually agreed upon hardware loan or purchase agreement to be signed by TERADATA and Reseller. Notwithstanding anything to the contrary, Software is licensed to Reseller under this Section 7.1 on an " **AS-IS** " basis without warranty of any kind, express or implied.

7.2 During the term of this Agreement (unless this Agreement is terminated earlier as provided herein) and subject to Reseller's payment of all one-time, and recurring license fees, TERADATA grants Reseller a non-transferable and non-exclusive license to distribute the Software for use solely on the Hardware (consisting of a single processing unit of the class and model for which it is originally licensed as purchased by Reseller from TERADATA under this Agreement) as purchased by Customer for that Customer's own internal use; provided, however, that Reseller completely and accurately complete, and have the Customer sign, a Program License Agreement in the form attached as Exhibit E prior to Reseller delivering the Software to the Customer. TERADATA may change the form of the Program License Agreement at any time upon thirty (30) days notice to Reseller. Reseller represents and warrants that Reseller will not modify the Program License Agreement, nor permit the Program License Agreement to be modified by any third party (including a Customer), without TERADATA's prior written consent. Upon the Customer's execution of the Program License Agreement, Reseller will retain a copy for its records and audit purposes, and immediately forward the original to the TERADATA address noted in Section 15.0 via certified mail, return receipt required.

7.3 Reseller will keep complete and accurate records of the names and addresses of the Customers to whom you distribute Software, the number of copies of Software that Reseller has furnished to each Customer (including the serial number of the Hardware that is assigned to each copy of the Software), and copies of each Customer-signed Program License Agreement under which Reseller furnished the Software. Reseller will ensure that all Customers are made aware of the availability of applicable Support Services from TERADATA.

7.4 Reseller acknowledges that the provisions of the agreements that Reseller enters into with Customers concerning Products are also for the benefit of TERADATA. Reseller will reasonably assist TERADATA in enforcing those provisions and agrees that TERADATA may bring legal action in its own name or on Reseller's behalf as may be necessary to protect Software. Under no circumstances will Reseller make any warranties, representations or other obligations on behalf of TERADATA in any agreements with Customers or (if authorized) in any distribution agreement with your resellers.

7.5 Except as expressly permitted under this Agreement or with TERADATA's prior written consent, Reseller agrees not to: (i) sell, rent, loan, disclose or otherwise make available Software, or any portion thereof, to any other party; (ii) use Software for any other purpose except as expressly authorized in this Section 7.0; or (iii) make any copies of Software, except for backup copies permitted under this Agreement.

7.6 You may use and distribute the Software (only as permitted in this Section 7.0) in object code form only, unless Reseller and TERADATA agree to additional written terms and conditions (which must be signed by Reseller and TERADATA) regarding the use of source code. Reseller will not sell, copy, transfer, use, loan, embed, modify, create derivative works of, disclose, sublicense or distribute Software or Documentation, in whole or in part, other than as expressly allowed under this Section 7.0. Reseller will retain and reproduce all copyright notices and proprietary legends on all copies of Software and Documentation that Reseller makes. Software and Documentation, including all complete or partial copies thereof, remain the property of TERADATA and/or its licensors. Reseller will not take any steps, such as reverse assembly or reverse compilation, to derive a complete or partial source code equivalent of any Software. Reseller is responsible for

the installation of the Software, as well as for providing parallel and backup operations. Reseller will not disclose the results of any testing or evaluation, including any benchmarks, performed by Reseller insofar as it relates to the Software without TERADATA's prior written consent.

7.7 TERADATA may provide Products to Reseller that include software, data, documentation, and other material that TERADATA uses to diagnose the operation of the Products ("Diagnostic Tools"). Diagnostic Tools may be firmware or it may be loaded in memory from disks or other media. The Diagnostic Tools are not licensed for use by Reseller or any person other than TERADATA. Diagnostic Tools are the confidential intellectual property of TERADATA and are provided solely to assist TERADATA in supporting its Products. Diagnostic Tools may not be copied, disclosed to any third party, or used by any person or entity for any purpose whatsoever without TERADATA's express prior written consent. TERADATA may delete or remove Diagnostic Tools at any time without notice. **NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, DIAGNOSTIC TOOLS ARE PROVIDED ON AN "AS-IS" BASIS, AND TERADATA DISCLAIMS ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND THOSE ARISING FROM A COURSE OF DEALING.**

7.8 Notwithstanding anything to the contrary in this Agreement, Reseller will not purchase, license or use any Product or Documentation (in whole or in part) except for exclusive use on a data warehousing solution that operates on a validly licensed version of TERADATA's Teradata RDBMS, unless otherwise authorized by TERADATA in writing on a Customer transaction-specific basis. With respect to TERADATA Confidential Information, and subject to Section 8 of this Agreement, Reseller will use TERADATA Confidential Information only for purposes of facilitating Reseller's Product resale activities under this Agreement.

7.9 All of Reseller's license rights to Software are limited to those expressly set forth in this Section 7.0, and no license rights will be implied.

8.0 CONFIDENTIALITY

8.1 Confidential Information defined — "Confidential Information" is information disclosed by one party to the other which complies with this Section 8.1. Confidential Information disclosed in documents or other tangible form must be clearly marked as confidential at the time of disclosure. Notwithstanding the foregoing marking requirement, the terms and conditions of this Agreement constitute TERADATA's Confidential Information. Confidential Information in oral or other intangible form must be identified as confidential at the time of disclosure, and summarized in tangible form clearly marked as confidential and delivered to the recipient within ten (10) calendar days thereafter. Confidential Information does not include information that: (i) is or becomes public knowledge through no wrongful act of the receiving party; (ii) is already known to the receiving party; (iii) is rightfully obtained by the receiving party from any third party without similar restriction and without breach of any obligation owed to the disclosing party; (iv) is independently developed by or for the receiving party; (v) is furnished to a third party by the disclosing party without a similar restriction on the third party's rights; (vi) is approved for release by written authorization of the disclosing party; or (vii) is required to be disclosed pursuant to a lawful government agency or court order (provided, however, that the receiving party hereunder will provide the disclosing party prompt notice of, and the opportunity to contest, such order). Software in human-readable form (for example, source code) will be considered TERADATA's or its licensors' Confidential Information whether or not it is marked as such, as will data values stored in computer systems and TERADATA's logical data models (or "LDMs").

8.2 Obligations — Each party will use reasonable efforts to prevent the disclosure of the Confidential Information of the other party to any other person or entity. The receiving party may disclose Confidential Information only to its employees or contractors with a legitimate need to know who agree in writing to confidentiality obligations consistent with this Section 8.2. All materials containing Confidential Information are and remain the discloser's property, and upon written request the recipient will promptly return them, and all copies of them, except a single archival copy which may be maintained for archival purposes only. Nothing in this Section 8.0 grants the receiving party a license to any of the disclosing party's patents or copyrights.

8.3 Duration — A party's obligations under this Section 8.0 with respect to Software in human readable form (i.e., source code) and LDMs will continue indefinitely, and with respect to all other Confidential Information will end three (3) years after the date of first disclosure.

9.0 LICENSE TO USE TERADATA'S MARKS

9.1 License – During the term of this Agreement (unless this Agreement is terminated earlier as provided for herein), TERADATA grants Reseller a non-exclusive, nontransferable, limited license to use the

TERADATA Marks only (i) in the Territory; (ii) to identify or promote the Products in the context of Reseller's sale or licensing thereof under this Agreement; and (iii) in accordance with TERADATA's then-current policies or as TERADATA approves in advance in writing.

9.2 Limitations — Reseller agrees not to alter or remove any TERADATA Mark from a Product without the prior written consent of TERADATA. Reseller will not use the TERADATA Marks as part of its corporate or other legal name, or as part of the name under which you conduct business. Reseller will not use the TERADATA Marks to incur any obligation or indebtedness on behalf of TERADATA.

9.3 TERADATA ownership — Reseller acknowledges that TERADATA is the owner of all rights in the TERADATA Marks and that Reseller has no proprietary interest in any TERADATA Mark. Reseller's use of an TERADATA Mark will not create any rights in or to that TERADATA Mark. Reseller acknowledges that the TERADATA Marks are valid under applicable law. Reseller agrees not to do anything inconsistent with TERADATA's ownership of the TERADATA Marks, and you acknowledge that all uses of the TERADATA Marks will inure to TERADATA's benefit. Reseller further agrees to reasonably cooperate with and assist TERADATA in the protection of the TERADATA Marks, and will inform TERADATA immediately of any infringement or other improper action with respect to them that comes to Reseller's attention.

9.4 Third parties — Reseller agrees to respect the trademarks and service marks of TERADATA's suppliers and licensors to a degree consistent with your obligations with respect to TERADATA's Marks under this Section 9.0.

10.0 WARRANTIES BY TERADATA

10.1 TERADATA warrants that: (i) except for TERADATA's purchase money security interest (to the extent applicable local law recognizes the existence of a purchase money security interest), title to Hardware and Supplies will be clear at time of delivery; (ii) Supplies and Software media will be free from defects in material and workmanship; and (iii) Products will materially conform to published documentation delivered with them by TERADATA. The warranty period for Hardware and Supplies is ninety (90) days from the date of delivery to Reseller or the Customer (whichever is applicable and occurs first), and for Software is thirty (30) days from the date of delivery to Reseller or the Customer (whichever is applicable and occurs first). If, during the applicable warranty period, a Product does not conform to its warranty and Reseller provides TERADATA with written notice of such nonconformance, TERADATA will repair or replace nonconforming components or otherwise correct the nonconformity in accordance with its standard warranty service terms. If, for any reason, TERADATA does not conform a Product to its warranty within a reasonable time after notice, then Reseller may accept it " **AS-IS** " without further recourse or Reseller may, after written notice, return it and TERADATA will refund the amount that TERADATA was paid for that Product. Any refund under this Section 10.1 will be calculated on the price Reseller paid TERADATA and will be reduced on the same basis as you depreciate the Product(s) in your financial statements, calculated from the date of TERADATA's delivery to Reseller. If Reseller does not depreciate the Product(s), the refund will be reduced on a three (3) year straight-line basis. **THESE ARE YOUR SOLE AND EXCLUSIVE WARRANTY REMEDIES.**

10.2 TERADATA may provide Reseller with alternative Product warranties applicable to specific countries within the Territory. TERADATA will notify Reseller of the alternative Product warranty terms in writing and such alternative Product warranty provisions will apply in lieu of the Product warranties stated in Section 10.1. TERADATA reserves the right to charge Reseller, and Reseller agrees to pay per the payment terms of Section 5.2 above, an additional amount for such country-specific Product warranties.

10.3 Warranty service will be provided either "on-site" or "depot", as determined by TERADATA policies at the time of delivery. TERADATA will charge separately for: (i) consumable items; (ii) service calls outside of TERADATA's standard hours; (iii) service calls for Products that are in good operating condition at the time of the call; (iv) use of specified types of Products above their rated usage levels (which TERADATA will provide to Reseller at your request); and (v) per-call services covering Products that are outside of warranty. TERADATA will also charge Reseller separately to repair Products that have failed due to: (i) an Alteration to Products, or an attachment not provided by TERADATA, approved by TERADATA in writing, or compatible with TERADATA's standard interfaces; (ii) use of supplies or products acquired from third parties that are defective or that do not meet TERADATA standards or specifications; (iii) Reseller's or any third party's negligence, misuse, or abuse; or (iv) fire, smoke, water, acts of God, civil or military authority, war, riots, strikes or other causes beyond TERADATA's reasonable control. Replaced parts upon replacement are TERADATA's property.

10.4 In order to permit TERADATA to meet its Product warranties, Reseller agrees, upon request, (and also agrees to have Customers agree) to assist in isolating problems, to provide modems and telephone lines for TERADATA to access the Products remotely (if applicable), to install and test all fixes and updates, and to perform other actions reasonably requested by TERADATA. If TERADATA performs any of those services for Reseller or the Customer, TERADATA will charge Reseller, and Reseller agrees to pay, TERADATA's then-current rates for such services.

10.5 Other Software License Terms; Other Company's Products — If TERADATA provides Reseller with Hardware, Software, or Supplies that bear the logo or copyright of another company with warranty and/or support terms from the other company, such other company's terms apply instead of those in this Agreement, and, unless specifically agreed in writing by TERADATA, TERADATA provides no warranty or support for those Products. Upon Reseller's request, TERADATA will give you a copy of the terms discussed in this Section 10.5 before Reseller orders such Products. TERADATA has no warranty obligation for third party Products even if TERADATA assisted in evaluating or selecting them.

10.6 Disclaimer — EXCEPT FOR WARRANTIES SPECIFICALLY CONTAINED IN THIS SECTION 10.0 OF THIS AGREEMENT, TERADATA DISCLAIMS ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE AND THOSE ARISING FROM A COURSE OF DEALING. TERADATA DOES NOT WARRANT THAT ANY DELIVERABLES OR PRODUCTS WILL OPERATE UNINTERRUPTED OR ERROR FREE, OR THAT ALL DEFICIENCIES, ERRORS, DEFECTS OR NONCONFORMITIES WILL BE CORRECTED. THE FAILURE OF PRODUCTS YOU ACQUIRE FROM THIRD PARTIES OR THEIR SUPPLIERS WILL NOT AFFECT YOUR OBLIGATIONS TO TERADATA.

10.7 Exclusive Remedies — Reseller's rights and remedies set forth in this Agreement are exclusive and in lieu of all other rights and remedies (except to the extent that applicable law prohibits agreements to disclaim warranties or limit liabilities).

11.0 TERM AND TERMINATION

11.1 Term – The term of this Agreement will commence on the Effective Date and will continue in force for three (3) years from such date ("the Term"). Thereafter, this Agreement will automatically renew for additional two (2) year periods. After the Term, either party may give written notice to the other party at least ninety (90) days prior to expiry of the then current two-year term of its intent not to renew this Agreement. Alternative or supplementary provisions may be included in an Exhibit hereto.

11.2 Termination for material breach – If either party materially breaches this Agreement, the other party may terminate by giving at least thirty (30) days advance written notice of termination, specifically identifying the nature of the breach. The breaching party may avoid termination by curing the breach within this thirty (30) day period. Effective immediately, a party may terminate this Agreement upon notice to the other party and without affording any opportunity to cure if such other party, (i) contrary to the terms of Section 16.2 of this Agreement, purports to transfer any right or obligation under this Agreement without prior written consent (such to include but not be limited to a change in control or ownership of a party), or (ii) after curing a breach as described above, commits the same or a similar breach again within one (1) year of the initial breach.

11.3 Immediate termination – On the occurrence of any of the following, this Agreement will automatically terminate unless the non-affected party elects to have any such contract continue:

11.3.1 the admission by either party in writing of its inability to pay its debts generally or the making of a general assignment for the benefit of creditors;

11.3.2 any affirmative act of insolvency by either party, or the filing by or against any party of any petition or action under any bankruptcy, reorganization, insolvency arrangement, liquidation, dissolution or moratorium law, or any other law or laws for the relief of, or relating to, debtors; or

11.3.3 the subjection of a material part of either party's property to any levy, seizure, assignment or sale for or by any creditor, third party or governmental agency.

11.4 Sections 2.1 (only the last sentence thereof), 2.5, 3.3, 3.6.1, 3.6.3, 3.6.4, 3.7, 5.0, 6.3, 6.4, 7.3, 7.4, 7.7, 7.8, 7.9, 8.0, 9.3, 9.4, 10.0, 11.0, 12.0, 13.0, 14.0, 15.0, 16.0, as well as your obligations under Section 6.6, will survive this Agreement's termination or expiration, will remain in effect until fulfilled, and will apply to each party's respective successors and assigns to the extent permitted herein.

12.0 DEFENSE OF INFRINGEMENT CLAIMS

TERADATA will defend at its expense any third party claim or suit brought against Reseller, your resellers (if authorized by TERADATA), and your Customers alleging that any TERADATA Product infringes a patent, copyright or trade secret, and will pay all costs and damages finally awarded, if Reseller promptly notifies TERADATA of the claim and gives TERADATA (i) the information and cooperation that TERADATA reasonably asks for, and (ii) sole authority to defend or settle the claim. In handling the claim, TERADATA may obtain the right to continue using the TERADATA Product or replace or modify the TERADATA Product, so that it becomes non-infringing. If TERADATA is unable to reasonably secure those remedies, as a last resort TERADATA will refund the purchase price for infringing TERADATA Hardware and Supplies and refund one-time license fees for infringing TERADATA Software that were paid to TERADATA by Reseller under this Agreement. Prior to receiving any refund hereunder, you must return the infringing Products to TERADATA and TERADATA will refund you. The refund will be reduced on the same basis as Reseller depreciates the infringing TERADATA Product in Reseller's financial statements. If Reseller does not depreciate it, the refund will be reduced on a three (3) year straight-line basis. TERADATA is not obligated to indemnify under this Section 12.0 if the alleged infringement is based on: (i) the use of the TERADATA Product with other products not furnished directly by TERADATA, (ii) TERADATA's compliance with any designs, specifications or instructions provided by you, or (iii) Alteration of the TERADATA Product. **THIS SECTION STATES TERADATA'S ENTIRE LIABILITY, AND YOUR EXCLUSIVE REMEDY, FOR INFRINGEMENT OF PATENTS, COPYRIGHTS, TRADE SECRETS, AND OTHER INTELLECTUAL PROPERTY RIGHTS.**

13.0 LIMITATIONS ON LIABILITY

UNDER NO CIRCUMSTANCES WILL TERADATA OR ITS SUBSIDIARIES, INCLUDING TERADATA's AND ITS SUBSIDIARIES' RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS, ASSIGNS, SHAREHOLDERS, SUBCONTRACTORS OR LICENSORS, BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES, OR FOR LOSS OF PROFITS, REVENUE, TIME, OPPORTUNITY OR DATA, WHETHER IN AN ACTION IN CONTRACT, TORT, PRODUCT LIABILITY, STATUTE, EQUITY OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF THOSE DAMAGES. UNDER NO CIRCUMSTANCES WILL TERADATA'S OR ITS SUBSIDIARIES', INCLUDING TERADATA'S AND ITS SUBSIDIARIES' RESPECTIVE OFFICERS', DIRECTORS', EMPLOYEES', AGENTS', SUCCESSORS', ASSIGNS', SHAREHOLDERS', SUBCONTRACTORS' OR LICENSORS', CUMULATIVE LIABILITY EXCEED THE AMOUNT YOU PAID TERADATA FOR THE APPLICABLE PRODUCT(S) IN CONTROVERSY. Notwithstanding the above, TERADATA's: (a) liability for personal injury, including death, will be unlimited to the extent caused by TERADATA's negligence or willful misconduct at law; (b) liability for physical damage to tangible real or personal property will be the amount of direct damages, to the extent caused by TERADATA's negligence or willful misconduct at law, up to one million dollars per occurrence; and (c) obligations under Section 12 are not limited by this Section 13. **EACH CLAUSE OF THIS SECTION IS SEPARATE FROM THE OTHERS AND FROM THE REMEDY LIMITATIONS AND EXCLUSIONS ELSEWHERE IN THIS AGREEMENT, AND WILL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF A REMEDY OR TERMINATION OF THIS AGREEMENT.**

14.0 DISPUTE RESOLUTION

14.1 Negotiation, Escalation and Mediation – If any controversy or claim arises relating to this Agreement, Reseller and TERADATA will attempt in good faith to negotiate a solution to such controversy or claim, including progressively escalating the controversy or claim through senior levels of management. If negotiation does not result in a resolution within fifteen (15) business days of when one party first notifies the other of the controversy or claim, Reseller and TERADATA will participate in good faith mediation as administered by the London Centre for Dispute Resolution ("CEDR").

14.2 Arbitration and Governing Law – Any controversy or claim between TERADATA, on the one hand, and you, your authorized resellers (to the extent you are authorized to sell Products to resellers pursuant to Exhibit B as attached hereto) and Customers, on the other, whether based on contract, tort, statute, or other legal theory (including but not limited to any claim of infringement, fraud, or misrepresentation) which cannot be resolved by negotiation or mediation will be resolved by binding arbitration under this Section 14.2 and the then-current rules and supervision of the International Chamber of Commerce. The duty to arbitrate will extend to any employee, officer, shareholder, director, agent, or affiliate of Resellers, your authorized resellers if any, your

Customers, or TERADATA making or defending a claim which would be subject to arbitration if brought by Reseller, your authorized resellers, your Customers, or TERADATA. The obligations to negotiate, mediate and arbitrate under this Section 14.0 will not apply to claims for misuse or infringement of a party's intellectual property rights or in respect of matters directly related to other agreements between the parties or their affiliates worldwide related to the spin-off by NCR Corporation of its Teradata datawarehousing division. If any part of this Section 14.0 is held to be unenforceable, it will be severed and will not affect either the duty to arbitrate or any other part of this Section 14.0. The arbitration will be held in London, England before a sole arbitrator who is knowledgeable in business information and electronic data processing systems. The arbitrator's award will be final and binding and may be entered in any court having jurisdiction. The arbitrator will not have the power to award punitive or exemplary damages, or any damages excluded by, or in excess of, any damage limitations expressed in this Agreement. Issues of arbitrability will be determined in accordance solely with the English substantive and procedural laws relating to arbitration; in all other respects, the arbitrator will be obligated to apply and follow the laws of England, but excluding its rules on conflicts of law and the United Nations Convention on Contracts for the International Sale of Goods. This Agreement is governed by the laws of England.

14.3 Costs – Each party will bear its own attorney's fees and other costs associated with the negotiation, mediation, and arbitration provided for by this Section 14.0, except that costs and expenses of arbitration other than attorney's fees will be paid as provided by the rules of the International Chamber of Commerce. If court proceedings to stay litigation or compel arbitration are necessary, the party who unsuccessfully opposes such proceedings will pay all associated costs, expenses and attorney's fees which are reasonably incurred by the other party.

14.4 Two Year Limitation; Discrepancies – Neither Reseller nor TERADATA may bring a claim or action regardless of form, arising out of or related to this Agreement, including any claim of fraud or misrepresentation, more than two (2) years after the delivery of any Products at issue, or more than two (2) years after cause of action accrues, whichever is later. In addition, you agree to bring any administrative discrepancies, including but not limited to, invoice errors, shipment discrepancies, and return variances, to TERADATA's attention in writing within ninety (90) days from the date of the incident's occurrence (e.g. invoice date, receipt of goods, etc.) Reseller's failure to raise an administrative discrepancy (with appropriate supporting documentation) within this time period will result in the waiver of Reseller's right to dispute the incident at a future date.

14.5 Confidentiality – In order to facilitate the resolution of controversies or claims, Reseller and TERADATA will keep them confidential, including details regarding negotiations, mediation, arbitration, and settlement terms.

15.0 NOTICES

All notices (including requests, consents or waivers) made under this Agreement will be in writing and delivered by facsimile, electronic mail, or other electronic means (in which case the recipient will provide acknowledgment within one (1) business day separately from any machine-generated automatic reply); or by prepaid means providing proof of delivery. Notices are effective upon receipt. The parties will send notices to the addresses set forth below. A party may change its notice of name/address by providing written notice to the other party as required by this Section 15.0.

TO RESELLER:

NCR MIDDLE EAST LIMITED
80 Limassol Avenue
2014 Nicosia
Cyprus

With a copy to:

General Counsel/Notices
NCR CORPORATION
WHQ-1, 1700 South Patterson Blvd., Dayton,
OH 45479;
Fax: (937) 445-7214;
Email: law.notices@ncr.com

TO TERADATA:

TERADATA IRELAND LIMITED
Unit 4 Feltrim Industrial Park
Feltrim Road
Swords, Co Dublin

With a copy to:

General Counsel/Notices
TERADATA CORPORATION
1700 South Patterson Blvd., Dayton,
OH 45479;
Fax: tbc
Email: tbc

16.0 GENERAL

16.1 Independent contractors – Reseller and TERADATA are contractors independent of one another. Nothing in this Agreement is intended to establish or authorize either party as an agent, legal representative, joint venturer, franchisee, employee, or servant of the other for any purpose. Neither party will make any contract, agreement, warranty, or representation on behalf of the other party, or incur any debt or other obligation in the other party's name, or act in any manner which has the effect of making that party the apparent agent of the other. Neither party will assume liability for, or be deemed liable as a result of, any such action by the other party. Neither party will be liable by reason of any act or omission of the other party in the conduct of its business or for any resulting claim or judgment. Neither TERADATA nor Reseller will create and distribute to any third party, any communication or material consisting of marketing materials or press releases pertaining to this Agreement, the other party, or such other party's products or services, without first obtaining such other party's prior review and written approval. Such approval will not be unreasonably withheld or delayed.

16.2 Audit Procedures – TERADATA reserves the right to audit Reseller's records in order to verify the accuracy of Reseller's reports and payments to TERADATA. TERADATA will perform such audits at its own expense, and either TERADATA or an independent auditor selected by TERADATA shall conduct these audits at TERADATA's election. Reseller will be given fifteen (15) days prior written notice of the date of each audit. In the event that an audit reveals a discrepancy that has resulted in an underpayment to TERADATA, Reseller will remit the total amount due TERADATA within thirty (30) days of notification. In the event of a discrepancy resulting in an underpayment to TERADATA of greater than ten percent (10%), Reseller agrees to pay for TERADATA's cost of the audit in addition to the amount of any such underpayment.

16.3 Non-Waiver; Assignment – Failure to enforce any term of this Agreement is not a waiver of future enforcement of that or any other term. Reseller will not assign this Agreement, or its rights or obligations hereunder, without TERADATA's prior express written consent. This Agreement may be executed and performed by TERADATA affiliates.

16.4 Change in control – Reseller will promptly notify TERADATA of any material changes in your underlying ownership. TERADATA's prior written consent is required for any proposed transfer of a material amount of the your voting stock or your entry into a merger, consolidation, or sale-of-assets transaction. Reseller will ensure that TERADATA is at all times fully aware of your actual ownership and control, and of any parent company, at each tier in any ownership hierarchy that may exist.

16.5 Severability – If any provision of this Agreement is held to be illegal, invalid, or unenforceable, the provision will be enforced to the maximum extent permissible so as to effect the intent of the parties, and the remaining provisions of this Agreement will remain in full force and effect.

16.6 Force Majeure – Neither party is liable for failing to fulfill its obligations due to acts of God, civil or military authority, war, riots, strikes, fire, or other causes beyond its reasonable control, except for your obligation to make payments.

16.7 Language – This Agreement's only official and legally effective version will be in the English language.

16.8 Counterparts; headings – This Agreement will be executed in two (2) counterparts, both of which will be deemed originals. The section headings in this Agreement are for convenience only and are not to be considered in its interpretation.

16.9 Order of Precedence – Notwithstanding anything to the contrary herein, should a conflict arise between the terms and conditions of the Master Reseller Agreement and any Exhibit as attached hereto, the Exhibit will prevail with respect to the subject matter thereof.

16.10 Entire Agreement; Amendment – This Agreement is the complete and exclusive statement of the agreement of Reseller and TERADATA about your distribution of TERADATA Products, and supersedes all prior oral and written agreements, understandings, and communications about it. This Agreement may not be modified or amended except by a written document that references this Agreement and has been signed by authorized representatives of both parties. Unless TERADATA specifically agrees in writing, any preprinted language on your order forms will not be a part of or amend this Agreement.

IN WITNESS WHEREOF , TERADATA and the Reseller have caused this instrument to be executed by their duly authorized representatives.

NCR

By: _____
Name: _____
Title: _____
Date: _____

TERADATA

By: _____
Name: _____
Title: _____
Date: _____

Exhibit 10.20

1700 South Patterson Boulevard
Dayton, Ohio 45479

PERSONAL AND CONFIDENTIAL

August 3, 2007

Michael Koehler
NCR Corporation

Dear Mike:

Upon execution by you, this letter will constitute your agreement (this "Agreement") with Teradata Corporation ("Teradata" or the "Company") regarding your service as the President and Chief Executive Officer ("CEO") of the Company effective the date Teradata separates from NCR Corporation ("Start Date"). The period of your employment with the Company is referred to herein as the "Engagement." Details of the agreement are as set forth below.

Nature of the Engagement – During the Engagement, you will have the normal duties, responsibilities and authority attendant to the position of President and CEO of the Company, subject to the power of Teradata's Board of Directors (the "Board") to expand or limit such duties, responsibilities and authority from time to time, within the duties commensurate with the duties of the President and CEO of a comparable public company. The Company will appoint you to serve as a member of the Board, and you agree to serve as a member of the Board for no additional compensation.

Annual Base Salary – As of the Start Date, you will be paid an annual base salary of $700,000. Your base salary will be reviewed by the Compensation and Human Resource Committee of the Board (the "Compensation Committee") from time to time for adjustment as appropriate in the judgment of the Compensation Committee. In no case will your base salary be decreased below your base salary in effect at the Start Date. Your base salary will be paid in accordance with the Company's usual payroll practice, which is currently bi-weekly and one week in arrears.

Incentive Awards – You will be eligible to participate in Teradata Corporation's Management Incentive Plan for Executive Officers ("MIP"), which provides year-end incentive awards based on the success of Teradata in meeting annual performance objectives. Your targeted incentive opportunity each year under the MIP will be not less than 100% of your annual base salary (the "Target MIP"), and your actual MIP payment can range from 0% if the target objective is not met to a maximum award of 200% of your annual base salary. The actual award payable remains subject to the discretion of the Compensation Committee in accordance with the terms of the MIP, and the award for 2007 will be pro-rated based upon the number of months you are in this position during the year. Awards under the MIP are paid in cash on an annual basis no later than March 15 of the following year.

For the portion of 2007 you were employed by NCR Corporation, you will also be paid a pro-rated annual incentive award under the NCR Management Incentive Plan based on the target percentage, performance measures and results that were in effect during your employment there. Such payment will be made to you by no later than March 15, 2008.

Teradata Equity Grants – Subject to the approval of the Compensation Committee, you will receive a sign-on grant of Teradata equity on or as soon as practicable following the Start Date with a grant date value of $4.5M. The terms of this grant shall be consistent with the form of equity award agreements attached hereto as Exhibits A and B. You will also be eligible for future equity grants at the discretion of the Compensation Committee. Such equity grants will be on terms comparable to equity grants made to other executive officers of the Company. Upon a Change in Control of the Company, your equity awards will be subject to the relevant provisions of the SIP and the Change in Control Plan.

Severance Benefits – In the event of your termination by the Company without Cause (as defined in the Change in Control Plan as of the Start Date) or you resign for Good Reason (as defined in the Change of Control Plan as of the Start Date but subject to the final sentence of this paragraph) prior to a Change in Control of the Company, you will be entitled to receive cash severance payments totaling (x) one and one half (1.5) times your annual base salary and Target MIP (the "Severance Benefit"), payable in equal monthly installments, the number of which will be determined so that you receive the Full Severance Benefit no later than two and one half months after the start of the calendar year following the calendar year during which your termination of employment occurs, and (y) a pro-rated MIP, based on the achievement of applicable performance targets pursuant to the MIP for the year of your termination, and based on the number of days you are employed during the year of the termination of employment, payable when the MIP is otherwise payable by the Company, but in no event later than two and one-half months after the start of the calendar year following the calendar year during which your termination of employment occurs; provided, that you execute a release of claims substantially in the form attached as Exhibit A hereto, with such changes as are necessary or appropriate to account for changes in law or regulation. In addition, during the 18-month period following (i) your termination of employment by the Company other than for "Cause" or (ii) your resignation for "Good Reason" (if you are not otherwise employed during such period and covered under the group medical plan provision to employees of such subsequent employer), the Company agrees, if you so elect, that the Company will continue your (including your dependents) medical benefits under COBRA to the same extent as during your employment, with your COBRA premium paid by the Company. In order to invoke a termination for Good Reason, you must provide written notice to the Company of the existence of one or more of the conditions described in the definition of Good Reason within 60 days following the initial existence of such condition or conditions, and the Company shall have 30 days following receipt of such written notice (the "Cure Period") during which it may remedy the condition. In the event that the Company fails to remedy the condition constituting Good Reason during the Cure Period, you must terminate employment, if at all, within 30 days following the Cure Period in order to terminate employment for Good Reason.

No Mitigation – You shall not be required to mitigate damages by seeking other employment or otherwise, nor shall any amount provided for under this Agreement be reduced in any respect in the event you secure or not reasonably pursue alternative employment following the termination of your employment with the Company.

Following a Change in Control, you will be entitled to participate in the Company's Change in Control Severance Plan, as described in the following paragraph.

Change in Control – You will be an eligible participant in Tier I of the Teradata Corporation Change in Control Severance Plan for Executive Officers. Subject to the terms and conditions of that plan, in the event of a qualified termination of employment following a Change-In-Control (as defined in the plan), you will receive a severance benefit of three times your base salary and bonus, as well as all other benefits provided for in that plan. This plan is subject to amendment or termination by Teradata in accordance with the terms of the plan.

Vacation – At Teradata Corporation, you will be eligible for the same number of weeks of paid vacation in 2007 as you were while employed by NCR Corporation. Vacation days used at NCR prior to your Start Date will be deducted from your available 2007 vacation time at Teradata.

Health and Welfare Benefits – Effective upon your Start Date and for the remainder of 2007, you will continue to be eligible to receive health care coverage, dental care coverage, short-term and long-term disability coverage, life insurance coverage, and accidental death and dismemberment insurance coverage on substantially similar terms and at the same cost to you as you did while employed by NCR Corporation. You will have the opportunity to change your benefit elections for 2008 through Teradata's flexible benefits program during open enrollment in late 2007.

Additionally, you will be eligible to participate in the Teradata Savings Plan (401(k)) and all other programs generally available to U.S. employees, and/or to executive officers, of Teradata. Information about each program will be provided in future communications.

Non-Competition – By signing this Agreement, you agree that during your employment with Teradata and for a twelve (12) month period after termination of employment for any reason (the "Restricted Period"), you will not yourself or through others, without the prior written consent of the Teradata Board of Directors, (1) render services directly or indirectly to any "Competing Organization" (as defined in this paragraph) involving the development, manufacture, marketing, sale, advertising or servicing of any product, process, system or service upon which you worked or in which you participated during the last two (2) years of your Teradata employment; (2) directly or indirectly recruit, hire, solicit or induce, or attempt to induce, any exempt employee of Teradata, its subsidiaries or affiliates to terminate his or her employment with or otherwise cease his or her relationship with Teradata, its subsidiaries or affiliates; or (3) solicit the business of any firm or company with which you worked during the last two (2) years of your Teradata employment, including customers of Teradata. For purposes of this Agreement, "Competing Organization" means any organization listed on Attachment A, as reasonably amended from time to time by the Compensation Committee, in consultation with you, as well as any subsidiaries of such companies that become stand-alone companies as a result of a spin-off, IPO or similar restructuring transaction after the date of the last update to Attachment A. The list of Competing

Organizations on Attachment A hereto may be amended from time to time by the Compensation Committee by written notice to you, provided that (i) any companies shall be from among those entities treated as "Competing Organizations" on the annual list prepared jointly by you and the Compensation Committee pursuant to the Company's policies, and (ii) the list of Competing Organizations shall not be changed in contemplation of your accepting an offer to join any company.

Confidentiality and Non-Disclosure – You agree that during the term of your employment with Teradata and thereafter, you will not, except as you deem necessary in good faith to perform your duties hereunder for the benefit of Teradata or as required by applicable law, disclose to others or use, whether directly or indirectly, any "Confidential Information" regarding Teradata. "Confidential Information" shall mean information about Teradata, 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 Teradata, including (without limitation) (i) any proprietary knowledge, trade secrets, ideas, processes, formulas, sequences, developments, designs, assays and techniques, data, formulae, and client and customer lists and all papers, resumes, records (including computer records); (ii) information regarding plans for research, development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers; (iii) information regarding the skills and compensation of other employees of Teradata, its subsidiaries and affiliates; and (iv) the documents containing such Confidential Information; provided, however, that any provision in any grant or agreement that limits disclosure shall not apply to the extent such information is publicly filed with the Securities and Exchange Commission (the "SEC"). You acknowledge that such Confidential Information is specialized, unique in nature and of great value to Teradata, and that such information gives Teradata a competitive advantage. Upon the termination of your employment for any reason whatsoever, you shall promptly deliver to Teradata all documents, slides, computer tapes, disks and other media (and all copies thereof) containing any Confidential Information.

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

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

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

Notwithstanding any other provision of this Agreement, the Company may withhold from any amounts payable hereunder, or any other benefits received pursuant hereto, such minimum federal, state and/or local taxes as shall be required to be withheld under any applicable law or regulation.

This Agreement reflects the entire agreement regarding the terms and conditions of your employment with Teradata. Accordingly, it supersedes and completely replaces any prior oral or written communication on this subject, including all prior agreements on compensation or bonuses (it being understood that this agreement will not supersede but will be in addition to any restrictive covenants to which you may otherwise be subject). This Agreement is not an employment contract, and should not be construed or interpreted as containing any guarantee of continued employment or employment for a specific term. The employment relationship at Teradata is by mutual consent (employment-at-will), and the Board or you may discontinue your employment with or without cause at any time and for any reason or no reason.

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

Sincerely,

/s/ Linda Fayne Levinson
Linda Fayne Levinson
Chair, NCR Compensation and Human Resource Committee

/s/ Michael Koehler
Agreed and Accepted
Michael Koehler

August 6, 2007
Date

Exhibit 10.23

1700 South Patterson Boulevard
Dayton, Ohio 45479

PERSONAL AND CONFIDENTIAL

August 20, 2007

Mr. Stephen Scheppmann

Dear Stephen:

I am pleased to offer you the position of Executive Vice President and Chief Financial Officer of Teradata Corporation ("Teradata"). As you know, this offer is contingent on the approval of NCR's Board of Directors (the "Board"), and the Board will establish the effective date of your appointment (your "Start Date"). Subject to the approval of the Board, you will be a Section 16 officer of Teradata. This position will be based in Atlanta, and you will report directly to me and be a member of the Teradata leadership team. Other details of the offer are set forth below.

Annual Base Salary – Your initial annual base salary will be $412,000, commencing on your Start Date. You will be paid on a bi-weekly pay schedule, one week in arrears.

Management Incentive Plan for Executive Officers (MIP) – You will be eligible to participate in Teradata Corporation's Management Incentive Plan for Executive Officers ("MIP"), which provides year-end incentive awards based on the success of Teradata in meeting annual performance objectives. For 2007, which has a payout in March 2008, you will be guaranteed an incentive award of at least 75% of your base salary, with a maximum potential payout of 150% of your base salary, such award to be pro-rated for the number of calendar months, or parts thereof, after your start date with Teradata. The award opportunities will be based upon the Management Incentive Objectives established by the Compensation and Human Resource Committee of the Teradata Board of Directors (the "Committee"), and is subject to the Committee's discretion.

Your annual performance and compensation, including any future equity awards, will be assessed and determined each year by the Committee, and are subject to approval by the Teradata Board of Directors. The form and mix of future equity awards will mirror the incentive structure for all senior officers of the company.

Equity Awards – Subject to the Committee's approval, and effective on or as soon as practicable following the date Teradata separates from NCR Corporation ("Equity Effective Date"), you will receive the following equity awards:

> ***Hiring Equity Award*** – Subject to the Committee's approval you will receive an initial equity award with a total value of $800,000, of which $300,000 will be in the form of service-based restricted stock units and $500,000 will be in the form of stock options.
>
> ***Initial Post-Spin Award*** – Further subject to the Committee's approval, you will be granted an equity award with a total value of $600,000 to be delivered 50% in performance-based restricted stock units and 50% in stock options.

The service-based and performance-based restricted stock units will be subject to standard terms and conditions determined by the Committee and will vest at the end of 3 years as set forth in the applicable award agreement, provided you are still employed by Teradata at that time. The options will vest in 25% increments on each of the first four anniversaries of the Equity Effective Date, subject to your continued employment with Teradata on each such anniversary date, and will have a term of 10 years.

The methodology for converting the dollar value of each award into a number of units and options will be provided to you at a later date. These grants will be awarded under the Teradata Stock Incentive Plan which is not effective until Teradata becomes an independent company. Therefore, the grants are also subject to the separation of NCR and Teradata occurring and the Teradata Stock Incentive Plan going into effect.

Your equity awards will be issued under the terms of Teradata's Stock Incentive Plan, which is administered by Fidelity Investments ®. The specific terms and conditions relating to the award will be outlined in the award agreements contained on Fidelity's website. Within two weeks of your Equity Effective Date, your grant will be loaded to Fidelity's system. You can access your grants at www.netbenefits.fidelity.com . Please review the grant information, including the grant agreement, carefully and indicate your acceptance by clicking on the appropriate button. If you have questions about your shares you may contact Saundra Davis at 937-445-5206 or call the Fidelity Stock Plan Services Line directly at 1-800-429-2363. For questions that Fidelity is unable to answer, contact Teradata by email at global.compensation@ncr.com .

Vacation – Beginning in 2008, you will eligible for four weeks of paid vacation annually, in addition to the floating holidays provided to Teradata employees in the U.S. For the balance of 2007, you will be entitled to a pro rated number of paid vacation days, based on eligibility for four weeks of annual vacation.

Health and Welfare Benefits – Effective upon your Start Date and for the remainder of 2007, you will continue to be eligible to receive health care coverage, dental care coverage, short-term and long-term disability coverage, life insurance coverage, and accidental death and dismemberment insurance coverage and other programs generally available to U.S. employees of Teradata. You will have the opportunity to change your

benefit elections for 2008 through Teradata's flexible benefits program during open enrollment in late 2007.

Additionally, you will be eligible to participate in the Teradata Savings Plan (401(k)) and other programs generally available to U.S. employees of Teradata. Information about each program will be provided in future communications.

Change in Control – Subject to the approval of the Committee, you will be eligible to participate in Teradata's current Change in Control Severance Plan for Executive Officers in a Tier II position. Subject to the terms and conditions of that plan, in the event of a qualified termination of employment following a Change-In-Control (as defined in the plan), you will receive a severance benefit of two times your base salary and bonus. This plan is subject to amendment or termination by Teradata in accordance with the terms of the plan.

Non-Competition – By accepting this offer of employment, you agree that during your employment with Teradata and for a twelve (12) month period after termination of employment for any reason (the "Restricted Period"), you will not yourself or through others, without the prior written consent of the Board, (1) render services directly or indirectly to any "Competing Organization" (as defined in this paragraph) involving the development, manufacture, marketing, sale, advertising or servicing of any product, process, system or service upon which you worked or in which you participated during the last two (2) years of your Teradata employment; (2) directly or indirectly recruit, hire, solicit or induce, or attempt to induce, any exempt employee of Teradata, its subsidiaries or affiliates to terminate his or her employment with or otherwise cease his or her relationship with Teradata, its subsidiaries or affiliates; or (3) solicit the business of any firm or company with which you worked during the last two (2) years of your Teradata employment, including customers of Teradata. For purposes of this letter, "Competing Organization" means any organization listed on Attachment A, as reasonably amended on an annual basis by the Committee or me, as well as any subsidiaries of such companies that become stand-alone companies as a result of a spin-off, IPO or similar restructuring transaction after the date of the last update to Attachment A.

Confidentiality and Non-Disclosure – You agree that during the term of your employment with Teradata and thereafter, you will not, except as you deem necessary in good faith to perform your duties hereunder for the benefit of Teradata or as required by applicable law, disclose to others or use, whether directly or indirectly, any "Confidential Information" regarding Teradata. "Confidential Information" shall mean information about Teradata, 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 Teradata, including (without limitation) (i) any proprietary knowledge, trade secrets, ideas, processes, formulas, sequences, developments, designs, assays and techniques, data, formulae, and client and customer lists and all papers, resumes, records (including computer records); (ii) information regarding plans for research, development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers; (iii) information regarding the skills and compensation of other employees of Teradata, its subsidiaries and affiliates; and (iv) the documents

containing such Confidential Information; provided, however, that any provision in any grant or agreement that limits disclosure shall not apply to the extent such information is publicly filed with the Securities and Exchange Commission (the "SEC"). You acknowledge that such Confidential Information is specialized, unique in nature and of great value to Teradata, and that such information gives Teradata a competitive advantage. Upon the termination of your employment for any reason whatsoever, you shall promptly deliver to Teradata all documents, slides, computer tapes, disks and other media (and all copies thereof) containing any Confidential Information.

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

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

Tax Matters – Teradata agrees to cooperate with you to amend this letter to the extent you deem necessary to avoid imposition of any additional tax under Section 409A of the Internal Revenue Code (and any Department of Treasury regulations promulgated

thereunder), but only to the extent such amendment would not have a more than de minimis adverse effect on the Company.

Notwithstanding any other provision of this letter, Teradata may withhold from any amounts payable hereunder, or any other benefits received pursuant hereto, such minimum federal, state and/or local taxes as shall be required to be withheld under any applicable law or regulation.

This letter reflects the entire agreement regarding the terms and conditions of your employment. Accordingly, it supersedes and completely replaces any prior oral or written communication on this subject. This letter is not an employment contract and should not be construed or interpreted as containing any guarantee of continued employment.

Steve, I am excited about the contributions you can bring to Teradata, and I look forward to working with you as we build Teradata's future success.

Sincerely,

s/ Michael Koehler
Mike Koehler
President and Chief Executive Officer

s/ Stephen Scheppmann	August 20, 2007
Agreed and Accepted	Date
Stephen Scheppmann	

Exhibit 21.1

SUBSIDIARIES OF TERADATA CORPORATION

	Organized under the Laws of
Teradata International, Inc.	Delaware
Teradata US, Inc.	Delaware
Teradata Operations, Inc.	Delaware
Teradata Government Systems LLC	Delaware
Teradata Taiwan LLC	Delaware
Teradata Argentina Holdings LLC	Delaware
Teradata Belgium Holdings LLC	Delaware
Teradata Bermuda Holdings LLC	Delaware
Teradata Brazil Holdings LLC	Delaware
Teradata Czech Republic Holdings LLC	Delaware
Teradata Chile Holdings LLC	Delaware
Teradata Colombia Holdings LLC	Delaware
Teradata Egypt Holdings LLC	Delaware
Teradata India Holdings LLC	Delaware
Teradata Ireland Holdings LLC	Delaware
Teradata Mexico Holdings LLC	Delaware
Teradata Netherlands Holdings LLC	Delaware
Teradata New Zealand Holdings LLC	Delaware
Teradata Pakistan Holdings GCC LLC	Delaware
Teradata Argentina S.R.L.	Argentina
Teradata Australia Holdings Pty. Ltd.	Australia
Teradata Australia Pty. Ltd.	Australia
Teradata GmbH	Austria
Teradata (Bermuda) Holdings LP	Bermuda
Teradata Bermuda IP Holdings LP	Bermuda
Teradata Financing Holdings LP	Bermuda
Teradata Belgium SNC	Belgium
TRDT Brasil Tecnologia Ltda.	Brazil
Teradata Information Systems Limited	China
Teradata Canada ULC	Canada
Teradata Chile Tecnologías de Información Limitada	Chile
TDC Colombia Ltda.	Colombia
Teradata Czeska Republika spol. sro.	Czech Republic
Teradata Danmark ApS	Denmark
Teradata Egypt WLL	Egypt

Teradata Finland Oy	Finland
Teradata France SAS	France
Teradata GmbH	Germany
Teradata (Hong Kong) Limited	Hong Kong
Teradata Magyarosrzag kft.	Hungary
Teradata India Private Limited	India
Teradata Ireland Limited	Ireland
Teradata Italia S.r.l.	Italy
Teradata Japan, Ltd.	Japan
TeraWarehouse Korea Co. Ltd.	Korea
TData Corporation (Malaysia) Sdn. Bhd.	Malaysia
Teradata Holdings México, S. de R. L. de C.V.	Mexico
Teradata Solutions México, S. de R.L. de C.V.	Mexico
Teradata Holdings B.V.	Netherlands
Teradata Holdings GCC B.V.	Netherlands
Teradata Netherlands B.V.	Netherlands
Teradata (NZ) Corporation)	New Zealand
Teradata Norge AS	Norway
Teradata Pakistan (Private) Limited	Pakistan
Teradata Global Consulting Pakistan (Private) Limited	Pakistan
Teradata Polska Sp. z o.o.	Poland
Teradata LLC	Russia
Teradata (Singapore) Pte. Ltd.	Singapore
Teradata Iberia SL	Spain
Teradata Sweden AB	Sweden
Teradate (Schweiz) GmbH	Switzerland
Teradata Taiwan LLC, Taiwan branch	Taiwan
Teradata (Thailand) Co. Ltd.	Thailand
Teradata Bilisim Sistemleri Ltd. Sti.	Turkey
Teradata (UK) Limited	United Kingdon

Exhibit 99.1

(Subject to Completion, Dated August 21, 2007)

[•], 2007

Dear NCR Corporation Stockholder:

We are pleased to inform you that the Board of Directors of NCR Corporation has approved the distribution of all of the shares of common stock of Teradata Corporation, a wholly-owned subsidiary of NCR, to NCR stockholders through a stock dividend. At the time of its distribution, Teradata Corporation will hold the assets and liabilities associated with the Teradata Data Warehousing business. Upon the distribution, NCR stockholders will own 100% of the outstanding common stock of Teradata.

This distribution is being made pursuant to a plan preliminarily approved by our Board of Directors on January 5, 2007 to separate NCR into two independent, publicly traded companies: NCR Corporation and Teradata Corporation.

The distribution of Teradata Corporation common stock is expected to occur on [•], 2007 by way of a pro rata stock dividend to NCR stockholders. Each NCR stockholder will receive one share of Teradata Corporation common stock for each share of NCR common stock held by such stockholder at the close of business on [•], 2007, the record date of the distribution. The dividend, which is subject to certain customary conditions, will be issued in book-entry form only, which means that no physical stock certificates will be issued. If you own your shares through a broker, your brokerage account will be credited with the new shares of Teradata Corporation. If you have an account with NCR's transfer agent (Mellon), the new shares of Teradata will be credited to your account at Mellon. Stockholder approval of the distribution is not required, nor are you required to take any action to receive your Teradata Corporation common stock. Following the distribution, if you are an NCR stockholder on the record date, you will own shares in NCR and Teradata Corporation.

Because this strategic separation will result in the value of the Teradata business being transferred to the new Teradata Corporation, the value of NCR's stock will decrease upon completion of the separation on [•], 2007.

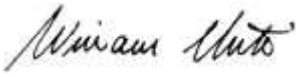
Teradata Corporation has applied to have its common stock listed on the New York Stock Exchange under the symbol "TDC." NCR's common stock will continue to trade on the New York Stock Exchange under the symbol "NCR."

The enclosed information statement, which is being mailed to all NCR stockholders, describes the distribution of Teradata Corporation common stock in detail and contains important information about Teradata Corporation. We urge you to read this information statement carefully.

We want to thank you for your continued support of NCR, and we look forward to your support of Teradata Corporation in the future.

Sincerely,

James M. Ringler
Chairman of the Board



William R. Nuti
President and Chief Executive Officer

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(Subject to Completion, Dated August 21, 2007)

TERADATA

[•], 2007

Dear Teradata Corporation Stockholder:

It is our great pleasure to welcome you as a stockholder of Teradata Corporation. We are very excited about our future and believe we are well poised to benefit from the growth opportunities in the data warehousing market as an independent company.

Teradata Corporation pioneered the data warehousing industry when it was first founded in 1979, and it has been a market leader ever since. In 1991, NCR purchased Teradata, enabling us to evolve into the industry's leading provider of single-source enterprise data warehousing solutions and gain recognition as a world-class data warehouse solution provider.

Today, organizations around the world rely on Teradata's proven expertise, best-in-class technologies, and award-winning solutions to enhance decision-making and to drive growth, profitability and competitive advantage. Our enterprise data warehousing solutions deliver value to customers across a wide range of industries by combining the Teradata ® database software, analytical applications, hardware, and consulting and support services.

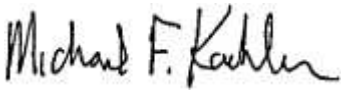
We believe the power of our technology, our strength in the marketplace and our financial performance are the keys to our growth and success. Looking forward, we plan to continue executing our strategy to improve and expand the scope of our solutions and market leadership.

We have applied to have our common stock listed on the New York Stock Exchange under the symbol "TDC" in connection with the distribution of Teradata's common stock by way of a pro rata stock dividend to NCR stockholders.

We thank you in advance for your support as a holder of Teradata Corporation common stock, and invite you to learn more about Teradata by reviewing the enclosed information statement or visiting www.teradata.com.

Sincerely,

James M. Ringler
Chairman of the Board



Michael Koehler
President and Chief Executive Officer

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Preliminary Information Statement
(Subject to Completion, Dated August 21, 2007)

Information Statement

Distribution of

Common Stock of

TERADATA CORPORATION

by

NCR CORPORATION

to NCR Corporation Stockholders

This information statement is being furnished in connection with the distribution by NCR Corporation to its stockholders of all of its shares of common stock of Teradata Corporation, a wholly-owned subsidiary of NCR that holds directly or indirectly the assets and liabilities associated with NCR's Teradata Data Warehousing business. To implement the distribution, which is subject to certain customary conditions, NCR will distribute all of its shares of Teradata Corporation common stock on a pro rata basis to the holders of NCR common stock. Each of you, as a holder of NCR common stock, will receive one share of Teradata Corporation common stock for each share of NCR common stock that you held at the close of business on [•], 2007, the record date for the distribution. The distribution is expected to be effective as of [•], 2007. Immediately after the distribution is completed, Teradata Corporation will be an independent publicly traded company.

No vote of NCR stockholders is required in connection with this distribution . You are not required to send us a proxy card. NCR stockholders will not be required to pay any consideration for the shares of Teradata common stock they receive in the distribution, and they will not be required to surrender or exchange shares of their NCR common stock or take any other action in connection with the distribution.

All of the outstanding shares of Teradata's common stock are currently owned by NCR. Accordingly, there currently is no public trading market for our common stock. We have filed an application to list our common stock under the ticker symbol "TDC" on the New York Stock Exchange. Assuming that Teradata's common stock is approved for listing, we anticipate that a limited market, commonly known as a "when-issued" trading market, for Teradata's common stock will develop on or shortly before the record date for the distribution and will continue up to and including through the distribution date, and we anticipate that "regular-way" trading of Teradata's common stock will begin on the first trading day following the distribution date.

In reviewing this information statement, you should carefully consider the matters described in the section entitled " Risk Factors " beginning on page 14 of this information statement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of any of the securities of Teradata Corporation or determined whether this information statement is truthful or complete. Any representation to the contrary is a criminal offense.

This information statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The date of this information statement is [•], 2007.

This information statement was first mailed to NCR stockholders on or about [•], 2007.

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TRADEMARKS AND SERVICE MARKS

The Teradata Corporation and NCR Corporation logos and the other trademarks, trade names, and service marks of Teradata mentioned in this information statement, including Teradata ® and BYNET™, are currently the property of, and are used with the permission of, NCR Corporation. In connection with the separation, the logos and other trademarks, trade names and service marks of Teradata Corporation, including Teradata ® and BYNET™, will be transferred to, and become the property of, Teradata Corporation. More generally, we own or have rights to use the trademarks, service marks and trade names that we use in conjunction with the operation of our business. Some of the more important trademarks that we own or have rights to use that appear in this information statement include the Teradata ® and BYNET™ marks, which may be registered in the United States and other jurisdictions. Each trademark, trade name or service mark of any other company appearing in this information statement is owned by such company.

INDUSTRY AND MARKET DATA

In this information statement, we rely on and refer to information and statistics regarding the data warehousing industry and the technology industry. We obtained this data from independent publications or other publicly available information. Although we believe these sources are reliable, we have not independently verified and do not guarantee the accuracy and completeness of this information.

All industry and statistical information included in this information statement, other than information derived from our financial and accounting records, is presented as of December 31, 2006, unless otherwise indicated. Unless otherwise indicated, financial data and information derived from our accounting records which are presented as "current" are as of June 30, 2007.

SUMMARY

This summary highlights selected information from this information statement relating to Teradata, Teradata's separation from NCR and the distribution of Teradata common stock by NCR to its stockholders. For a more complete understanding of our business and the separation and distribution, you should read this information statement carefully.

Except as otherwise indicated or unless the context otherwise requires, the information included in this information statement, including the combined financial statements of the Teradata business of NCR, which are comprised of the assets and liabilities involved in managing and operating the data warehousing business of NCR, assumes the completion of all the transactions referred to in this information statement in connection with the separation and distribution.

Except as otherwise indicated or unless the context otherwise requires, "Teradata," "we," "us," "our" and "our company" refer to Teradata Corporation and its subsidiaries and "NCR Corporation" and "NCR" refer to NCR Corporation and its subsidiaries.

Our Business

Teradata is a global leader in enterprise data warehousing, including enterprise analytic technologies and services, as measured by leading research analysts and customers. Data warehousing is the process of capturing, storing, integrating and analyzing data to gain insight. An enterprise data warehouse ("EDW") is generally a single, application-neutral repository of an organization's current and historical data. Our enterprise data warehouse solutions include our leading Teradata® database software, analytic applications, hardware, and related consulting and support services. These solutions are designed to give our customers a single, integrated view of their customers, products, services, demand chains, supply chains, financial and other data, and to transform that data into useful, insightful and actionable information.

We extend the use of traditional data warehousing by integrating advanced analytics into enterprise business processes through active enterprise intelligence. This advanced solution enables companies to integrate active, near real-time data with detailed historical information, and the resulting insights can facilitate more effective and proactive actions throughout all levels of the organization.

We focus our sales efforts on the global 3,000 leading companies across a broad set of industries, including banking and financial services, entertainment (including gaming and media), government, insurance and healthcare, manufacturing, retail, telecommunications, transportation, and travel. We currently have relationships with over 850 of these companies, although the extent to which any given customer contributes to our revenues generally varies significantly from year to year and quarter to quarter. With more than 25 years of experience, Teradata is a leader in implementing scaleable, enterprise-wide data warehouses.

Our revenues are primarily generated in the growing enterprise data warehousing market, which is a subset of the larger multi-billion dollar data warehouse market. For the full year ended December 31, 2006, we had net income of $198 million and total revenues of $1.560 billion, of which approximately 60% was derived in North America and Latin America (the "Americas"), 23% in Europe, the Middle East and Africa ("EMEA"), and 17% in Asia Pacific and Japan ("APJ").

Later in this information statement we describe the data warehousing operations that will be separated from NCR. Following the spin-off, Teradata will be an independent, publicly traded company, and NCR will not retain any ownership interest in Teradata. In connection with the spin-off, Teradata and NCR will enter into a number of agreements that will govern our relationship following the spin-off.

Our business is subject to various risks. For a description of these risks, see the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this information statement.

The Separation

Overview

On January 5, 2007, the Board of Directors of NCR preliminarily approved a plan to separate NCR into two independent, publicly traded companies—one for the Teradata Data Warehousing business and the other for NCR's retained businesses, the Financial Self Service, Retail Store Automation, Customer Services, Systemedia, and Payment & Imaging businesses. The separation is anticipated to occur through the distribution to NCR stockholders of all of the shares of common stock of a subsidiary of NCR that holds or will hold the assets and liabilities, including the entities holding substantially all of the assets and liabilities, of the Teradata business. On [•], 2007, the Board of Directors of NCR approved the distribution of all of the shares of common stock of Teradata Corporation, a wholly-owned subsidiary of NCR that holds directly or indirectly the assets and liabilities associated with the Teradata Data Warehousing business. Following the distribution, NCR stockholders will own 100% of the common stock of Teradata Corporation.

Before Teradata's separation from NCR, Teradata will enter into a Separation and Distribution Agreement and several other agreements with NCR to effect the separation and distribution and provide a framework for our relationships with NCR. These agreements will govern the relationships between Teradata and NCR subsequent to the completion of the separation plan and will provide for the allocation between Teradata and NCR of NCR's assets, liabilities and obligations (including transition services, employee benefits, intellectual property and tax-related assets and liabilities) attributable to periods prior to Teradata's separation from NCR. Teradata and NCR will also enter into several commercial agreements which will provide for services and hardware to be provided to each other on an ongoing basis at market prices.

The NCR Board of Directors believes that separating the Teradata business from the NCR business is in the best interests of NCR and its stockholders and has concluded that the separation will provide each separated company with certain opportunities and benefits. The management of each separated company will be able to focus on their respective businesses and pursue their specific growth and development agendas, design and implement corporate policies and strategies that are based primarily on the business characteristics of each company, and concentrate financial resources wholly on their own operations. In addition, each company will have direct access to capital markets to fund its growth agenda and can appeal to the investor bases who best understand, appreciate and value the respective businesses of the separated companies. Increased transparency and clarity into the different businesses of NCR will allow investors to more appropriately value the merits, performance and future prospects of each company. The NCR Board of Directors also determined that the creation of separate equity securities for each of the businesses will facilitate incentive compensation arrangements for employees and the ability to effect future acquisitions, in each case with common stock that is more directly tied to the performance of the relevant company's business.

The NCR Board of Directors also considered a number of potentially negative factors in evaluating the separation, including risks relating to the creation of a new public company and possible increased costs, and concluded that the potential benefits of the separation outweighed these factors. For more information, see the section entitled "The Separation—Reasons for the Separation" included elsewhere in this information statement.

The distribution of our common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions. For more information, see the section entitled "The Separation—Conditions to the Distribution" included elsewhere in this information statement.

Teradata Corporation is a recently formed company that will, prior to the distribution, directly or indirectly receive and hold all of the assets and liabilities of the Teradata Data Warehousing business as a result of an internal reorganization implemented by NCR. Teradata's headquarters is located at 1700 S. Patterson Blvd., Dayton, OH 45479 and its general telephone number is (937) 445-5000. We maintain an Internet site at http://www.teradata.com. Our website and the information contained on that site, or connected to that site, are not incorporated by reference into this information statement.

Questions and Answers about Teradata and the Separation

Why is the separation of Teradata structured as a distribution?	NCR believes that a distribution of shares of Teradata to the NCR stockholders is a tax-efficient way to separate the Teradata Data Warehousing business from the rest of NCR in a manner that will create long-term value for NCR stockholders.
How will the separation of Teradata work?	The separation will be accomplished through a transaction in which all of the assets and liabilities of the Teradata Data Warehousing business will be transferred to Teradata and the common stock of Teradata will be distributed by NCR to its stockholders on a one-for-one basis.
When will the distribution occur?	We expect that NCR will distribute the shares of Teradata common stock on [•], 2007 to holders of record of NCR common stock on [•], 2007, the record date.
What do stockholders need to do to participate in the distribution?	Nothing, but we urge you to read this document carefully. Stockholders who hold NCR common stock as of the record date will not be required to take any action to receive Teradata's common stock in the distribution. No stockholder approval of the distribution is required or sought. We are not asking you for a vote, and we are not requesting you to send us a proxy card. You will not be required to make any payment, surrender or exchange of your shares of NCR common stock or to take any other action to receive your shares of Teradata common stock. If you own NCR common stock as of the close of business on the record date, NCR, with the assistance of Mellon Investor Services, LLC ("Mellon"), the distribution agent, will electronically issue shares of Teradata common stock to you or to your brokerage firm on your behalf by way of direct registration in book-entry form. Teradata will not issue paper stock certificates. If you are a registered stockholder (meaning you own your stock directly through an account with NCR's transfer agent, Mellon), Mellon will mail you a book-entry account statement that reflects the number of Teradata shares you own. If you own your NCR shares through a bank or brokerage account, your bank or brokerage firm will credit your account with the Teradata shares. **Following the distribution, stockholders whose shares are held at the transfer agent may request that their shares of either NCR or Teradata be transferred to a brokerage or other account at any time. You should consult your broker if you wish to transfer your shares.**

Can NCR decide to cancel the distribution of the common stock even if all the conditions have been met?	Yes. The distribution is subject to the satisfaction or waiver of certain conditions. For more information, see the section entitled "The Separation—Conditions to the Distribution" included elsewhere in this information statement. However, NCR has the right to terminate the distribution, even if all of the conditions are satisfied, if at any time the Board of Directors of NCR determines that the distribution is not in the best interests of NCR and its stockholders.
Does Teradata plan to pay dividends?	We do not expect to pay a regular cash dividend.
Will Teradata have any debt?	NCR will not transfer any of its debt to Teradata. We expect to enter into a customary revolving credit facility with available borrowing capacity of approximately $300 million, although we have not obtained a financing commitment for that facility. For information relating to our planned financing arrangements, see the section entitled "Description of Material Indebtedness" included elsewhere in this information statement.
What will the separation cost?	NCR currently expects to incur one-time, non-recurring pre-tax separation costs of approximately $55 to $65 million in connection with the consummation of the separation plan. These one-time costs are expected to consist of, among other things: financial, legal, tax, accounting and other advisory fees; non-income tax costs and regulatory fees incurred as part of the reorganization and separation; costs for building and/or reconfiguring the required information systems to run the stand-alone companies and restacking of building facilities as required; other various costs for branding the new company, NYSE listing fees, investor and other stakeholder communications, printing costs, fees of the distribution agent; and employee recruiting fees and incentive compensation, among other things. Nearly all of these costs will be incurred by NCR prior to the Distribution and do not include incremental capital expenditures related to the spin-off. To the extent additional separation costs are incurred by Teradata after the spin-off, they will be the responsibility of Teradata. In addition, there are expected to be total net incremental costs incurred on a going-forward basis in connection with operating Teradata as an independent publicly traded company. These costs, which are currently expected to be approximately $25 to $30 million in 2008, will be Teradata's responsibility. For more information regarding the costs of the strategic separation and ongoing incremental costs, see the section entitled "Unaudited Pro Forma Balance Sheet" included elsewhere in this information statement.

What are the U.S. federal income tax consequences of the distribution to NCR stockholders?	The distribution is conditioned upon NCR's receipt of a private letter ruling from the Internal Revenue Service ("IRS") and an opinion of Wachtell, Lipton, Rosen & Katz, in each case substantially to the effect that the distribution, together with certain related transactions, will qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Internal Revenue Code of 1986, as amended (the "Code"). NCR received a private letter ruling from the IRS that the distribution will so qualify. Assuming the distribution so qualifies, for U.S. federal income tax purposes, no gain or loss will be recognized by you, and no amount will be included in your income, upon the receipt of shares of Teradata's common stock pursuant to the distribution. For more information regarding the private letter ruling, the tax opinion and the potential consequences to you of the distribution, see the section entitled "The Separation—Certain U.S. Federal Income Tax Consequences of the Distribution" included elsewhere in this information statement.
How will I determine the tax basis I will have in the Teradata shares I receive in the distribution?	Generally, your aggregate basis in the stock you hold in NCR and the new Teradata shares received in the distribution will equal the aggregate basis of NCR common stock held by you immediately before the distribution. This aggregate basis should be allocated between your NCR common stock and the Teradata common stock you receive in the distribution in proportion to the relative fair market value of each on the date of the distribution. See the section entitled "The Separation—Certain U.S. Federal Income Tax Consequences of the Distribution" included elsewhere in this information statement for more information. You should consult your tax advisor about how this allocation will work in your situation (including a situation where you have purchased NCR shares at different times or for different amounts) and regarding any particular consequences of the distribution to you, including the application of state, local and foreign tax laws.
What will the relationships between NCR and Teradata be following the separation?	Before our separation from NCR, we will enter into a Separation and Distribution Agreement and several other agreements with NCR to effect the separation and distribution and provide a framework for our relationships with NCR. These agreements will govern the relationships between Teradata and NCR subsequent to the completion of the separation and provide for the allocation between Teradata and NCR of NCR's assets, liabilities and obligations (including transition services, employee benefits, intellectual property and tax-related assets and liabilities) attributable to periods prior to our separation from NCR. We

	cannot assure you that these agreements will be on terms as favorable to Teradata as agreements with unaffiliated third parties. Teradata and NCR will also enter into several commercial agreements which will provide for services and hardware to be provided to each other on an ongoing basis at market prices. For more information, see the section entitled "Certain Relationships and Related Party Transactions" included elsewhere in this information statement. **It is currently expected that up to two directors of Teradata will also be members of NCR's Board of Directors, although one of these directors will have a term limited to two years and will not seek re-election after expiration of this term.**
What if I want to sell my NCR common stock or my Teradata common stock?	You should consult with your financial advisors, such as your stockbroker, bank or tax advisor. Neither NCR nor Teradata makes any recommendations on the purchase, retention or sale of shares of NCR common stock or the Teradata common stock to be distributed. If you decide to sell any shares after the record date, but before the distribution, you should make sure your stockbroker, bank or other nominee understands whether you want to sell your NCR common stock or the Teradata common stock you will receive in the distribution or both. If you sell your NCR stock before the record date, you will not receive shares of the new Teradata corporation.
Where will I be able to trade shares of Teradata common stock?	There is not currently a public market for Teradata's common stock. We have applied to list Teradata's common stock on the New York Stock Exchange ("NYSE"), under the symbol "TDC." We anticipate that trading in shares of Teradata's common stock will begin on a "when-issued" basis on or shortly before the record date and will continue up to and including through the distribution date and that "regular-way" trading in shares of Teradata's common stock will begin on the first trading day following the distribution date. If trading begins on a "when-issued" basis, you may purchase or sell Teradata's common stock up to and including through the distribution date, but your transaction will not settle until after the distribution date. We cannot predict the trading prices for NCR's or Teradata's common stock before, on or after the distribution date.
What will happen to the listing of NCR common stock?	Nothing. It is expected that, after the distribution of our common stock, NCR common stock will continue to be traded on the NYSE under the symbol "NCR." The number of shares of NCR common stock you own will not change.
Will the distribution of the common stock of Teradata affect the market price of my NCR shares?	Yes. As a result of the distribution, we expect the trading price of shares of NCR common stock immediately following the distribution

	to be lower than immediately prior to the distribution because the trading price will no longer reflect the value of the Teradata Data Warehousing business. Furthermore, until the market has fully analyzed the value of NCR without the Teradata Data Warehousing business, the price of NCR shares may experience more stock price volatility. There can be no assurance that the combined trading prices of NCR common stock and Teradata common stock after the distribution will not be less than the trading price of shares of NCR common stock before the distribution.
Are there risks to owning Teradata common stock?	Yes. Teradata's business is subject to both general and specific risks relating to our business, our relationship with NCR and our being a separate, publicly traded company. Our business is also subject to risks relating to the separation. These risks are described in the section entitled "Risk Factors" included elsewhere in this information statement beginning on page 14. We encourage you to read that section carefully.
Where can NCR stockholders get more information?	Before the separation, if you have any questions relating to the separation, you should contact: NCR Corporation Investor Relations 1700 South Patterson Blvd., WHQ-1 Dayton, OH 45479 Tel: (937) 445-5905 Fax: (937) 445-5541 www.ncr.com After the separation, if you have any questions relating to Teradata common stock, you should contact: Teradata Corporation Investor Relations 1700 South Patterson Blvd. Dayton, OH 45479 Tel: (800) 338-3251 Fax: (800) 354-0589 www.teradata.com After the separation, if you have any questions relating to the distribution of our shares, you should contact: Teradata Corporation c/o Mellon Investor Services P.O. Box 3316 S. Hackensack, NJ 07606 Tel: 1-888-261-6779

Summary of the Separation

The following is a summary of the material terms of the separation and other related transactions.

Distributing company	NCR Corporation. After the distribution, NCR will not own any shares of Teradata common stock.
Distributed company	Currently, Teradata is a Delaware corporation and is a wholly-owned subsidiary of NCR that was formed to hold directly or indirectly all of the assets and liabilities of the Teradata Data Warehousing business. After the distribution, Teradata will be an independent publicly traded company.
Distribution ratio	Each holder of NCR common stock will receive one share of Teradata common stock for each share of NCR common stock held on [•], 2007.
Distributed securities	NCR will distribute all of the shares of Teradata common stock owned by NCR, which will be 100% of our common stock outstanding immediately prior to the distribution. Based on the approximately [•] shares of NCR common stock outstanding on [•], and applying the distribution ratio of one share of Teradata common stock for each share of NCR common stock, approximately [•] million shares of Teradata common stock will be distributed to NCR stockholders who hold NCR common stock as of the record date.
Fractional shares	Since NCR utilizes the book-entry form, some NCR stockholders own fractional shares (for example, 150.5 shares or 0.5 shares). NCR expects to distribute fractional shares of Teradata common stock to its stockholders to the extent required by the one-for-one distribution ratio.
Record date	The record date for the distribution is the close of business on [•], 2007.
Distribution method	Teradata common stock will be issued only in book-entry form. No paper stock certificates will be issued.
Distribution date	The distribution date is [•], 2007.
Conditions to the distribution	The distribution of our common stock is subject to the satisfaction or, if permissible under the Separation and Distribution Agreement, waiver by NCR of the following conditions, among other conditions described in this information statement: • the Securities and Exchange Commission (“SEC”) shall have declared effective our registration statement on Form 10, of which this information statement is a part, with a no stop order relating to the registration statement being in effect; • any required actions and filings with regard to state securities and blue sky laws of the United States (and any comparable laws under any foreign jurisdictions) shall have been taken and, where applicable, have become effective or been accepted;

	• the Teradata common stock shall have been accepted for listing on the NYSE, on official notice of issuance; • NCR shall have received a private letter ruling from the IRS substantially to the effect that the distribution, together with certain related transactions, will qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code, and such ruling shall be in form and substance satisfactory to NCR in its sole discretion; • NCR shall have received an opinion of Wachtell, Lipton, Rosen & Katz substantially to the effect that the distribution, together with certain related transactions, will qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code, and such opinion shall be in form and substance satisfactory to NCR; • no order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing consummation of the separation, distribution or any of the transactions contemplated by the Separation and Distribution Agreement or any ancillary agreement, shall be in effect; • such other actions as the parties hereto may reasonably request to be taken prior to the separation in order to assure the successful completion of the separation and the other transactions contemplated by the Separation and Distribution Agreement shall have been taken; • the Separation and Distribution Agreement shall not have been terminated; • any material government approvals and other consents necessary to consummate the distribution shall have been obtained and be in full force and effect; and • no other events or developments shall have occurred that, in the judgment of NCR's Board of Directors, would result in the distribution having a material adverse effect on NCR or its stockholders. The fulfillment of the foregoing conditions does not create any obligations on NCR's part to effect the distribution, and the NCR Board of Directors has reserved the right, in its sole discretion, to abandon, modify or change the terms of the distribution, including by accelerating or delaying the timing of the consummation of all or part of the distribution, at any time prior to the distribution date.
Stock exchange listing	We have filed an application to list our shares of common stock on the NYSE under the ticker symbol "TDC."
Risks relating to ownership of our common stock and the distribution	Our business is subject to both general and specific risks and uncertainties relating to our business, our relationship with NCR and

	our being a separate publicly traded company. Our business is also subject to risks relating to the separation. You should read carefully the section entitled "Risk Factors" included elsewhere in this information statement.
Tax considerations	Assuming the distribution, together with certain related transactions, qualifies as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code, no gain or loss will be recognized by a stockholder, and no amount will be included in the income of a stockholder, upon the receipt of shares of our common stock pursuant to the distribution.
Certain agreements with NCR	Before our separation from NCR, Teradata will enter into a Separation and Distribution Agreement and several other agreements with NCR to effect the separation and distribution and provide a framework for our relationships with NCR. These agreements will govern the relationships between Teradata and NCR subsequent to the completion of the separation plan and provide for the allocation between us and NCR of NCR's assets, liabilities and obligations (including transition services, employee benefits, intellectual property and tax-related assets and liabilities) attributable to periods prior to our separation from NCR. For a discussion of these arrangements, see the section entitled "Certain Relationships and Related Party Transactions" included elsewhere in this information statement. Teradata and NCR will also enter into several commercial agreements which will provide for services and hardware to be provided to each other on an ongoing basis at market prices.

The Teradata Data Warehousing Business of NCR Corporation Selected Financial Data

In millions, except per share and employee amounts

	For the six months ended June 30		For the year ended December 31				
	2007 (1)	2006	2006	2005 (2)	2004 (3)	2003	2002
Revenue	$ 784	$ 719	$1,560	$1,467	$1,349	$1,203	$1,217
Income from operations	$ 148	$ 138	$ 312	$ 284	$ 199	$ 124	$ 96
Income tax expense	$ 62	$ 51	$ 114	$ 78	$ 61	$ 34	$ 39
Net income	$ 86	$ 87	$ 198	$ 206	$ 138	$ 90	$ 57
Pro forma net income per common share							
Basic	$ 0.48	$ 0.48	$ 1.10	$ 1.15	$ 0.77	$ 0.50	$ 0.32
Diluted	$ 0.47	$ 0.48	$ 1.09	$ 1.14	$ 0.76	$ 0.50	$ 0.31

	At June 30		At December 31				
	2007	2006	2006	2005	2004	2003	2002
Total assets	$ 993	$ 912	$1,009	$ 911	$ 871	$ 798	$ 777
Debt	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Parent company equity	$ 548	$ 523	$ 597	$ 517	$ 444	$ 424	$ 413
Cash dividends	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Number of employees	5,300	4,800	5,100	4,500	4,100	4,000	4,200

(1) Includes out of period income tax expense adjustment of $7 million relating to prior years. See Note 1 of Notes to Financial Statements.

(2) Includes income tax benefits totaling $33 million from the favorable settlement of tax audit issues relating to the tax years 1997-1999 and 2000-2002.

(3) Includes $14 million income tax benefit resulting from the favorable settlement of tax audit issues relating to the period when NCR was a subsidiary of AT&T Corp.

RISK FACTORS

You should carefully consider each of the following risk factors and all of the other information set forth in this information statement. The risk factors generally have been separated into three groups: (i) risks relating to our business, (ii) risks relating to the separation, and (iii) risks relating to our common stock. Based on the information currently known to us, we believe that the following information identifies the most significant risk factors affecting our company in each of these categories of risks. However, the risks and uncertainties our company faces are not limited to those set forth in the risk factors described below. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business.

In addition, past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results or trends in future periods.

If any of the following risks and uncertainties develops into actual events, these events could have a material adverse effect on our business, financial condition or results of operations. In such case, the trading price of our common stock could decline.

Risks Relating to Our Business

Economic Pressures—Our business is affected by the global economies in which we operate and the economic climate of the industries we serve.

The information technology ("IT") industry in which we operate is susceptible to significant changes in the strength of the economy and the economic health of companies who make capital commitments for new technologies. Accordingly, downturns in the global or regional economies in which we operate or certain economic sectors (such as the telecommunications or transportation industries) may adversely impact our business. For example, adverse changes to the economy could impact the timing of purchases by our current and potential customers or the ability of our customers to fulfill their obligations to us. Furthermore, decreased or more closely scrutinized capital spending in our customers' businesses, in the industries we serve, in the domestic economy or in international economies where our customers do substantial business, may adversely impact our business.

The extent of these impacts, if any, on our business, is dependent on a number of factors, including the duration and extent of any economic downturns, their effect on the markets and other general economic and business conditions.

Competition—The information technology industry is intensely competitive, and competitive pressures could adversely affect prices or demand for our products and services.

We operate in the intensely competitive information technology industry, which is characterized by rapidly changing technology, evolving industry standards, frequent new product introductions, and price and cost reductions. In general, as a participant in the data warehousing market, we face:

- changes in customer IT spending habits and other shifts in market demands, which drive competition;
- a trend toward consolidation of companies which could adversely affect our ability to compete, including if our key partners merge or partner with our competitors;
- continued pressure on price/performance for data warehousing solutions due to constant technology improvements in processor capacity and speed;
- changes in pricing, marketing and product strategies, such as aggressive price discounting by our competitors or other factors;

- rapid changes in computing technology and capabilities that challenge our ability to maintain differentiation at the lower range of data warehousing analytic functions; and
- changing competitive requirements and deliverables in developing and emerging markets.

To compete successfully in this environment, we must rapidly and continually design, develop and market solutions and related products and services that are valued in the marketplace. To do this, we must react on a timely basis to shifts in market demands. In addition, our market position depends on our ability to reduce costs without creating operating inefficiencies and to sustain competitive operating margins, while also maintaining the quality of our products and services.

Our primary competitors are IBM and Oracle, who are well-capitalized companies with widespread distribution, brand recognition and penetration of platforms and service offerings. The significant purchasing and market power of these larger competitors, which have greater financial resources than us, could allow them to surpass our market penetration and marketing efforts to promote and sell their products and services. In addition, many other companies participate in specific areas of our business, such as enterprise application analytic and business intelligence software. The status of our business relationships with these companies can influence our ability to compete in data warehousing opportunities in such areas. We also expect additional competition from both established and emerging companies which have recently become active at the entry-levels of the data warehousing market and which may increase their level of competitive activities. Failure to compete successfully with new or existing competitors in these and other areas could have a material adverse impact on our ability to generate new revenues or sustain existing revenue levels.

Data Warehousing Market—If the overall data warehousing market declines or does not grow, we may sell fewer products and services, and our business may not be able to sustain its current level of operations.

If the market trends toward more conservative IT spending, this could result in fewer customers making investments in our products and services. In the past, we have seen periodic breaks in the buying patterns from some of our larger customers, which indicate a level of maturation of their current data warehouse implementation or a shifting of IT priorities when these customers are still incorporating the investments they have made in their core data warehousing infrastructures during past years. In addition, reduced prices and improvements in data warehousing solutions are creating increased pressure on hardware and software revenues, as well as on customer services annuity revenue streams. If the growth rates for the data warehousing market decline for any reason, there could be a decrease in demand for our products and services, which would have a material adverse effect on our financial results.

Renewal Rates and Support Services Pricing Pressures— If our existing customers fail to renew their support agreements, or if customers do not license updated products on terms favorable to us, our revenues could be adversely affected.

We currently derive a significant portion of our overall revenues from customer support services, and we depend on our installed customer base for future revenue from customer services and licenses of updated products. The terms of our standard support service arrangements generally provide for the payment of license fees and prepayment of first-year support fees and are generally renewable on an annual basis. The IT industry generally has been experiencing increasing pricing pressure from customers when purchasing or renewing support agreements. Moreover, the trend towards consolidation in certain industries that we serve, such as telecommunications, could result in a reduction of the hardware and software being serviced and put pressure on our maintenance terms with customers who have merged. Given this environment, there can be no assurance that our current customers will renew their support agreements or agree to the same terms when they renew, which could result in our reducing or losing support fees, and therefore in reduced revenue.

If our existing customers fail to renew their support agreements, or if we are unable to generate additional support fees through the license of updated products to existing or new customers, our business and future operating results could be adversely affected.

Operating Result Fluctuations—Our financial results are subject to fluctuations caused by many factors that could result in our failing to achieve anticipated financial results.

Our quarterly and annual financial results have varied in the past and are likely to continue to vary in the future due to a number of factors, many of which are beyond our control. In particular, if orders that we expect to be booked by the end of a quarter are not booked until a later date, our net income for that quarter could be substantially below expectations, especially given the large size of our transactions. These and any one or more of the factors listed below or other factors could cause us not to achieve our revenue or profitability expectations. The resulting failure to meet market expectations could cause a drop in our stock price. These factors include the risks discussed elsewhere in this section and the following:

- Changes in demand for our products and services, including changes in growth rates in the data warehousing market;
- The size, timing and contractual terms of large orders for our products and services, which may impact in particular our quarterly operating results;
- Possible delays in or inability to recognize revenue as the result of revenue recognition rules;
- The budgeting cycles of our customers and potential customers;
- Any downturn in our customers' businesses, in the domestic economy or in international economies where our customers do substantial business;
- Changes in pricing policies resulting from competitive pressures, such as aggressive price discounting by our competitors, or other factors;
- Our ability to develop and introduce on a timely basis new or enhanced versions of our products and services;
- Unexpected needs for capital expenditures or other unanticipated expenses;
- Changes in the mix of revenues attributable to domestic and international sales;
- Seasonal fluctuations in buying patterns; and
- Future acquisitions and divestitures of technologies, products and businesses.

Due to resulting fluctuations, we believe that quarter-to-quarter comparisons of our revenue and operating results may not be meaningful, and that these comparisons may not be an accurate indicator of our future performance.

Unanticipated delays or accelerations in our sales cycles make accurate estimation of our revenues difficult and could result in significant fluctuations in our quarterly operating results.

The size and timing of large orders for our products and services varies considerably, which can impact results from quarter to quarter. The process we use to forecast sales and trends in our business relies heavily on estimates of closure on a transaction-specific basis. It is very difficult to predict sales in a particular quarter or over a longer period of time. Unanticipated delays or accelerations in our sales cycles make accurate estimation of our revenues difficult and could result in significant fluctuations in our quarterly operating results.

The length of our sales cycle varies depending on a number of factors over which we may have little or no control, including the size and complexity of a potential transaction, the level of competition that we encounter in our selling activities and our current and potential customers' internal budgeting and approval process. As a result of a generally long sales cycle, we may expend significant effort over a long period of time in an attempt to obtain an order, but ultimately not complete the sale, or the order ultimately received may be smaller than anticipated. Our revenue from different customers varies from quarter to quarter, and a customer with a large order in one quarter may generate significantly lower revenue in subsequent quarters. Our results in any particular quarter have generally been dependent on the ability to generate large orders for that quarter from a relatively small number of customers.

In addition, the budgeting and IT capital spending cycles of our customers and potential customers make forecasting more difficult and may adversely affect our ability to accurately predict financial results. Spending may be particularly heavy in our fourth quarter because of large enterprise customers placing orders before the expiration of IT budgets tied to that calendar year.

Our operating expenses are based on projected annual and quarterly revenue levels and are generally incurred ratably throughout each quarter. Since our operating expenses are relatively fixed in the short term, failure to realize projected revenues for a specified period could adversely impact our operating results, reducing net income or causing an operating loss for that period. The deferral or non-occurrence of such sales revenues would materially adversely affect our operating results for that quarter and could impair our business in future periods.

Seasonal trends in sales of our products and services could adversely affect our quarterly operating results.

In general, we see fluctuations in buying patterns with lower revenue in the first quarter and higher revenue in the fourth quarter of each year. Such seasonality also causes our working capital cash flow requirements to vary from quarter to quarter depending on the variability in the volume, timing and mix of product sales. In addition, revenue in the third month of each quarter is typically higher than in the first and second months, which further impacts our ability to predict financial results accurately and enhances the enterprise risks inherent in our business. These and other factors make forecasting more difficult and may adversely affect our ability to predict financial results accurately **.**

Revenue Mix Variability—Our revenue is variable depending on the mix of products and services in any given period, and changes in the mix of products and services that we sell could materially adversely affect our operating results.

Our business model is based on our anticipated mix of products and services and the corresponding profit margins for such products and services. Unanticipated shifts in such mix could adversely impact our results of operations and require changes to our business model. Professional consulting services margins are generally lower than the other elements of our data warehousing solutions. In addition, when we use third parties to supplement the services we provide to customers, we generally have lower margin rates. As a result, increases in professional consulting services revenues as a percentage of our total revenues may decrease overall margins, which could materially adversely affect our operating results.

We also realize different margins on the storage components we sell with our solutions, and the mix of such hardware varies from quarter to quarter depending on customer requirements. In addition, changes in the price and performance of our data warehousing hardware could negatively impact maintenance, support and subscription service revenues.

Complexity of Our Solutions—The solutions we sell are very complex, and we need to rapidly and successfully develop and introduce new solutions in a competitive, demanding and rapidly changing environment.

To succeed in the intensely competitive information technology industry, we must continually improve and refresh our product and service offerings to include newer features, functionality or solutions. Shortened product life cycles due to customer demands and competitive pressures impact the pace at which we must introduce and implement new technology. This requires a high level of innovation by both our software developers and the suppliers of the third-party software components included in our systems. In addition, bringing new solutions to the market entails a costly and lengthy process, and requires us to accurately anticipate customer needs and technology trends. We must continue to respond to market demands, develop leading technologies and maintain leadership in EDW database performance and scalability, or our business operations may be adversely affected.

We must also anticipate and respond to customer demands regarding the compatibility of our current and prior offerings. These demands could hinder the pace of introducing and implementing new technology. Our

future results may be affected if our products cannot effectively interface and perform well with software products of other companies and with our customers' existing information technology infrastructures, or if we are unsuccessful in our efforts to enter into agreements allowing integration of third-party technology with the Teradata database platform. Our efforts to develop the interoperability of our products may require significant investments of capital and employee resources. In addition, many of our principal products are used with products offered by third parties and, in the future, some vendors of non-Teradata products may become less willing to provide us with access to their products, technical information and marketing and sales support.

As a result of these and other factors, our ability to introduce new or improved solutions could be adversely impacted. There can be no assurance that our innovations will be profitable, and if we cannot successfully market and sell both existing and newly developed solutions, our business and operating results could be impacted. If we were to lose our significant technology advantage, our market share and growth could be adversely affected. In addition, if we are unable to deliver products, features, and functionality as projected, we may be unable to meet our commitments to customers, which could have an adverse affect on our reputation and business.

Risks of New Products—When we develop new products with higher capacity and more advanced technology, the increased difficulty and complexity associated with producing these products increases the likelihood of reliability, quality or operability problems.

Despite rigorous testing prior to their release and superior quality processes, our software and hardware products may contain errors or security flaws, which may be found after the products are introduced and shipped. This risk is enhanced when products are first introduced or when new versions are released, as well as when we develop products with more advanced technology, since the increased difficulty and complexity associated with producing these products increases the likelihood of reliability, quality or operability problems. The correction and detection of errors may cause delays, lost revenues and incremental costs. Errors in our software products could also affect the ability of our products to work with other hardware or software products, could delay the development or release of new products or new versions of products, and could adversely affect market acceptance of our products. While we attempt to remedy errors that we believe would be considered critical by our customers prior to shipment, we may not be able to detect or remedy all such errors.

Our customers who rely on our solutions for business-critical applications are more sensitive to product errors, which could expose us to product liability, performance and warranty claims, as well as harm our reputation. These and other risks associated with new product and service offerings may have a material adverse impact on our results of operations and future performance.

Product introductions and certain enhancements of existing products by us in the future periods may also reduce demand for our existing products or could delay purchases by customers awaiting arrival of our new products. As new or enhanced products are introduced, we must successfully manage the transition from older products.

In the ordinary course of business, we continually evaluate opportunities for new product and service offerings, new markets and new geographic sectors, and development of such opportunities could entail certain business risks which could affect our financial condition.

Security Lapses—The confidentiality of information we hold or the security of our computer systems could be jeopardized.

We operate pursuant to a business-to-business model, and therefore we normally do not handle large volumes of personally identifiable information for our customers—such as employee data, customer data, data that our customers collect from their customers, and information regulated by the Health Insurance Portability and Accountability Act of 1996. However, some of our services require us to have access to such highly confidential information. If unauthorized access to or use of such information occurs, despite our data security measures to protect it, our results of operation and reputation could be adversely impacted.

Reliance on Third Parties—Our future results depend in part on our relationships with key suppliers, strategic partners and other third parties.

Our development, marketing and distribution strategies depend in part on our ability to form strategic alliances with third parties that have complementary products, software, services and skills. Our strategic partners include consultants and system integrators, software and technology providers, and indirect channel distributors in certain countries. These relationships create risks beyond our control of our partners changing their business focus, entering into strategic alliance with other companies, being acquired by our competitors, failing to meet performance criteria or improperly using our confidential information. If we fail to maintain or expand our relationships with strategic partners, our business may be materially adversely affected.

Third-party vendors provide important elements to our solutions; if we do not maintain our relationships with these vendors, interruptions in the supply of our products may result. There are some components of our solutions that we purchase from single sources due to price, quality, technology or other reasons. For example, we have relied on Solectron as a key single source contract manufacturer for our hardware systems for the last several years. In addition, we depend on Accenture for transaction processing services, silicon computer chips and microprocessors from Intel Corporation, and storage disk systems from EMC Corporation and LSI Corporation. Some components supplied by third parties may be critical to our solutions, and several of our suppliers may terminate their agreements with us without cause with 180 days notice. If we were unable to purchase necessary services, parts, components or products from a particular vendor and had to find an alternative supplier, our shipments and deliveries could be delayed, and our operations could be adversely impacted.

In addition, smaller suppliers have operating risks that could impact our business. These risks could create product time delays, inventory and invoicing problems, staging delays, and other operational difficulties. We could also be impacted by their inability to provide high-quality products or services that conform to required specifications or contractual arrangements, which could negatively impact our business and operating results.

Reliance on the Intellectual Property of Third Parties—The loss of our rights to use software licensed to us by third parties could harm our business.

We have an active partner program that offers rights to sublicense third party software as part of a complete suite of solutions for our customers. This offering, as well as our reliance on third party software and licenses in our operating system software and business, creates risks that are not present when developing software in-house. For example, the viability, reliability and quality of such partners' businesses, as well as their ability to fulfill their obligations to us, are factors that come into play and could adversely affect our financial condition. Our operations could also be impacted if we are forced to seek alternative technology, or technology for new solutions, that may not be available on commercially reasonable terms. Also, many of our offerings are complemented by technologies developed by others, and if we are unable to continue to obtain licenses for such technologies, our business would be impacted.

Intellectual Property—If we are unable to develop, preserve and protect our intellectual property assets, our operating results may be adversely affected.

As a technology company, our intellectual property portfolio is crucial to our continuing ability to be a leading EDW solutions provider. We strive to protect and enhance our proprietary intellectual property rights through patent, copyright, trademark and trade secret laws, as well as through technological safeguards. These efforts include protection of the products and application, diagnostic and other software we develop.

To the extent we are not successful, our business could be materially adversely impacted. We may be unable to prevent third parties from using our technology without our authorization or independently developing technology that is similar to ours, particularly in those countries where the laws do not protect our proprietary rights as fully as in the United States. With respect to our pending patent applications, we may not be successful

in securing patents for these claims, and our competitors may already have applied for patents that, once issued, will prevail over our patent rights or otherwise limit our ability to sell our products.

While we take steps to provide for confidentiality obligations of employees and third parties with whom we do business (including customers, suppliers and strategic partners), there is a risk that such parties will breach such obligations and jeopardize our intellectual property rights. Many customers have outsourced the administration and management of their data warehouses to third parties, including some of our competitors, who then have access to our confidential information. Although we have agreements in place to mitigate this risk, there can be no assurance that such protections will be sufficient. In addition, our ability to capture and re-use field-based developed intellectual property is important to future business opportunities and margins.

We are actively engaged in efforts to protect the value of our intellectual property and to prevent others from infringing our intellectual property rights. However, due to the complex and technical nature of such efforts and the potentially high stakes involved, such enforcement activity can be expensive and time consuming, and there can be no assurance that we will be successful in these efforts.

Research and Development—We make significant investments in research and development and cannot assure you that these investments will be profitable.

As part of our business strategy, we must continue to dedicate a significant amount of resources to our research and development efforts in order to maintain our competitive position. However, we do not expect to receive significant revenues from these investments for several years, if at all. Research and development expenses represent a significant portion of our fixed costs. We believe these new technologies could significantly improve our products and services over the long-term. However, if we have invested too much in these or other technologies, our results of operations could be adversely affected. In addition, as we replace our existing assets with new, higher cost assets, we expect that our depreciation expense will increase, which will contribute to our high level of fixed costs and reduce our earnings.

Intellectual Property Infringement Claims by Third Parties—Claims by others that we infringe their intellectual property rights could harm our business and financial condition.

We have seen a trend towards aggressive enforcement of intellectual property rights as the functionality of products in our industry increasingly overlaps and the volume of issued software patents continues to grow. As a result, there is a risk that we could be subject to infringement claims which, regardless of their validity, could:

- be expensive, time consuming and divert management attention away from normal business operations;
- require us to pay monetary damages or enter into non-standard royalty and licensing agreements;
- require us to modify our product sales and development plans; or
- require us to satisfy indemnification obligations to our customers.

Regardless of whether these claims have any merit, they can be burdensome to defend or settle and can harm our business and reputation.

Dependence on Key Employees—We depend on key employees and face competition in hiring and retaining qualified employees.

Our employees are critical to our success. Our future success depends on our ability to attract and retain the services of senior management and key personnel in all functional areas of our company, including engineering and development, marketing and sales professionals, and consultants. Competition for highly skilled personnel in the IT industry is intense. No assurance can be made that key personnel will remain with us, and it may be difficult and costly to replace such employees. There also can be no assurance that we will be successful in our

initiative to grow our direct sales and consulting work forces. These risks are enhanced by the transitional efforts in connection with the spin-off that may adversely impact our workforce. Our failure to hire, retain and replace our key personnel could have a material adverse impact on our business operations.

Internal Controls—Inadequate internal controls and accounting practices could lead to errors, which could adversely impact our financial condition or results of operations.

We have internal controls and management oversight systems in place, however, we may not be able to prevent or detect misstatements in our reported financial statements due to system errors, the potential for human error and unauthorized actions of employees or contractors, inadequacy of controls, temporary lapses in controls due to shortfalls in transition planning and oversight or resource contracts, and other factors. In addition, due to their inherent limitations, such controls may not prevent or detect misstatements in our reported financial results as required under SEC and NYSE rules, which could increase our operating costs or impair our ability to operate our business. Controls may also become inadequate due to changes in circumstances, and it is necessary to replace, upgrade or modify our internal information systems from time to time. If we are unable to implement these changes in a timely and cost-effective manner, our ability to capture and process financial transactions and support our customers as required may be adversely impacted and could harm our operating results.

In addition, despite transition planning and management oversight, our transition from operating as a division of NCR to operating as a standalone company, as well as the outsourcing of certain transaction processing functions to Accenture, create certain risks of operational delays and difficulties.

Damage to Our Information Systems—Our information systems, computer equipment and information databases are critical to our business operations, and any damage or disruptions could adversely affect our operations.

Our operations are dependent on our ability to protect our computer equipment and the information stored in our databases from damage by, among other things, earthquake, fire, natural disaster, power loss, telecommunications failures, unauthorized intrusions and other catastrophic events. A significant part of our operations is based in an area of California that has experienced power outages and earthquakes and is considered seismically active. Despite our best efforts at planning for such contingencies, catastrophic events of this nature may still result in system failures and other interruptions in our operations, which could have a material adverse effect on our business and financial condition.

In addition, it is periodically necessary to replace, upgrade or modify our internal information systems. If we are unable to do this in a timely and cost-effective manner, especially in light of demands on our information technology resources, our ability to capture and process financial transactions and therefore our financial condition or results of operations may be adversely impacted.

Acquisitions and Alliances—Our ability to successfully integrate acquisitions and effectively manage acquisition and alliance activities may be an important element of future growth.

From time to time, we may make investments in companies, products, service capabilities and technologies through acquisitions, equity investments, joint ventures or strategic alliances. Such transactions entail various risks, including risks associated with:

- assimilating and integrating different business operations, corporate cultures, personnel, infrastructures and technologies or products acquired or licensed;
- the potential for unknown liabilities and quality issues within the acquired or combined business;
- disruptions of our ongoing business or inability to successfully incorporate acquired products, services or technologies into our solutions and maintain quality;
- failure to achieve the projected synergies after integration of acquired companies; and
- additional costs not anticipated at the time of acquisition.

Our operating results may fluctuate as a result of acquisitions and other strategic growth transactions, and there is a risk that our financial results may be materially adversely affected.

Legal Contingencies and Regulatory Matters—Like other technology companies, we face uncertainties with regard to lawsuits, regulations and other related matters.

In the normal course of business, we are subject to proceedings, lawsuits, claims and other matters, including those that relate to the environment, health and safety, employee benefits, export compliance, intellectual property, tax matters, and other regulatory compliance and general matters. See Note 10 and Note 13 in Notes to Financial Statements included herein. Because such matters are subject to many uncertainties, their outcomes are not predictable. While we believe that amounts provided in our consolidated financial statements are currently adequate in light of the probable and estimable liabilities, there can be no assurances that the amounts required to satisfy alleged liabilities from such matters will not impact future operating results.

In addition, we are subject to diverse and complex laws and regulations, including those relating to corporate governance, public disclosure and reporting—which are rapidly changing and subject to many possible changes in the future. Laws and regulations impacting our customers, such as those relating to privacy and data protection, could also impact our future business.

There is an increased focus by the SEC on Foreign Corrupt Practices Act ("FCPA") enforcement activities. Given the breadth and scope of our international operations, we may not be able to detect improper or unlawful conduct by our international partners and employees, despite our high ethics, governance and compliance standards, which could put Teradata at risk regarding possible violations of laws, including the FCPA.

Considerable management time and resources will be spent to understand and comply with changing laws, regulations and standards relating to corporate governance, public disclosure (including the Sarbanes-Oxley Act of 2002), SEC regulations, Basel II and the rules of the NYSE where our shares are expected to be listed. Although we do not believe that recent regulatory and legal initiatives will result in significant changes to our internal practices or our operations, rapid changes in accounting standards, taxation requirements, and federal securities laws and regulations, among others, may substantially increase costs to our organization and could have an impact on our future operating results.

Environmental Liabilities—Our business operations and our predecessor's historical and ongoing manufacturing activities may subject us to environmental exposures, which could adversely impact our operations and financial results.

Our facilities and operations, and certain former operations for which we assumed liabilities, are subject to a wide range of environmental protection laws. For example, as a result of the Restriction of Hazardous Substances Directive (RoHS) and Directive 2002/96/EC on Waste Electrical and Electronic Equipment, our product distribution, logistics and waste management costs may increase and may adversely impact our financial condition. We expect from time to time to incur costs in connection with compliance with these matters. Given the uncertainties inherent in such activities, there can be no assurances that the costs required to comply with applicable environmental laws will not adversely impact future operating results.

NCR has been identified as a potentially responsible party in connection with certain environmental matters, including the Fox River matter, as further described in NCR's Annual Report on Form 10-K for the year ended December 31, 2006, at "Environmental Matters" under Note 11 of Notes to Consolidated Financial Statements, "Commitments and Contingencies," and in the "Critical Accounting Policies and Estimates" section of NCR's "Management Discussion and Analysis," and we incorporate such disclosures by reference and make them a part of this risk factor. As described in more detail in such disclosures, NCR maintains an accrual for potential liability relating to the Fox River matter that represents certain critical estimates and judgments made by NCR regarding potential liability; however, both the ultimate costs associated with the Fox River matter and NCR's

share of those costs are subject to a wide range of potential outcomes. We believe that Teradata should not be contingently liable for the Fox River matter under applicable law, whether as a successor or otherwise. However, in the event that a party were to assert that we are liable, NCR is obligated under the Separation and Distribution Agreement to indemnify Teradata with respect thereto. See the section entitled "Certain Relationships and Related Party Transactions—Agreements with NCR—Separation and Distribution Agreement" included elsewhere in this information statement.

Other Factors—There are a number of other factors that could cause our operating results to fluctuate and could have a material adverse impact on our financial condition.

Our revenue and operating results could fluctuate for a number of reasons, including:

- ***Foreign Currency Fluctuations:*** Our revenue and operating income are subject to variability due to the effects of foreign currency fluctuations against the U.S. Dollar. We have exposure to approximately 30 functional currencies, and our primary exposure is from fluctuations in the Euro, Japanese Yen and British Pound. A significant portion of our revenue and operating income is generated outside the United States, and therefore our financial results may fluctuate due to the effects of such foreign currency fluctuations, which are difficult to predict.
- ***Contractual Obligations of Consulting Services:*** We maintain a professional services consulting workforce to fulfill contracts that we enter into with our customers that may extend to multiple periods. Our profitability is largely a function of performing to customer contractual arrangements within the estimated costs to perform these obligations. If we exceed these estimated costs, our profitability related to these contracts may be negatively impacted. In addition, if we are unable to maintain appropriate utilization rates for our consultants, we may not be able to sustain profitability on these contracts.
- ***Pension Funds:*** As of January 1, 2007, NCR's U.S. defined benefit plans ceased to accrue additional benefits due to amendments to such plans made in 2006. Consistent with this approach, we will not offer pension benefits to employees in the United States after the spin-off. However, consistent with local competitive practice and regulations, we will sponsor pension plans in many of the countries where we do business. A number of these pension plans are supported by pension fund investments that are subject to some financial market risk. The costs of these plans are reported in our financial statements in accordance with Statement of Financial Accounting Standards No. 87 ("SFAS 87"), *Employer's Accounting for Pensions* . These costs were determined on a specific employee basis as if Teradata participated in NCR's pension plans as a participant in a multiemployer plan. In conforming to the requirements of SFAS 87, we are required to make a number of actuarial assumptions for each plan, including expected long-term return on plan assets and discount rate. We do not expect that our future financial results will be materially impacted by these assumptions; however, many countries around the world are in the process of updating their laws and regulations regarding pension funding. These initiatives could require us to make larger contributions to our pension plans in future years.
- ***Stock Option Accounting:*** Similar to other companies, we use stock awards as a form of compensation for certain employees. As part of NCR, the company adopted Statement of Financial Accounting Standards No. 123R (SFAS 123R), *Share-Based Payment,* beginning January 1, 2006. SFAS 123R requires all stock-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values. The amount recognized for stock compensation expense could vary depending on a number of assumptions or changes. For example, assumptions such as the risk-free rate, expected holding period and expected volatility that drive our valuation model could change. Other examples that could have an impact include changes in the mix and type of awards, changes in our compensation plans or tax rate, changes in our forfeiture rate, differences in actual results compared to management's estimates for performance-based awards or an unusually high amount of expirations of stock options.
- ***Research and Development Accounting:*** Statement of Financial Accounting Standard No. 86 ("SFAS 86"), *Accounting for Costs of Computer Software to be Sold, Leased or Otherwise Marketed,*

establishes the financial accounting for software development costs that are incurred during the product development cycle. This standard applies to development costs incurred on projects that are intended to result in marketable software products or software used as part of a marketable product or process. The standard specifies that software development costs should be classified as a research and development expense until the intended product or process has achieved technological feasibility. Costs incurred after a product has achieved technological feasibility, but before product release, should be capitalized. The timing of when various research and development projects become technologically feasible or ready for release can cause fluctuation in the amount of engineering costs that are expensed or capitalized in any given period, thus impacting our reported profitability for that period.

- ***Changes in Accounting Standards:*** We prepare our financial statements in accordance with U.S. generally accepted accounting principles ("GAAP"). These accounting principles require us to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of our financial statements. We are also required to make certain judgments that affect the reported amounts of revenues and expenses during each reporting period. We periodically evaluate our estimates and assumptions including those relating to revenue recognition, impairment of goodwill and tangible assets, the allowance for doubtful accounts, capitalized software, restructuring, income taxes, stock-based compensation and contingencies and litigation. We base our estimates on historical experience and various assumptions that we believe to be reasonable based on specific circumstances. Actual results could differ from these estimates, and changes in accounting standards could increase costs to our organization and could have an impact on our future operating results. For example, we recognize revenue for software and software related elements of our solutions in accordance with AICPA Statement of Position 97-2, *Software Revenue Recognition* and related interpretations. The AICPA and its Software Revenue Recognition Task Force continue to issue interpretations and guidance for applying accounting standards to a wide range of sales contract terms and business arrangements that are prevalent in software licensing arrangements. Future interpretations of these and other accounting standards or changes in our business practices could result in delays in our recognition of revenue that may have a material adverse effect on our operating results.
- ***Income Taxes:*** We account for income taxes in accordance with Statement of Financial Accounting Standards No. 109 ("SFAS 109"), *Accounting for Income Taxes* , which recognizes deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities. We regularly review our deferred tax assets for recoverability and establish a valuation allowance if it is more likely than not that some portion or all of a deferred tax asset will not be realized. If we are unable to generate sufficient future taxable income, if there is a material change in the actual effective tax rates or the time period within which the underlying temporary differences become taxable or deductible, or if the tax laws change unfavorably, then we could be required to increase our valuation allowance against our deferred tax assets, resulting in an increase in our effective tax rate.

International Operations—Generating substantial revenues from our multinational operations helps us to meet our strategic goals, but poses a number of risks.

In 2006, the percentage of our total revenues from outside of the United States was 45%. We believe that our geographic diversity may help to mitigate some risks associated with geographic concentrations of operations (e.g., adverse changes in foreign currency exchange rates and deteriorating economic environments or business disruptions due to economic or political uncertainties). However, our ability to sell our solutions domestically and internationally is subject to the following risks, among others:

- General economic and political conditions in each country that could adversely affect demand for our solutions in these markets;
- Currency exchange rate fluctuations that could result in lower demand for our products as well as generate currency translation losses;

- The impact of civil unrest relating to war and terrorist activity on the economy or markets in general, or on our ability, or that of our suppliers, to meet commitments;
- Changes to and compliance with a variety of local laws and regulations that may increase our cost of doing business in these markets or otherwise prevent us from effectively competing in these markets;
- Cultural and management challenges with managing new and growing professional services consulting and engineering functions overseas in such countries as Pakistan, India and China;
- Difficulties in staffing and managing our foreign offices and the increased travel, infrastructure and legal and compliance costs associated with multiple international locations;
- Longer payment cycles for sales in foreign countries and difficulties in enforcing contracts and collecting accounts receivable;
- Additional withholding taxes or other taxes on our foreign income, and tariffs or other restrictions on foreign trade or investment;
- Difficulties in repatriating overseas earnings;
- Costs and delays associated with developing products in multiple languages; and
- Changing competitive requirements and deliverables in developing and emerging markets.

Our products are subject to U.S. export controls and, when exported from the United States, or re-exported to another country, must be authorized under applicable U.S. export regulations. Changes in our products or changes in export regulations may create delays in the introduction of our products in international markets, prevent our customers with international operations from deploying our products throughout their global systems or, in some cases, prevent the export of our products to certain countries or customers altogether. Any change in export regulations or related legislation, shift in approach to the enforcement or scope of existing regulations, or change in the countries, persons or technologies targeted by these regulations could result in decreased use of our products by, or in our decreased ability to export or sell our products to, existing or potential customers with international operations.

Open Source Software—The growing market acceptance of open source software presents benefits and challenges for our industry.

We have developed a version of the Teradata database software to operate on the LINUX open source platform and have incorporated other types of open source software into our products, allowing us to enhance certain solutions without incurring substantial additional research and development costs and expand our solution offerings. “Open source” software is made widely available by its authors and is licensed for a nominal fee or, in some cases, at no charge. For example, LINUX is a free UNIX-type operating system, and the source code for LINUX is freely available. While we believe our contractual obligations are limited with respect to such software, no assurances can be given that unanticipated problems arising from our use of open source software will not arise in the future.

Open source licenses typically mandate that proprietary software, when combined in specific ways with open source software, become subject to the open source license. We take steps to ensure that our proprietary software is not combined with, or does not incorporate, open source software in ways that would require our proprietary software to be subject to an open source license. However, few courts have interpreted the open source licenses, and the manner in which these licenses may be interpreted and enforced is therefore subject to uncertainty.

Risks Relating to the Separation

We may be unable to achieve some or all of the benefits that we expect to achieve from our separation from NCR.

As a stand-alone, independent public company, we believe that our business will benefit from, among other things, allowing our management to design and implement corporate policies and strategies that are based primarily on the characteristics of our business, allowing us to focus our financial resources wholly on our own operations and implement and maintain a capital structure designed to meet our own specific needs. However, by separating from NCR there is a risk that our company may be more susceptible to market fluctuations and other adverse events than we would have been were we still a part of the current NCR. As part of NCR we were able to enjoy certain benefits from NCR's operating diversity, purchasing and borrowing leverage, and available capital for investments. We may not be able to achieve some or all of the benefits that we expect to achieve as a stand-alone, independent company.

We have no operating history as a separate public company, and our historical and pro forma financial information is not necessarily representative of the results we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.

The historical and pro forma financial information included in this information statement does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate publicly traded company during the periods presented or those that we will achieve in the future, primarily as a result of the following factors:

- Prior to our separation, our business was operated by NCR as part of its broader corporate organization, rather than as an independent company. NCR or one of its affiliates performed various corporate functions for us, including, but not limited to, tax administration, cash management, accounting, information services, human resources, ethics and compliance program, real estate management, investor and public relations, certain governance functions (including compliance with the Sarbanes-Oxley Act of 2002 and internal audit) and external reporting. Our historical financial results reflect allocations of corporate expenses from NCR for these and similar functions. These allocations may be less than the comparable expenses we would have incurred had we operated as a separate, publicly traded company.
- Currently, our business is integrated with the other businesses of NCR. Historically, we have shared economies of scope and scale in costs, employees, vendor relationships and customer relationships. While we expect to enter into short-term transition agreements that will govern certain commercial and other relationships between us and NCR after the separation, those temporary arrangements may not capture the benefits our businesses have enjoyed as a result of being integrated with the other businesses of NCR. The loss of these benefits could have an adverse effect on our business, results of operations and financial condition following the completion of the separation.
- Generally, our working capital requirements and capital for our general corporate purposes, including acquisitions and capital expenditures, have historically been satisfied as part of the corporate-wide cash management policies of NCR. Cash generated by Teradata prior to the separation from NCR will be managed and retained by NCR. Immediately prior to the separation, NCR will transfer $200 million in cash to Teradata and, following completion of the separation, NCR will not be providing us with funds to finance our working capital or other cash requirements. Without the opportunity to obtain financing from NCR, we may need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements, and the terms of those offerings may not be as favorable as those we could have obtained when we were part of NCR.
- Other significant changes may occur in our cost structure, management, financing and business operations as a result of our operating as a company separate from NCR.

We may be unable to make, on a timely or cost-effective basis, the changes necessary to operate as an independent company, and we may experience increased costs after the separation or as a result of the separation.

Following the completion of our separation, NCR will be contractually obligated to provide to us only those transition services specified in the Interim Services and Systems Replication Agreement and the other agreements we enter into with NCR in preparation for the separation. The expiration date of the Interim Services and Systems Replication Agreement varies by service provided and is generally 18 months from the date of our separation, subject to extension in some cases for up to six additional months. We may be unable to replace in a timely manner or on comparable terms the services or other benefits that NCR previously provided to us that are not specified in the Interim Services and Systems Replication Agreement or the other agreements. Also, upon the expiration of the Interim Services and Systems Replication Agreement or other agreements, many of the services that are covered in such agreements will be provided internally or by unaffiliated third parties, and we expect that, in some instances, we will incur higher costs to obtain such services than we incurred under the terms of such agreements. In addition, if NCR does not perform effectively the transition services and the other services that are called for under the Interim Services and Systems Replication Agreement and other agreements, we may not be able to operate our business effectively and our profitability may decline. Furthermore, after the expiration of the Interim Services and Systems Replication Agreement and the other agreements, we may be unable to replace in a timely manner or on comparable terms the services specified in such agreements.

Similarly, we currently purchase a wide variety of products and services, including software licenses, from third parties jointly with NCR. We expect to experience some increased costs after the separation as a result of our inability to continue to purchase products and services on terms that are as favorable to us as those obtained under these joint purchasing arrangements. Although we cannot predict the extent of any such increased costs, it is possible that it could have a material adverse impact on our business and results of operations.

We may have been able to receive better terms from unaffiliated third parties than the terms provided in our agreements with NCR.

The agreements related to our separation from NCR, including the Separation and Distribution Agreement, Tax Sharing Agreement, Interim Services and Systems Replication Agreement and other agreements, were negotiated in the context of our separation from NCR while we were still part of NCR and, accordingly, may not reflect terms that would have been reached between unaffiliated parties. The terms of the agreements we negotiated in the context of our separation related to, among other things, allocation of assets, liabilities, rights, indemnifications and other obligations between NCR and us. Had these agreements been negotiated with unaffiliated third parties, they might have been more favorable to us. For more information, see the section entitled “Certain Relationships and Related Party Transactions” included elsewhere in this information statement.

If the distribution, together with certain related transactions, were to fail to qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code, then our stockholders, we and/or NCR might be subject to significant tax liability.

NCR received a private letter ruling from the IRS substantially to the effect that the distribution, together with certain related transactions, will qualify for tax-free treatment under Sections 355 and 368(a)(1)(D) of the Code. In addition, NCR intends to obtain an opinion from Wachtell, Lipton, Rosen & Katz substantially to the effect that the distribution, together with certain related transactions, will so qualify. Although NCR’s Board of Directors may waive the conditions of receiving both the ruling and the opinion, NCR has advised us that it does not intend to complete the distribution if it has not obtained an opinion from Wachtell, Lipton, Rosen & Katz substantially to the effect that the distribution, together with certain related transactions, will qualify for tax-free treatment under Sections 355 and 368(a)(1)(D) of the Code. The IRS private letter ruling relies, and the opinion will rely, on certain representations, assumptions and undertakings, including those relating to the past and future conduct of our business, and neither the IRS private letter ruling nor the opinion would be valid if such representations, assumptions and undertakings were incorrect. Moreover, the IRS private letter ruling does not

address all the issues that are relevant to determining whether the distribution will qualify for tax-free treatment. Notwithstanding the IRS private letter ruling and opinion, the IRS could determine that the distribution should be treated as a taxable transaction if it determines that any of the representations, assumptions or undertakings that were included in the request for the private letter ruling is false or has been violated or if it disagrees with the conclusions in the tax opinion that are not covered by the IRS ruling. For more information regarding the tax opinion and the private letter ruling, see the section entitled "The Separation—Certain U.S. Federal Income Tax Consequences of the Distribution" included elsewhere in this information statement.

If the distribution fails to qualify for tax-free treatment, NCR would be subject to tax as if it had sold the common stock of our company in a taxable sale for its fair market value, and our initial public stockholders would be subject to tax as if they had received a taxable distribution equal to the fair market value of our common stock that was distributed to them. Under the Tax Sharing Agreement between NCR and us, we would generally be required to indemnify NCR against any tax resulting from the distribution to the extent that such tax resulted from (i) an acquisition of all or a portion of our stock or assets, whether by merger or otherwise, (ii) other actions or failures to act by us or (iii) any of our representations or undertakings being incorrect or violated. For a more detailed discussion, see the section entitled "Certain Relationships and Related Party Transactions—Agreements with NCR—Tax Sharing Agreement" included elsewhere in this information statement. Our indemnification obligations to NCR and its subsidiaries, officers and directors are not limited by any maximum amount. If we are required to indemnify NCR or such other persons under the circumstances set forth in the Tax Sharing Agreement, we may be subject to substantial liabilities.

Teradata and NCR might not be able to engage in desirable strategic transactions and equity issuances following the distribution.

To preserve the tax-free treatment to NCR of the distribution, under the Tax Sharing Agreement that we will enter into with NCR, for the two year period following the distribution, we are subject to restrictions with respect to:

- entering into any transaction pursuant to which all or a portion of our stock would be acquired, whether by merger or otherwise, unless certain tests are met;
- issuing equity securities beyond certain thresholds;
- repurchasing Teradata common stock;
- ceasing to actively conduct the Teradata business; and
- taking or failing to take any other action that prevents the spin-off and related transactions from being tax-free.

These restrictions may limit our ability to pursue strategic transactions or engage in new business or other transactions that may maximize the value of our business. For more information, see the sections entitled "The Separation—Certain U.S. Federal Income Tax Consequences of the Distribution" and "Certain Relationships and Related Party Transactions—Agreements with NCR—Tax Sharing Agreement" included elsewhere in this information statement.

As a general matter, we are a holding company with no substantial independent operations, and therefore we rely on dividends, interest and other payments, advances and transfers of funds from our subsidiaries to meet our debt service and other obligations.

Following the spin-off, we will be a holding company and will conduct substantially all of our operations through our subsidiaries. As a result, we will rely on dividends, loans and other payments or distributions from our subsidiaries to meet our debt service obligations and enable us to pay interest and dividends, if any. The ability of our subsidiaries to pay dividends and make other payments or distributions to us will depend

substantially on their respective operating results and will be subject to restrictions under, among other things, the laws of their jurisdiction of organization (which may limit the amount of funds available for the payment of dividends), agreements of those subsidiaries, the terms of our financing arrangements and the terms of any future financing arrangements of our subsidiaries.

Several contracts will need to be assigned from NCR or its affiliates to us in connection with our separation from NCR, and many of these contracts require the consent of the counterparty to such an assignment.

The Separation and Distribution Agreement will provide that in connection with our separation from NCR, several contracts with customers, suppliers, landlords and other third parties are to be assigned from NCR or its affiliates to Teradata or Teradata's affiliates. However, many of these contracts require the contractual counterparty's consent to such an assignment. Similarly, in some circumstances, we and another business unit of NCR are jointly parties to a customer contract, and we will need to enter into a new agreement with the customer to assign the portion of the contract related to our business. It is possible that some customers may use the requirement of a consent to seek more favorable terms from us. If we are unable to obtain these consents, we may be unable to obtain the benefits, assets, and contractual commitments which are intended to be allocated to us as part of our separation from NCR. If we are unable to obtain consents with respect to a substantial portion of these contracts, the loss of these contracts could adversely impact our financial condition and future results of operations.

In connection with our separation from NCR, NCR will indemnify us for certain liabilities. However, there can be no assurance that the indemnity will be sufficient to insure us against the full amount of such liabilities, or that NCR's ability to satisfy its indemnification obligations is not impaired in the future.

Pursuant to the Separation and Distribution Agreement, NCR will agree to indemnify us from certain liabilities, as discussed further in the section entitled "Separation and Distribution Agreement—Indemnification" included elsewhere in this information statement. This indemnity includes the Fox River environmental matter described in the section entitled "Risks Relating to Our Business—Environmental Liabilities" included elsewhere in this information statement. However, third parties could seek to hold us responsible for any of the liabilities that NCR has agreed to retain, and there can be no assurance that the indemnity from NCR will be sufficient to protect us against the full amount of such liabilities, or that NCR will be able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from NCR any amounts for which we are held liable, we may be temporarily required to bear these losses ourselves. Each of these risks could adversely affect our business, results of operations and financial condition.

Potential liabilities may arise due to fraudulent transfer considerations, which would adversely affect our financial condition and our results of operations.

In connection with the spin-off, NCR intends to undertake several corporate restructuring transactions which, along with the spin-off, may be subject to federal and state fraudulent conveyance and transfer laws. If, under these laws, a court were to determine that, at the time of the spin-off, any entity involved in these restructuring transactions or the spin-off:

- was insolvent,
- was rendered insolvent by reason of the spin-off,
- had remaining assets constituting unreasonably small capital, or
- intended to incur, or believed it would incur, debts beyond its ability to pay these debts as they matured,

the court could void the spin-off, in whole or in part, as a fraudulent conveyance or transfer. The court could then require our stockholders to return to NCR some or all of the shares of our common stock issued pursuant to the

spin-off, or require NCR or us, as the case may be, to fund liabilities of the other company for the benefit of creditors. The measure of insolvency will vary depending upon the jurisdiction whose law is being applied. Generally, however, an entity would be considered insolvent if the fair value of its assets were less than the amount of its liabilities or if it incurred debt beyond its ability to repay the debt as it matures.

After the separation, certain of our directors and officers may have actual or potential conflicts of interest because of their positions in Teradata and NCR and because of their stock or option ownership in NCR.

It is currently expected that up to two directors of Teradata will also be members of NCR's Board of Directors, although one of these directors will have a term limited to two years and will not seek re-election after expiration of this term. These common directors could create, or appear to create, potential conflicts of interest when Teradata's and NCR's management and directors face decisions that could have different implications for the two companies.

Also, because of their current or former positions with NCR, most of our directors and executive officers own shares of NCR common stock, options to purchase shares of NCR common stock or other equity awards. Following the distribution, these officers and directors may own shares of NCR common stock and, in some cases, may have options to purchase shares of common stock or other equity awards in NCR. The individual holdings may be significant for some of these persons compared to these persons' total assets. This ownership may create, or, may create the appearance of, conflicts of interest when these directors and officers are faced with decisions that could have different implications for NCR and Teradata.

For example, potential conflicts of interest could arise in connection with the resolution of any dispute that may arise between Teradata and NCR regarding the terms of the agreements governing the separation and the relationship thereafter between the companies. Potential conflicts of interest could also arise if Teradata and NCR enter into any commercial arrangements with each other in the future.

Risks Relating to Our Common Stock

There is no existing market for our common stock, and a trading market that will provide you with adequate liquidity may not develop for our common stock. In addition, once our common stock begins trading, the market price of our shares may fluctuate widely.

There is currently no public market for our common stock. It is anticipated that on or prior to the record date for the distribution, trading of shares of our common stock will begin on a "when-issued" basis and will continue up to and including through the distribution date. However, there can be no assurance that an active trading market for our common stock will develop as a result of the distribution or be sustained in the future.

We cannot predict the prices at which our common stock may trade after the distribution. The market price of our common stock may fluctuate widely, depending upon many factors, some of which may be beyond Teradata's control, including:

- our business profile and market capitalization may not fit the investment objectives of NCR's current stockholders, including stockholders who hold NCR stock based on NCR's inclusion in the Standard & Poor's 500 Index ("S&P 500") and other indices, as it is possible that Teradata's common stock will not be included in the S&P 500 and certain of such other indices after the distribution.
- a shift in our investor base;
- our quarterly or annual earnings, or those of other companies in our industry;
- actual or anticipated fluctuations in our operating results;
- announcements by us or our competitors of significant acquisitions or dispositions;

- the failure of securities analysts to cover our common stock after the distribution;
- changes in earnings estimates by securities analysts or our ability to meet our earnings guidance;
- the operating and stock price performance of other comparable companies; and
- overall market fluctuations and general economic conditions.

Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the trading price of our common stock.

Substantial sales of common stock may occur in connection with this distribution, which could cause our stock price to decline.

The shares of Teradata common stock that NCR distributes to its stockholders generally may be sold immediately in the public market. Although we have no actual knowledge of any plan or intention on the part of any 5% or greater stockholder to sell Teradata's common stock following the separation, it is possible that some NCR stockholders, including possibly some of NCR's large stockholders and index fund investors as described in the preceding risk factor, will sell NCR or Teradata common stock received in the distribution for various reasons, for example, our business profile or market capitalization as an independent company does not fit their investment objectives. The sales of significant amounts of our common stock or the perception in the market that this will occur may result in the lowering of the market price of our common stock.

Your percentage ownership in Teradata may be diluted in the future.

As with any publicly traded company, your percentage ownership in Teradata may be diluted in the future because of equity issuances for the acquisitions, capital market transactions or otherwise, including equity awards that we expect will be granted to our directors, officers and employees and the accelerated vesting of other equity awards. For a more detailed description of the Stock Incentive Plan and the Equitable Adjustment Awards, see the section entitled "Management—Employee Benefit Plans" included elsewhere in this information statement.

Provisions in our certificate of incorporation and by-laws, and provisions of Delaware law, may prevent or delay an acquisition of our company, which could decrease the trading price of our common stock.

Our certificate of incorporation, by-laws and Delaware law contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the raider and to encourage prospective acquirers to negotiate with our Board of Directors rather than to attempt a hostile takeover. These provisions include, among others:

- the Board of Directors is divided into three classes with staggered terms;
- the Board of Directors fixes the number of members on the Board;
- elimination of the rights of our stockholders to act by written consent and call stockholder meetings;
- rules regarding how stockholders may present proposals or nominate directors for election at stockholder meetings;
- the right of our Board of Directors to issue preferred stock without stockholder approval;
- supermajority vote requirements for certain amendments to our certificate of incorporation and by-laws;
- anti-takeover provisions of Delaware law which may prevent us from engaging in a business combination with an interested stockholder; and
- limitations on the right of stockholders to remove directors.

Delaware law also imposes some restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock. For more information, see the section entitled “Description of Capital Stock—Anti-Takeover Effects of Our Certificate of Incorporation, By-laws and Delaware Law” included elsewhere in this information statement. We believe these provisions protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our Board and by providing our Board with more time to assess any acquisition proposal. These provisions are not intended to make our company immune from takeovers. However, these provisions apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that our Board determines is not in the best interests of our company and our stockholders.

FORWARD-LOOKING STATEMENTS

Forward-looking statements in our public filings or other public statements are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other public statements. These forward-looking statements were based on various facts and were derived utilizing numerous important assumptions and other important factors, and changes in such facts, assumptions or factors could cause actual results to differ materially from those in the forward-looking statements. Forward-looking statements include the information concerning our future financial performance, business strategy, projected plans and objectives. Statements preceded by, followed by or that otherwise include the words “believes,” “expects,” “anticipates,” “intends,” “projects,” “estimates,” “plans,” “may increase,” “may fluctuate,” and similar expression or future or conditional verbs such as “will,” “should,” “would,” “may” and “could” are generally forward looking in nature and not historical facts. You should understand that the factors described under “Risk Factors” and the following important factors could affect our future results and could cause actual results to differ materially from those expressed in such forward-looking statements:

- the uncertain economic climate and its impact on the markets in general or on the ability of our suppliers to meet their commitments to us, or the timing of purchases by our current and potential customers, and other general economic and business conditions;
- the impact of our separation from NCR and risks relating to our ability to operate effectively as a stand-alone, publicly traded company;
- changes in our cost structure, management, financing and business operations following our separation from NCR;
- the rapidly changing and intensely competitive nature of the information technology industry and the data enterprise warehousing business, including the increasing pressure on price/performance for data warehousing solutions;
- fluctuations in our operating results, unanticipated delays or accelerations in our sales cycles and the difficulty of accurately estimating revenues; and
- risks inherent in operating in foreign countries, including the impact of economic, political, legal, regulatory, compliance, cultural, foreign currency fluctuations and other conditions abroad.

Other factors not identified above, including the risk factors described in the section entitled “Risk Factors” included elsewhere in this information statement, may also cause actual results to differ materially from those projected by our forward-looking statements. Most of these factors are difficult to anticipate and are generally beyond our reasonable control.

You should consider the areas of risk described above, as well as those set forth in the section entitled “Risk Factors” included elsewhere in this information statement, in connection with considering any forward-looking statements that may be made by us and our businesses generally. We undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events.

THE SEPARATION

General

On January 5, 2007, the Board of Directors of NCR preliminarily approved a plan to separate NCR into two independent, publicly traded companies. As preliminarily approved, the separation was to occur through the distribution to NCR stockholders of all of the shares of common stock of a subsidiary of NCR that holds or will hold, directly or indirectly, the assets and liabilities of the Teradata Data Warehousing business.

In furtherance of this plan, on [•], 2007, the NCR Board of Directors approved the distribution of all of the shares of our common stock held by NCR to holders of NCR common stock. On [•], 2007, the distribution date, subject to certain customary conditions, each NCR stockholder will receive one share of our common stock for each share of NCR common stock held at the close of business on the record date, as described below. Following the distribution, NCR stockholders will own 100% of our common stock. You will not be required to make any payment, surrender or exchange your shares of NCR common stock or take any other action to receive your shares of Teradata's common stock.

Furthermore, the distribution of Teradata's common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions. For a more detailed description of these conditions, see the caption entitled "Conditions to the Distribution" included elsewhere in this section.

Reasons for the Separation

The NCR Board of Directors believes that separating the Teradata business from the NCR business is in the best interests of NCR and its stockholders and has concluded that the separation will provide each separated company, including us, with certain opportunities and benefits. The following are some of the opportunities and benefits that the NCR Board of Directors considered in approving the separation:

- Allow management of each separated company to design and implement corporate strategies and policies that are based primarily on the business characteristics of that company, maintain a sharper focus on core business and growth opportunities, and concentrate their financial resources wholly on their own operations.
- Allow management of each separated company to focus on their respective businesses in an effort to become experts in their respective areas, without distraction from the business of the other separated company, and free up time currently spent on processes designed to facilitate the cohesive functioning of a corporation with more diverse businesses.
- Allow each separated company to recruit and retain employees pursuant to compensation policies which are appropriate for their respective lines of business.
- As a separate, publicly traded company with its own CEO, Teradata may be able to attract greater media attention and press coverage, which could strengthen its ability to promote the Teradata brand.
- The separated businesses will no longer need to compete internally for capital; instead, both companies will have direct access to capital markets to fund their growth agendas and can appeal to the investor bases who understand the respective businesses of the separated companies.
- Reduce the negotiating leverage of customers which were shared by the separated businesses.
- Provide both companies heightened strategic flexibility to form partnerships and alliances in their target markets, unencumbered by considerations of the potential impact on the other major business.
- Create equity securities, including options and restricted stock units, for each of the publicly traded companies which should enable each company to provide incentive compensation arrangements for its key employees which are directly related to the market performance of each company's common stock.

  NCR believes such equity-based compensation arrangements should provide enhanced incentives for performance, and improve the ability for each company to attract, retain and motivate qualified personnel.

- Allow us to effect future acquisitions utilizing our common stock for all or part of the consideration and to issue a security more directly tied to the performance of our business.
- The separation will increase transparency and clarity into the different businesses of NCR and Teradata and thus will allow investors to more appropriately value the merits, performance and future prospects of each company. The separation is intended to reduce the complexities surrounding investor understanding and give current investors in NCR an enhanced ability to choose how to focus their holdings.

The NCR Board of Directors also considered a number of potentially negative factors in evaluating the separation, including the potential loss of synergies from operating as one company and potential increased costs, potential loss of joint purchasing power, potential disruptions to the businesses as a result of the separation, the limitations placed on Teradata as a result of the Tax Sharing Agreement and other agreements it is expected to enter into with NCR in connection with the spin-off, risks of being unable to achieve the benefits expected to be achieved by the separation, the risk that the plan of separation might not be completed and the one-time and ongoing costs of the separation. The NCR Board of Directors concluded that the potential benefits of the separation outweighed these factors.

In view of the wide variety of factors considered in connection with the evaluation of the separation and the complexity of these matters, the NCR Board of Directors did not find it useful to, and did not attempt to, quantify, rank or otherwise assign relative weights to the factors considered. The individual members of the NCR Board of Directors likely may have given different weights to different factors.

Formation of a Holding Company Prior to Our Distribution

In connection with and prior to our distribution, NCR organized Teradata as a Delaware corporation for the purpose of transferring to Teradata all of the assets and liabilities, including certain entities holding such assets and liabilities, of the Teradata Data Warehousing business.

The Number of Shares You Will Receive

For each share of NCR common stock that you owned at the close of business on [•], 2007, the record date, you will receive one share of Teradata common stock on the distribution date. NCR will distribute fractional shares of Teradata common stock to its stockholders to the extent stockholders own fractional shares of NCR common stock.

When and How You Will Receive the Dividend

NCR will distribute the shares of our common stock on [•], 2007, the distribution date. NCR's transfer agent and registrar, Mellon, will serve as transfer agent and registrar for the Teradata common stock and as distribution agent in connection with the distribution of Teradata common stock.

If you own NCR common stock as of the close of business on the record date, the shares of Teradata common stock that you are entitled to receive in the distribution will be issued electronically, as of the distribution date, to your account as follows:

- *Registered Stockholders* . If you own your shares of NCR stock directly (either in book-entry form through an account at NCR's transfer agent, Mellon, and/or if you hold physical paper stock certificates), you will receive your shares of Teradata common stock by way of direct registration in book-entry form. Registration in book-entry form refers to a method of recording stock ownership when no physical paper share certificates are issued to stockholders, as is the case in this distribution.

  Commencing on or shortly after the distribution date, if you hold physical paper stock certificates that represent your shares of NCR common stock and you are the registered holder of the NCR shares

represented by those certificates, the distribution agent will mail to you an account statement that indicates the number of shares of Teradata's common stock that have been registered in book-entry form in your name.

If you have any questions concerning the mechanics of having shares of our common stock registered in book-entry form, we encourage you to contact Mellon at the address set forth on page 9 of this information statement.

- *Beneficial Stockholders* . Most NCR stockholders hold their shares of NCR common stock beneficially through a bank or brokerage firm. In such cases, the bank or brokerage firm would be said to hold the stock in "street name" and ownership would be recorded on the bank or brokerage firm's books. If you hold your NCR common stock through a bank or brokerage firm, your bank or brokerage firm will credit your account for the shares of Teradata common stock that you are entitled to receive in the distribution. If you have any questions concerning the mechanics of having shares of our common stock held in "street name," we encourage you to contact your bank or brokerage firm.

Results of the Separation

After our separation from NCR, we will be a separate publicly traded company. Immediately following the distribution, we expect to have approximately [•] stockholders of record, based on the number of registered stockholders of NCR common stock on [•], and approximately [•] million shares of Teradata common stock outstanding. The actual number of shares to be distributed will be determined on the record date and will reflect any exercise of NCR options between the date the NCR Board of Directors declares the dividend for the distribution and the record date for the distribution.

Before the separation, we will enter into a Separation and Distribution Agreement and several other agreements with NCR to effect the separation and provide a framework for our relationships with NCR after the separation. These agreements will govern the relationships between Teradata and NCR subsequent to the completion of the separation plan and provide for the allocation between Teradata and NCR of NCR's assets, liabilities and obligations (including transition services, employee benefits, intellectual property and tax-related assets and liabilities) attributable to periods prior to Teradata's separation from NCR. The Separation and Distribution Agreement, in particular, requires NCR to allocate a specified portion of its cash to us.

For a more detailed description of these agreements, see the section entitled "Certain Relationships and Related Party Transactions" included elsewhere in this information statement.

The distribution will not affect the number of outstanding shares of NCR common stock or any rights of NCR stockholders.

Incurrence of Debt

Upon the closing of the spin-off, we expect to enter into a $300 million five-year unsecured revolving credit facility. We have obtained a commitment from certain financial institutions to use their reasonable best efforts to form a syndicate to provide the revolving credit facility. We expect that the revolving credit facility will be available to provide liquidity for general corporate needs. Amounts outstanding under the revolving credit facility are expected to bear interest, at our option, at either a rate equal to (i) a floating base rate or (ii) an adjusted LIBOR rate plus an applicable margin. We expect to pay certain customary fees with respect to the revolving credit facility.

We expect that the revolving credit facility will contain customary affirmative and negative covenants that, among other things, limit or restrict (i) subsidiary indebtedness, liens and fundamental changes to be determined,

(ii) sale and leasebacks, (iii) asset sales, (iv) margin stock, (v) specified acquisitions, (vi) restrictive agreements, (vii) transactions with affiliates and (viii) investments. In addition, we expect that the revolving credit facility will require us to maintain a minimum interest coverage ratio of at least 3.0 times as of the measurement date and a maximum leverage ratio not to exceed 3.0 times on the measurement date.

Certain U.S. Federal Income Tax Consequences of the Distribution

The following is a summary of certain material U.S. federal income tax consequences relating to the distribution by NCR. This summary is based on the Code, the U.S. Treasury regulations promulgated thereunder, and interpretations of the Code and the U.S. Treasury regulations by the courts and the IRS, in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. This summary does not discuss all the tax considerations that may be relevant to NCR stockholders in light of their particular circumstances, nor does it address the consequences to NCR stockholders subject to special treatment under the U.S. federal income tax laws (such as non-U.S. persons, insurance companies, dealers or brokers in securities or currencies, tax-exempt organizations, financial institutions, mutual funds, pass-through entities and investors in such entities, holders who hold their shares as a hedge or as part of a hedging, straddle, conversion, synthetic security, integrated investment or other risk-reduction transaction or who are subject to alternative minimum tax or holders who acquired their shares upon the exercise of employee stock options or otherwise as compensation). In addition, this summary does not address the U.S. federal income tax consequences to those NCR stockholders who do not hold their NCR common stock as a capital asset. Finally, this summary does not address any state, local or foreign tax consequences. **NCR STOCKHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. TAX CONSEQUENCES OF THE DISTRIBUTION TO THEM.**

The distribution is conditioned upon NCR's receipt of a private letter ruling from the IRS and an opinion of Wachtell, Lipton, Rosen & Katz, in each case, substantially to the effect that the distribution, together with certain related transactions, will qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code. NCR received a private letter ruling from the IRS that the distribution will so qualify. Assuming the distribution so qualifies: (i) the distribution will not generally result in any taxable income, gain or loss to NCR; (ii) no gain or loss will be recognized by (and no amount will be included in the income of) NCR common stockholders upon their receipt of shares of Teradata common stock in the distribution; (iii) the aggregate basis of the NCR common stock and the Teradata common stock in the hands of each NCR common stockholder after the distribution will equal the aggregate basis of NCR common stock held by the stockholder immediately before the distribution, allocated between the NCR common stock and the Teradata common stock in proportion to the relative fair market value of each on the date of the distribution; and (iv) the holding period of the Teradata common stock received by each NCR common stockholder will include the holding period at the time of the distribution for the NCR common stock on which the distribution is made, provided that the NCR common stock is held as a capital asset on the date of the distribution.

United States Treasury Regulations also generally provide that if an NCR common stockholder holds different blocks of NCR common stock (generally shares of NCR common stock purchased or acquired on different dates or at different prices), the aggregate basis for each block of NCR common stock purchased or acquired on the same date and at the same price will be allocated, to the greatest extent possible, between the shares of Teradata common stock received in the spin-off in respect of such block of NCR common stock and such block of NCR common stock, in proportion to their respective fair market values, and the holding period of the shares of Teradata common stock received in the spin-off in respect of such block of NCR common stock will include the holding period of such block of NCR common stock, provided that such block of NCR common stock was held as a capital asset on the distribution date. If an NCR common stockholder is not able to identify which particular shares of Teradata common stock are received in the spin-off with respect to a particular block of NCR common stock, for purposes of applying the rules described above, the stockholder may designate which shares of Teradata common stock are received in the spin-off in respect of a particular block of NCR common stock, provided that such designation is consistent with the terms of the spin-off. Holders of NCR common stock are urged to consult their own tax advisors regarding the application of these rules to their particular circumstances.

Although a private letter ruling from the IRS generally is binding on the IRS, if the factual representations or assumptions made in the letter ruling request are untrue or incomplete in any material respect, we will not be able to rely on the ruling. Furthermore, the IRS will not rule on whether a distribution satisfies certain requirements necessary to obtain tax-free treatment under Section 355 of the Code. Rather, the ruling is based upon representations by NCR that these conditions have been satisfied, and any inaccuracy in such representations could invalidate the ruling. In addition to obtaining the ruling from the IRS, NCR has made it a condition to the distribution that NCR obtain an opinion of Wachtell, Lipton, Rosen & Katz substantially to the effect that the distribution, together with certain related transactions, will qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code. The opinion will rely on the ruling as to matters covered by the ruling. In addition, the opinion will be based on, among other things, certain assumptions and representations made by NCR and us, which if incorrect or inaccurate in any material respect would jeopardize the conclusions reached by counsel in its opinion. The opinion will not be binding on the IRS or the courts.

Notwithstanding receipt by NCR of the ruling and opinion of counsel, the IRS could assert that the distribution does not qualify for tax-free treatment for U.S. federal income tax purposes. If the IRS were successful in taking this position, our initial public stockholders and NCR could be subject to significant U.S. federal income tax liability. In general, NCR would be subject to tax as if it had sold the common stock of our company in a taxable sale for its fair market value and our initial public stockholders would be subject to tax as if they had received a taxable distribution equal to the fair market value of our common stock that was distributed to them. In addition, even if the distribution were otherwise to qualify under Section 355 of the Code, it may be taxable to NCR (but not to NCR's stockholders) under Section 355(e) of the Code, if the distribution were later deemed to be part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, stock representing a 50% or greater interest in NCR or us. For this purpose, any acquisitions of NCR stock or of our common stock within the period beginning two years before the distribution and ending two years after the distribution are presumed to be part of such a plan, although we or NCR may be able to rebut that presumption.

In connection with the distribution, we and NCR will enter into a Tax Sharing Agreement pursuant to which we will agree to be responsible for certain liabilities and obligations following the distribution. In general, under the terms of the Tax Sharing Agreement, in the event the distribution were to fail to qualify for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code (including as a result of Section 355(e) of the Code) and if such failure was the result of actions taken after the distribution by NCR or us, the party responsible for such failure would be responsible for all taxes imposed on NCR to the extent that such taxes result from such actions. However, if such failure was the result of any acquisition of our shares, we would be responsible for all taxes imposed on NCR as a result of such acquisition. For a more detailed discussion, see the section entitled "Certain Relationships and Related Party Transactions—Agreements with NCR—Tax Sharing Agreement" included elsewhere in this information statement. Our indemnification obligations to NCR and its subsidiaries, officers and directors are not limited in amount or subject to any cap. If we are required to indemnify NCR and its subsidiaries and their respective officers and directors under the circumstances set forth in the Tax Sharing Agreement, we may be subject to substantial liabilities.

NCR may incur some tax cost in connection with the distribution (as a result of certain intercompany transactions or as a result of certain differences between federal, on the one hand, and foreign or state tax rules, on the other), whether or not the distribution qualifies for tax-free treatment under Sections 355 and 368(a)(1)(D) of the Code.

U.S. Treasury regulations require each stockholder that receives stock in a spin-off to attach to the stockholder's U.S. federal income tax return for the year in which the spin-off occurs a detailed statement setting forth certain information relating to the tax-free nature of the spin-off.

THE FOREGOING IS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE DISTRIBUTION UNDER CURRENT LAW AND IS FOR GENERAL INFORMATION ONLY. THE FOREGOING DOES NOT PURPORT TO ADDRESS ALL U.S. FEDERAL INCOME TAX CONSEQUENCES OR TAX CONSEQUENCES THAT MAY ARISE UNDER THE TAX LAWS OF OTHER JURISDICTIONS OR THAT MAY APPLY TO PARTICULAR CATEGORIES OF STOCKHOLDERS. EACH NCR STOCKHOLDER SHOULD CONSULT ITS OWN TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES OF THE DISTRIBUTION TO SUCH STOCKHOLDER, INCLUDING THE APPLICATION OF U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX LAWS, AND THE EFFECT OF POSSIBLE CHANGES IN TAX LAWS THAT MAY AFFECT THE TAX CONSEQUENCES DESCRIBED ABOVE.

Market for Common Stock

There is currently no public market for Teradata common stock. A condition to the distribution is the listing on the NYSE of our common stock. We have applied to list Teradata common stock on the NYSE under the symbol "TDC."

Trading Between the Record Date and Distribution Date

Beginning on or shortly before the record date and continuing up to and including through the distribution date, we expect that there will be two markets in NCR common stock: a "regular-way" market and an "ex-distribution" market. Shares of NCR common stock that trade on the regular way market will trade with an entitlement to shares of Teradata common stock distributed pursuant to the distribution. Shares that trade on the ex-distribution market will trade without an entitlement to shares of Teradata common stock distributed pursuant to the distribution. Therefore, if you sell shares of NCR common stock in the "regular-way" market up to and including through the distribution date, you will be selling your right to receive shares of Teradata common stock in the distribution. If you own shares of NCR common stock at the close of business on the record date and sell those shares on the "ex-distribution" market, up to and including through the distribution date, you will still receive the shares of Teradata common stock that you would be entitled to receive pursuant to your ownership of the shares of NCR common stock.

Furthermore, beginning on or shortly before the record date and continuing up to and including through the distribution date, we expect that there will be a "when-issued" market in our common stock. "When-issued" trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The "when-issued" trading market will be a market for shares of Teradata common stock that will be distributed to NCR stockholders on the distribution date. If you owned shares of NCR common stock at the close of business on the record date, you would be entitled to shares of our common stock distributed pursuant to the distribution. You may trade this entitlement to shares of Teradata common stock, without the shares of NCR common stock you own, on the "when-issued" market. On the first trading day following the distribution date, "when-issued" trading with respect to Teradata common stock will end and "regular-way" trading will begin.

Conditions to the Distribution

We expect that the distribution will be effective on [•], 2007, the distribution date, provided that, among other conditions described in this information statement, the following conditions shall have been satisfied or, if permissible under the Separation and Distribution Agreement, waived by NCR:

- the SEC shall have declared effective our registration statement on Form 10, of which this information statement is a part, and no stop order relating to the registration statement is in effect;
- any required actions and filings with regard to state securities and blue sky laws of the United States (and any comparable laws under any foreign jurisdictions) shall have been taken and, where applicable, have become effective or been accepted;

- the Teradata common stock shall have been accepted for listing on the NYSE, on official notice of issuance;
- NCR shall have received a private letter ruling from the IRS substantially to the effect that the distribution, together with certain related transactions, will qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code and such ruling shall be in form and substance satisfactory to NCR in its sole discretion;
- NCR shall have received an opinion of Wachtell, Lipton, Rosen & Katz substantially to the effect that the distribution, together with certain related transactions, will qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code and such opinion shall be in form and substance satisfactory to NCR in its sole discretion;
- no order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing consummation of the separation, distribution or any of the transactions contemplated by the Separation and Distribution Agreement or any ancillary agreement, shall be in effect;
- such other actions as the parties hereto may reasonably request to be taken prior to the separation in order to assure the successful completion of the separation and the other transactions contemplated by the Separation and Distribution Agreement shall have been taken;
- the Separation and Distribution Agreement shall not have been terminated;
- any material government approvals and other consents necessary to consummate the distribution shall have been obtained and be in full force and effect; and
- no other events or developments shall have occurred that, in the judgment of NCR's Board of Directors, would result in the distribution having a material adverse effect on NCR or its stockholders.

The fulfillment of the foregoing conditions does not create any obligations on NCR's part to effect the distribution, and the NCR Board of Directors has reserved the right, in its sole discretion, to abandon, modify or change the terms of the distribution, including by accelerating or delaying the timing of the consummation of all or part of the distribution, at any time prior to the distribution date.

Separation Costs

In connection with the consummation of the separation plan, NCR expects to incur one-time, non-recurring pre-tax separation costs of approximately $55 to $65 million. These one-time costs are expected to consist of, among other things: financial, legal, tax, accounting and other advisory fees; non-income tax costs and regulatory fees incurred as part of the reorganization and separation; costs for building and/or reconfiguring the required information systems to run the stand-alone companies and restacking of building facilities as required; other various costs for branding the new company, NYSE listing fees, investor and other stakeholder communications, printing costs, fees of the distribution agent; and employee recruiting fees and incentive compensation, among other things. Nearly all of these costs will be incurred by NCR prior to the Distribution and do not include incremental capital expenditures related to the spin-off. After the spin-off, to the extent additional one-time costs are incurred by Teradata in connection with the strategic separation, they will be the responsibility of Teradata; however, such costs are not currently estimable. In addition, we expect approximately $25 to $30 million of total net incremental costs to be incurred on a going-forward basis in connection with operating Teradata as an independent publicly traded company. These costs will be Teradata's responsibility and are as discussed elsewhere in this information statement in the section entitled "Unaudited Pro Forma Balance Sheet".

Reason for Furnishing this Information Statement

This information statement is being furnished solely to provide information to NCR stockholders who are entitled to receive shares of our common stock in the distribution. The information statement is not, and is not to

be construed as an inducement or encouragement to buy, hold or sell any of our securities. We believe that the information in this information statement is accurate as of the date set forth on the cover. Changes may occur after that date and neither NCR nor we undertake any obligation to update such information except in the normal course of our respective public disclosure obligations.

DIVIDEND POLICY

Teradata does not expect to pay a regular cash dividend.

CAPITALIZATION

The following table, which should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Unaudited Pro Forma Balance Sheet" and the financial statements and accompanying notes included elsewhere in this information statement, sets forth our cash and cash equivalents and combined capitalization as of June 30, 2007 on an historical basis and on a pro forma basis after giving effect to the following planned transactions to be effected prior to the distribution of Teradata Corporation common stock to NCR's stockholders:

- the formation of the Teradata legal entity and a contribution to Teradata of all the assets and liabilities of the Teradata Data Warehousing business along with the related issuance of approximately 180.5 million shares of Teradata common stock to NCR (based on an estimate of the number of NCR shares outstanding on June 30, 2007); and
- the contribution by NCR of $200 million of cash to Teradata (cash generated by Teradata prior to the separation from NCR has been managed and retained by NCR).

	As of June 30, 2007	
	Historical	Pro Forma
	($ in millions)	
Cash	**$ —**	**$ 200**
Debt	—	—
Parent company equity/shareowner's investment	548	477
Total Capitalization	**$ 548**	**$ 477**

UNAUDITED PRO FORMA BALANCE SHEET

The unaudited pro forma balance sheet information presented below has been prepared from the historical unaudited balance sheet of the Teradata Data Warehousing business of NCR ("Teradata") as of June 30, 2007. The pro forma adjustments and notes to the pro forma financial information give effect to the legal formation and capitalization of Teradata Corporation and the contribution of the assets and liabilities of Teradata by NCR as described below. The unaudited pro forma balance sheet should be read together with the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Teradata's financial statements and notes related to those financial statements included elsewhere in the information statement.

The unaudited pro forma balance sheet as of June 30, 2007 has been prepared as if the transactions described below occurred on June 30, 2007. The pro forma adjustments are based on the best information available and assumptions that management believes are reasonable given the information available; however, such adjustments are subject to change based upon the finalization of the terms of the separation and the underlying separation agreements. The historical financial statements of Teradata include allocations of expenses from NCR. These costs may not be representative of our future costs to be incurred as a separate public company. At this time management cannot make any estimates of the costs the Company would expect to incur as a separate public company that are reasonably estimable and factually supportable. As a result, a pro forma income statement has not been presented. It is not anticipated that the transactions described below that give rise to pro forma balance sheet adjustments would have a recurring or factually supportable impact on a pro forma income statement. The unaudited pro forma balance sheet is for illustrative and information purposes only and is not intended to represent, or be indicative of, what Teradata's financial position would have been had the transactions contemplated by the separation and distribution and related transactions occurred on the dates indicated. *The unaudited pro forma balance sheet also should not be considered representative of Teradata's financial position and the financial information presented below should not be relied on as a representation of Teradata's future performance* .

The following unaudited pro forma balance sheet has been adjusted to give effect to the following transactions:

- a contribution of cash by NCR in conjunction with the legal formation of Teradata Corporation;
- an allocation of pension and other postemployment assets and liabilities along with associated deferred taxes related to defined benefit plans previously sponsored by NCR to Teradata Corporation in conjunction with the legal formation in which Teradata will assume the assets and obligations to certain employees under these plans;
- a reduction in deferred tax assts to establish valuation allowances against deferred tax assets relating to capitalized research and development costs (See Note 13 of Notes to Financial Statements);
- a reduction in deferred tax assets relating to certain net operating loss carryforwards and other tax attributes that will be retained by NCR;
- an increase in deferred tax assets relating to the increase in tax basis of certain assets resulting from the separation;
- a reduction in income tax accruals in accordance with the expected Tax Sharing Agreement between NCR and Teradata providing for the retention by NCR of liabilities related to uncertain tax positions; and
- creation of the capital structure of Teradata Corporation based upon the expected legal separation and distribution from NCR.

A significant amount of non-recurring charges to effect the strategic separation will be incurred by NCR, such as financial, legal, tax, accounting and other advisory fees, non-income taxes and regulatory fees, and facility and NCR information technology system reconfiguration costs. Teradata may also incur costs in

connection with the strategic separation that are expected to have a future benefit, such as, among other things, recruiting and relocation expenses associated with hiring key senior management positions. The total non-recurring separation charges to be incurred by Teradata is not estimable at this time.

There are expected to be certain incremental cost increases and decreases that Teradata will experience as a stand-alone public entity. For example, NCR currently provides many corporate functions on Teradata's behalf. As an independent, publicly traded company, Teradata's total costs related to functions such as treasury, tax, accounting, legal, internal audit, human resources, insurance, public and investor relations, general management, real estate, shared information technology systems, procurement and other statutory functions, including a board of directors and centrally managed employee benefit arrangements, are expected to differ from the costs for such functions that were historically allocated to Teradata from NCR. The annual costs associated with replacing and/or establishing these functions have not been reflected for the reasons described above and are currently estimated to be in the range of approximately $25 to $30 million in 2008. In addition, because the NCR U.S. defined benefit pension plan is frozen and Teradata is not expected to offer a defined pension benefit to U.S. employees after the separation, total annual pension expense is expected to decrease in the range of $14 to $16 million.

Additionally, in the audited financial statements for the year ended December 31, 2006, Teradata's effective tax rate was 37%. This rate, which is higher than the effective tax rate for NCR as a whole, is reflective of a different mix of earnings for Teradata across various tax jurisdictions. Moreover, the rate was negatively impacted by NCR's tax structure, which was designed to optimize its overall tax rate and not that of Teradata as part of its multiple businesses. Going forward, as a result of yet to be implemented tax strategies and changes in the legal entity structure we envision implementing as an independent company, Teradata's recurring effective tax rate is expected to be significantly lower, although these changes have not been finalized or implemented and, as such, the lower costs are not estimable at this point.

Teradata Data Warehousing Business of NCR Corporation

Unaudited Pro Forma Balance Sheet
(In millions)

	As of June 30, 2007		
	Historical	Pro Forma Adjustments	Pro Forma
Assets			
Current assets			
Cash and cash equivalents	$ —	$ 200(a)	$ 200
Accounts receivable, net	378	—	378
Inventories, net	35	—	35
Other current assets	79	(47)(d)	32
Total current assets	492	153	645
Property, plant and equipment, net	69	—	69
Capitalized software, net	52		52
Goodwill	89	—	89
Deferred income taxes	242	(162)(b,d)	80
Other assets	49	(1)(b,c)	48
Total assets	$ 993	$ (10)	$ 983
Liabilities and parent company equity			
Current liabilities			
Accounts payable	$ 62	$ —	$ 62
Payroll and benefits liabilities	66	—	66
Deferred service revenue and customer deposits	244	—	244
Other current liabilities	49	7(b)	56
Total current liabilities	421	7	428
Income tax accruals	24	(24)(c)	—
Pension and postemployment benefits liabilities	—	78(b)	78
Total liabilities	445	61	506
Commitments and contingencies			
Parent company equity			
Parent company investment	528	(528)(e)	—
Common stock	—	2(e)	2
Paid-in capital	—	488(a,b,c,d,e)	488
Accumulated other comprehensive income (loss)	20	(33)(b)	(13)
Total parent company equity	548	(71)	477
Total liabilities and parent company equity	$ 993	$ (10)	$ 983

See accompanying notes.

NOTES TO UNAUDITED PRO FORMA BALANCE SHEET

(a) Represents cash funding by NCR of $200 million for a capital contribution based on the anticipated post-separation capital structure. Cash generated by Teradata prior to the separation from NCR has been managed and retained by NCR.

(b) Reflects the preliminary impact of the legal separation of co-mingled benefit plans. Represents $35 million for Teradata international pension plans in a net liability position, $4 million for Teradata international pension plans that are in a net asset position and $50 million for Teradata post-employment liabilities, all of which will be assumed by Teradata as part of its legal formation. Of the liability increases, $7 million is classified as current. The pro forma adjustment for pension and post-employment obligations includes recognition of $33 million of accumulated comprehensive loss and $21 million of deferred income tax assets.

(c) Represents an adjustment to eliminate $5 million of income tax receivables and $24 million of income tax accruals related to uncertain tax positions in accordance with the expected Tax Sharing Agreement between Teradata and NCR. In general, NCR will be responsible for all taxes reported on any separate or joint return of NCR, which may also include Teradata for periods prior to the separation.

(d) Represents a net reduction in deferred income taxes for the following:

- $158 million ($47 million current and $111 million non-current) valuation allowance against certain deferred tax assets relating to capitalized research and development costs which, as a result of the separation, are not expected to be realizable (See Note 13 of Notes to Financial Statements).
- $85 million reduction in deferred tax assets relating to certain net operating loss carryforwards and other tax attributes that will be retained by NCR.
- $13 million increase in deferred tax assets relating to the increase in tax basis of certain assets resulting from the separation.

(e) Represents the capitalization of Teradata Corporation, including the assumed issuance of approximately 180.5 million Teradata common shares at $0.01 par value (based on an estimate of the number of NCR shares outstanding on June 30, 2007).

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

SEPARATION FROM NCR CORPORATION

On January 5, 2007, NCR's Board of Directors preliminarily approved the separation of NCR into two independent publicly traded companies through the spin-off of 100% of its Teradata Data Warehousing business to holders of shares of NCR stock. NCR intends to accomplish the separation in the third quarter of 2007 through a distribution of shares of Teradata Corporation to NCR stockholders that is tax-free for U.S. federal income tax purposes. Following the distribution, NCR's stockholders will own 100% of the equity in both companies. The separation will not require a vote by NCR stockholders. The Teradata business discussed herein represents the historical operating results and financial condition of Teradata. Any references to "we," "us," "Teradata" or the "Company" in this MD&A refer to the Teradata Data Warehousing business as operated as a part of NCR prior to the spin-off.

Historically, Teradata has used the corporate functions of NCR for a variety of services including treasury, accounting, tax, legal, internal audit, human resources, public and investor relations, general management, real estate, shared information technology systems, procurement and other statutory functions such as board of directors and centrally managed employee benefit arrangements, which include the costs of salaries, benefits and other related costs. Teradata was allocated $54 million in the first six months of 2007, $62 million in the first six months of 2006, $122 million in 2006, $139 million in 2005 and $163 million in 2004 of these costs incurred by NCR. Management believes the assumptions and methodologies underlying the allocation of these expenses from NCR are reasonable. However, such expenses may not be indicative of the actual level of expense that would have been or will be incurred by the Company if it were to operate as an independent, publicly traded company. We expect to enter into agreements with NCR for continuation of some of these services, but the terms and prices on which such services are rendered may be different than the terms and prices in effect prior to the distribution. We will also incur additional costs associated with being an independent, publicly traded company. These anticipated incremental costs, which are described in more detail in this information statement in the section entitled "Unaudited Pro Forma Balance Sheet," are not reflected in our historical financial statements.

BUSINESS OVERVIEW

Teradata provides enterprise data warehousing solutions for customers worldwide that combine hardware, software, including the Teradata database software and tools, data mining and analytical applications, and related consulting and support services. These solutions can also include third-party products and services from other leading technology and service partners.

Our solutions enable customers to integrate detailed enterprise-wide data such as customer, financial and operational data into a single data warehouse and provide the analytical capabilities to transform that data into useful information. As a result, customers have a consistent, accurate view of their data and businesses which gives them more accurate, insightful and timely information when and where they need it so they can make better and faster decisions. This approach provides customers with better insight, faster access to new analytics and less redundancy within their information technology infrastructure so they can maximize business value while minimizing their total cost of ownership.

Our data warehousing technologies provide a high level of performance, scalability, availability, and manageability for strategic and operational analytic requirements. Our professional service consultants combine a proven methodology, deep industry expertise and years of hands-on experience to help clients quickly capture business value while minimizing risk. Our customer services professionals provide a single source of support services to allow customers to maximize use and fully leverage the value of their investments in data warehousing.

Through active enterprise intelligence, Teradata is extending the use of traditional data warehousing by integrating advanced analytics into enterprise business processes, allowing companies to combine current and historical data so operations personnel can make decisions at the point of contact or service and take action as events occur.

Teradata offers data warehousing solutions to many major industries, including banking/financial services, entertainment (including gaming and media), government, insurance and healthcare, manufacturing, retail, telecommunications, transportation and travel. Teradata delivers its solutions primarily through direct sales channels, as well as alliances with system integrators, other independent software vendors, value-added resellers and distributors. We deliver our solutions to customers on a global basis, and organize our operations in the following three regions which are also our reportable segments: North America and Latin America (the "Americas"), Europe, the Middle East and Africa ("EMEA") and Asia Pacific and Japan ("APJ").

2006 FINANCIAL OVERVIEW

As more fully discussed in later sections of this MD&A, the following were significant themes and events for 2006:

- We continued to see increased revenue as demand continued to intensify for enterprise data warehousing. As in 2005, we believe this demand was primarily driven by customers' growing desire for a centralized, integrated data warehouse architecture that provides a single view of their business as well as the continued growth of our customers' data volumes/needs.
- In addition, fueled by operational improvements by our customer services organization and the overall NCR cost re-engineering program, our operating results continued to improve while we increased investment in sales, demand creation and engineering resources.

STRATEGY OVERVIEW

Our strategy is to grow profitably as the global leader of enterprise data warehousing technology and services. We are executing our multi-year strategy to advance enterprise data warehousing as the preferred data warehousing architecture companies utilize to build their enterprise analytics infrastructure. To do this, we are focused on three core strategies:

1) Expanding our direct market coverage by increasing industry and technical consulting professionals, account executives, and partners.

2) Expanding our solutions and offers by investing in consulting and support services, applications and partners.

3) Increasing our technology capabilities by investing in real-time (or "active") data warehousing and advanced development.

Further discussion of our business strategy is included in the section entitled "Business" included elsewhere in this information statement and incorporated herein by reference.

FUTURE TRENDS

We expect that businesses around the globe will continue to move away from decentralized data warehouse infrastructures toward enterprise-wide data warehousing systems such as those provided by Teradata. We believe demand for our solutions will also increase due to the growing use of new data elements and more real-time analytics, thus adding to the scale and complexity of business requirements and to data volumes over time. For example, new technologies such as global positioning systems ("GPS") and radio frequency identification ("RFID") are expected to drive additional customer data volumes, as are new data dimensions such as text, location, and time. The adoption by customers of more real-time environments for enterprise intelligence is driving more applications, usage and capacity.

While we have seen fluctuations in the information technology environment in the past, our outlook remains positive, as we expect to see continued revenue growth in 2007 versus 2006. We expect that competitive and

technological pricing trends will continue at the levels we experienced in 2006 and 2005. As discussed above, there are expected to be certain incremental cost increases and decreases that Teradata will experience as a stand-alone public entity.

We see the following as the most significant risks to the execution of our initiatives:

- Global capital spending environment,
- Potential timing of large transactions with our customers,
- Execution of the strategic separation from NCR,
- Actions by our competitors, and
- Unanticipated changes in technology and increasing price/performance pressure.

Further discussion of these risk factors is included in the section entitled "Risk Factors" included elsewhere in this information statement and incorporated herein by reference.

RESULTS FROM OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2007 COMPARED TO THE SIX MONTHS ENDED JUNE 30, 2006

In millions	2007	% of Revenue	2006	% of Revenue
Product revenue	**$399**	**50.9%**	$373	51.9%
Service revenue	**385**	**49.1%**	346	48.1%
Total revenue	**784**	**100%**	719	100%
Gross margin				
Product gross margin	**257**	**64.4%**	244	65.4%
Service gross margin	**159**	**41.3%**	145	41.9%
Total Gross Margin	**416**	**53.1%**	389	54.1%
Expenses				
Selling, general and administrative expenses	**211**	**26.9%**	191	26.6%
Research and development expenses	**57**	**7.3%**	60	8.3%
Total expenses	**268**	**34.2%**	251	34.9%
Operating income	**$148**	**18.9%**	$138	19.2%

Teradata revenue increased 9% in the first six months of 2007 from the first six months of 2006. The revenue increase included a benefit of 1% from foreign currency fluctuations. Overall, we experienced solid growth in the communications, media and entertainment, financial, and travel and transportation industries. Product revenue increased 7% in the first six months of 2007 from the first six months of 2006, primarily due to expansions of capacity by existing customers, as well as sales to new customers from our increased investments in demand creation resources. Services revenue increased 11% in the first six months of 2007 from the first six months of 2006, due to professional services related to new accounts and annuity support services related to the expansion of existing accounts. Operating income was $10 million higher compared to the first six months of 2006. The improvement in operating income was primarily due to higher volume and a decrease in costs from NCR for corporate-related functions. The decrease in costs allocated from NCR is primarily related to lower pension expense due to NCR's decision to cease the accrual of additional benefits under its U.S. defined benefit pension plans for all participants after December 31, 2006. The period-over-period operating income comparison was affected by an unfavorable revenue mix comparison along with increased investment in sales and demand-creation resources.

Gross Margin

Gross margin as a percentage of revenue for the first six months of 2007 decreased to 53.1% from 54.1% in the first six months of 2006, primarily due to an unfavorable revenue mix of increased professional services

revenue. Product gross margin decreased by 1% due to a significant sale of enterprise software licenses during the 2006 period, which resulted in higher than usual product margins. Services gross margins were slightly lower than prior period levels primarily due to a higher mix of lower-margin professional and installation-related services revenue.

Operating Expenses

Total operating expenses, characterized as "selling, general and administrative expenses" and "research and development expenses," were $268 million in the first six months of 2007 compared to $251 million in 2006. As a percentage of revenue, total operating expenses improved to 34.2% in the first six months of 2007 from 34.9% in the first six months of 2006. The increase in selling, general and administrative expenses of $17 million is primarily due to a $18 million net increase in demand creation spending. Research and development expenditures are lower, primarily due to a decrease in expenses from NCR for corporate-related functions. The decrease in costs allocated from NCR reflects Teradata's portion of NCR's overall cost reductions.

Effects of Pension, Post-employment and Post-retirement Benefit Plans

Teradata's cost and expense for the six months ended June 30 was impacted by certain employee benefit plan expenses allocated to it by NCR, as shown below:

	Six Months Ended June 30	
In millions	2007	2006
Pension expense	**$ 4**	$ 11
Postemployment expense	**8**	8
Total expense	**$ 12**	$ 19

NCR recorded $4 million of pension expense for Teradata in the first six months of 2007 versus $11 million of pension expense in the first six months of 2006. The decrease was due to NCR's decision to cease the accrual of additional benefits under its U.S. defined benefit pension plans for all participants after December 31, 2006. Post-retirement expense was immaterial for the first six months of 2007 and 2006.

Income Taxes

Income tax provisions for interim periods are based on estimated annual income tax rates calculated separately from the effect of significant infrequent or unusual items. The tax rate in the first six months of 2007 was 42% and includes the impact of a $7 million, or 5%, unfavorable adjustment to correct prior period errors in the calculation of the income tax provision related to intercompany profit eliminations. As the impact of this error was not material to any prior periods and is not expected to be material to the full year 2007 financial statements, it was recorded in the six month period ended June 30, 2007. The effective tax rate in the first six months of 2006 was 37%. The period-over-period difference in tax rates was driven by the out of period adjustment. Moreover, the rate was negatively impacted by NCR's tax structure, which was designed to optimize its overall tax rate and not that of Teradata as part of its multiple businesses. See Note 1 for further information regarding the out of period adjustment recorded in the first six months of 2007.

NCR is subject to numerous ongoing audits by state and foreign authorities. While Teradata believes that it is appropriately reserved for any outstanding issues of these audits, should these audits be settled, the resulting tax effect could impact the tax provision in future periods. In accordance with the expected Tax Sharing Agreement between NCR and Teradata, upon the separation NCR will, in general, indemnify Teradata for any tax liabilities, including those related to tax audits by domestic and international authorities that arose during periods prior to the separation. Therefore, at the separation date, Teradata is expected to have no income tax liabilities or accruals.

In contemplation of the separation of Teradata from NCR, the Company submitted a private letter ruling request to the Internal Revenue Service ("IRS") concerning Teradata Corporation's ability to continue to amortize (and deduct) certain research and development costs that had been capitalized by NCR for tax purposes

under Section 59(e) of the Internal Revenue Code subsequent to the transfer of the related intellectual property to Teradata Corporation. On August 9, 2007, the Company was notified that the IRS would likely issue an adverse ruling on the Company's request. The potential adverse ruling only concerns the amortization of capitalized research and development after the intellectual property is transferred to Teradata Corporation and, therefore, has no impact on the historic accounting for deferred income taxes by NCR or the historic financial statements of the Teradata Data Warehousing Business of NCR as reflected in the accompanying financial statements. Deferred tax assets relating to capitalized research and development costs was approximately $196 million at June 30, 2007, and $212 million at December 31, 2006. Upon separation, the amount of the deferred tax asset for capitalized research and development costs attributable to Teradata Corporation is expected to be approximately $150 million.

The Company plans to challenge the IRS determination. The Company is also exploring other potential tax planning strategies that may allow for the realization of some, or all, of the related deferred tax asset at some future date. There can be no assurance that any such challenge or strategies will be effective. Based on the information currently available, realization of the deferred tax assets in the future relating to capitalized research and development by Teradata Corporation is not considered to be more likely than not. As a result, the Company expects to record a valuation allowance charge to income tax expense of approximately $150 million in the quarter of separation. Additionally, if the Company is unable to reach a favorable resolution of this matter with the IRS, Teradata Corporation may not be able to fully realize the cash flow benefits related to this deferred tax asset.

Revenue and Gross Margin by Operating Segment

Teradata is managed through the Americas, EMEA and APJ regions, which are also the Company's operating segments. For purposes of discussing our results by segment, we exclude the impact of certain items, consistent with the manner by which management evaluates the performance of each segment and reports our operating results under Statement of Financial Accounting Standards No. 131 ("SFAS 131"), *Disclosures about Segments of an Enterprise and Related Information* . 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 Teradata management to make decisions regarding the segments and to assess our financial performance. The effect of certain corporate-related items has been excluded from the segment gross margin for each reporting segment presented and discussed below. Teradata does not use corporate-level selling, general and administrative, or research and development expenses to measure the performance of the operating segments. Our segment results are reconciled to total company results reported under GAAP in Note 11 of the Notes to Financial Statements.

The following table presents revenue and operating performance by segment for the six months ended June 30 (in millions):

	2007	% of Revenue	2006	% of Revenue	% Increase (Decrease)	% Increase (Decrease) Constant Currency*
Revenue						
Americas	**$453**	**57.8%**	$442	61.5%	2%	2%
EMEA	**186**	**23.7%**	156	21.7%	19%	12%
APJ	**145**	**18.5%**	121	16.8%	20%	20%
Total revenue	**784**	**100%**	719	100%	9%	8%
Segment gross margin						
Americas	**259**	**57.2%**	262	59.3%		
EMEA	**85**	**45.7%**	73	46.8%		
APJ	**72**	**49.7%**	55	45.5%		
Total segment gross margin	**$416**	**53.1%**	$390	54.2%		

* Constant currency is used to depict revenue without the benefit or detriment occurring from currency fluctuations. Constant currency is calculated by presenting the previous period revenue using the subsequent period monthly average currency rates.

Overall revenue in the first six months of 2007 included 1% of benefit from currency fluctuations. Regionally, changes in the exchange rate provided a favorable impact of 7% in the EMEA region on the first six months of 2007 revenue versus the first six months of 2006 revenue.

Revenue Changes in Constant Currency

During the first six months of 2007, in the Americas region, revenue increases in the United States and the Caribbean and Latin America areas more than offset a decline in Canada. Overall, in the Americas region, revenue increased in customer support services, professional services and products. In the EMEA region, we experienced solid growth in Germany, Switzerland, Spain, France and the Middle East and Africa. Overall revenue in the EMEA region was significantly higher due to increases in product, professional services and customer support services revenue. In the APJ region, the revenue increase was driven primarily by China, Australia and Southeast Asia. The APJ region experienced solid growth in product revenue.

Segment Gross Margin

As a percentage of revenue, the decreased operating performance in the Americas was primarily due to a higher mix of professional services revenue, which typically has lower margins than products. In APJ, the increase in operating performance was primarily due to higher product revenue. The decrease in EMEA was primarily due to a higher mix of professional services revenue.

RESULTS FROM OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 AND 2004

In millions	2006	% of Revenue	2005	% of Revenue	2004	% of Revenue
Product revenue	**$ 820**	**52.6%**	$ 786	53.6%	$ 728	54.0%
Service revenue	**740**	**47.4%**	681	46.4%	621	46.0%
Total revenue	**1,560**	**100%**	1,467	100%	1,349	100%
Gross margin						
Product gross margin	**528**	**64.4%**	500	63.6%	441	60.6%
Service gross margin	**311**	**42.0%**	295	43.3%	267	43.0%
Total Gross Margin	**839**	**53.8%**	795	54.2%	708	52.5%
Expenses						
Selling, general and administrative expenses	**410**	**26.3%**	391	26.7%	391	29.0%
Research and development expenses	**117**	**7.5%**	120	8.2%	118	8.7%
Total expenses	**527**	**33.8%**	511	34.8%	509	37.7%
Operating income	**$ 312**	**20.0%**	$ 284	19.4%	$ 199	14.8%

Teradata revenue increased 6% in 2006 from 2005. Foreign currency fluctuations had less than 1% of negative impact on the year-over-year revenue comparison. The growth was driven by the need for more centralized data warehouse systems and is indicative of customers valuing the analytical capabilities of our solutions and the return on investment they can provide. Product revenue increased 4% in 2006 from 2005, primarily due to expansions of capacity by existing customers, as well as sales to new customers from our increased investments in demand creation resources. Services revenue increased 9% in 2006 from 2005, due to professional services related to new accounts and annuity support services related to the expansion of existing accounts. Operating income was $28 million higher in 2006 compared to 2005. The improvement in operating income was primarily due to higher volume and increased profitability from support services, offset by increased investment in sales and demand creation resources.

Our revenue increased 9% in 2005 from 2004. Revenue increased due to strong demand for a consolidated, enterprise-wide data warehousing architecture. Foreign currency fluctuations provided less than 1% of benefit to the year-over-year revenue comparison. Product revenue increased 8% in 2005 from 2004, primarily due to

strong growth in the Americas region, which benefited from increased headcount in sales and demand creation. Services revenue increased 10% in 2005 from 2004, primarily due to increases in professional and installation-related services associated with new accounts. Annuity support services also increased primarily due to the expansion of existing accounts. Operating income increased due primarily to higher volume and increased profitability from support services.

Gross Margin

Gross margin as a percentage of revenue for 2006 decreased slightly to 53.8% from 54.2% in 2005. Product gross margin increased to 64.4% for 2006 compared to 63.6% in 2005, primarily due to improved product revenue mix. Services gross margin decreased to 42% for 2006 from 43.3% in 2005 as Teradata added professional services and other demand creation resources.

Gross margin as a percentage of revenue for 2005 increased to 54.2% from 52.5% in 2004. Both services gross margin and product gross margin increased year-over-year. Product gross margin increased to 63.6% in 2005 from 60.6% in 2004, due to higher software content. Services gross margin improved to 43.3% in 2005 compared to 43% in 2004. Services gross margin increased due to operational and productivity improvements in Teradata's customer support services.

Operating Expenses

Total operating expenses, characterized as "selling, general and administrative expenses" and "research and development expenses," were $527 million in 2006 compared to $511 million in 2005. As a percentage of revenue, total operating expenses improved to 33.8% in 2006 from 34.8% in 2005. The increase in selling, general and administrative expenses of $19 million is primarily due to a $29 million net increase in demand creation spending and a $5 million increase in stock-based compensation as a result of adopting Statement of Financial Accounting Standards No. 123 (revised 2004) ("SFAS 123R"), *Share-Based Payment* . The increase was partially offset by decreases of $14 million in expenses from NCR for corporate-related functions. The decrease in costs allocated from NCR coincides with its multi-year re-engineering efforts to drive operational improvements through simplification, standardization, globalization and consistency across the organization, which reduced overall costs at the NCR level. Research and development expenditures are lower, primarily due to the timing of the capitalization of software development. For more information on the impact of the timing of software capitalization, see the caption entitled "Critical Accounting Policies—Capitalized Software" included below in this MD&A section.

Our 2005 operating expenses were $511 million in 2005 compared to $509 million in 2004. As a percentage of revenue, total operating expenses for 2005 improved to 34.8% from 37.7% in 2004. Selling, general and administrative expenses were unchanged year-over-year. However, an $18 million net increase in demand creation spending was partially offset by a decrease of $15 million in expenses from NCR for corporate-related functions. The decrease in costs allocated from NCR coincides with its multi-year re-engineering efforts to drive operational improvements through simplification, standardization, globalization and consistency across the organization, which reduced overall costs at the NCR level. Research and development expenditures were comparable to prior-year levels.

In 2007, we plan to invest and improve our demand generation capabilities. We continue to be committed to new product development and achieving maximum yield from our research and development spending and resources, which is intended to drive revenue growth.

Effects of Pension, Post-employment and Post-retirement Benefit Plans

Teradata's cost and expense for the years ended December 31 was impacted by certain employee benefit plan expenses allocated to it by NCR, as shown below:

In millions	2006	2005	2004
Pension expense	**$23**	$22	$22
Postemployment expense	**16**	17	19
Total expense	**$39**	$39	$41

NCR recorded $23 million of pension expense for Teradata in 2006 versus $22 million of pension expense in 2005. This increase was due primarily to the impact of lower interest rates partially offset by the impact of strong asset returns. Pension expense was unchanged in 2005 relative to the prior year. During 2004, NCR made changes to its U.S. defined benefit pension plans in which Teradata participates in order to limit participation only to employees who were at least 40 years old and hired by August 31, 2004. As of September 1, 2004, the plans were closed to new participants. In September 2006, NCR announced amendments to its U.S. defined benefit pension plans which would cease the accrual of additional benefits for all participants after December 31, 2006. As a result, pension expense is expected to decrease in the range of $14 to $16 million.

Post-employment expense (severance and disability medical) decreased to $16 million relative to $17 million in 2005. This decrease was primarily due to lower than anticipated severance payments in recent years and currency fluctuations. Post-employment expense decreased $2 million in 2005 relative to 2004. This decrease was driven primarily by changes in the severance benefit formulas used by NCR in a number of countries. Post-retirement expense was immaterial for 2006, 2005 and 2004.

Income Taxes

The tax rate in 2006 was 37%. The tax rate in 2005 was 27%, and included $33 million or 12% of tax benefits resulting from NCR's resolution of prior year tax audits. The tax rate in 2004 was 31%, and included $14 million or 7% of tax benefits resulting from the resolution of tax audits during the period when NCR was a subsidiary of AT&T Corp. See Note 6 of Notes to Financial Statements for additional information on these prior-year tax items. The tax rates for all years were negatively impacted by taxes on foreign earnings.

As a result of yet to be implemented tax strategies and changes in Teradata's legal entity structure we envision implementing as an independent company, Teradata's recurring effective tax rate is expected to be significantly lower. The 2006 rate, which is higher than the effective tax rate for NCR as a whole, is reflective of a different mix of earnings for Teradata across various tax jurisdictions. Moreover, the rate was negatively impacted by NCR's tax structure, which was designed to optimize its overall tax rate and not that of Teradata as part of its multiple businesses.

Revenue and Gross Margin by Operating Segment

The exclusion of certain items from segment gross margin is discussed in this MD&A under "Revenue and Gross Margin by Operating Segment" for the six months ended June 30, 2007, compared to the six months ended June 30, 2006.

The following table presents revenue and operating performance by segment for the years ended December 31 (in millions):

					2006 vs. 2005				2005 vs. 2004	
						% Increase				% Increase
	2006	% of Revenue	2005	% of Revenue	% Increase (Decrease)	(Decrease) Constant Currency*	2004	% of Revenue	% Increase (Decrease)	(Decrease) Constant Currency*
Revenue										
Americas	**$ 933**	**59.8%**	$ 861	58.7%	8%	8%	$ 757	56.1%	14%	14%
EMEA	**360**	**23.1%**	340	23.2%	6%	5%	329	24.4%	3%	3%
APJ	**267**	**17.1%**	266	18.1%	0%	2%	263	19.5%	1%	0%
Total revenue	**1,560**	**100%**	1,467	100%	6%	6%	1,349	100%	9%	9%
Segment gross margin										
Americas	**555**	**59.5%**	507	58.9%			429	56.7%		
EMEA	**168**	**46.7%**	165	48.5%			164	49.8%		
APJ	**126**	**47.2%**	130	48.9%			125	47.5%		
Total segment gross margin	**$ 849**	**54.4%**	$ 802	54.7%			$ 718	53.2%		

* Constant currency is used to depict revenue without the benefit or detriment occurring from currency fluctuations. Constant currency is calculated by presenting the previous year revenue using the subsequent year monthly average currency rates.

Overall revenue in 2006 included no impact from currency fluctuations. Regionally, the stronger U.S. dollar resulted in a negative impact of 2% in APJ. In the EMEA region, changes in the U.S. dollar provided a favorable impact of 1% on revenue for 2006 versus 2005. Overall revenue in 2005 included no impact from currency fluctuations. Regionally, changes in the U.S. dollar provided a favorable impact of 1% in the APJ region on revenue for 2005 versus 2004.

Revenue Changes in Constant Currency

During 2006, in the Americas region, revenues increased from continued expansion of existing accounts and the addition of new customers primarily in the United States. In the EMEA region, we experienced solid growth in the United Kingdom, Belgium, Netherlands, Italy, Eastern Europe, the Nordic area and the Middle East and Africa area. In the APJ region, the revenue increase was driven primarily by India, Southeast Asia and China. During 2005, in the Americas region, increased revenue was primarily driven by the expansion of existing accounts and the addition of new customers in the United States. In the EMEA region, increases in the United Kingdom, France, Belgium, Spain, Italy, and the Middle East and Africa area more than offset decreases in other parts of the EMEA region. In the APJ region, revenue increases were primarily due to increases in Japan, Korea and India.

Segment Gross Margin

As a percentage of revenue, the improved operating performance in the Americas from 2004 to 2006 was primarily based on the increased revenues from customer support services. In APJ, the increase in operating performance from 2004 to 2005 was primarily due to higher customer support services revenue. The decrease as a percentage of revenue in APJ from 2005 to 2006 was mainly attributable to lower margins associated with professional services as Teradata continues to invest and add resources. As these associates become assimilated, we expect that productivity will also improve in future periods. The decrease in rate from 2004 to 2006 in EMEA was also primarily impacted by lower margins associated with professional services.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Teradata's financial resources have historically been provided by NCR, which has historically managed cash and cash equivalents on a centralized basis. Cash receipts associated with Teradata's business have been transferred to NCR on a daily basis and NCR has funded Teradata's cash disbursements. These net cash transfers are reflected in parent company equity in Teradata's financial statements.

Cash generated by Teradata prior to the separation from NCR has been managed and retained by NCR. Upon the separation, however, we will receive $200 million in cash from NCR. In addition, we intend to negotiate and sign new revolving bank credit facilities with available borrowing capacity of approximately $300 million prior to the separation. We will provide an overview of the key terms of these new credit facilities once we have negotiated the terms with the lenders under the bank facilities.

We believe our cash flows from operations and our credit facilities will be sufficient to satisfy our future working capital, research and development activities, capital expenditures, pension contributions and other financing requirements for the foreseeable future. Our ability to generate positive cash flows from operations is dependent on general economic conditions, competitive pressures, and other business and risk factors described elsewhere in this information statement. If we are unable to generate sufficient cash flows from operations, or otherwise to comply with the terms of our credit facilities, we may be required to seek additional financing alternatives.

Cash provided by operating activities increased by $62 million in the first six months of 2007 compared to the first six months of 2006. The increase was primarily due to increases in deferred service revenue and

customer deposits, as well as a decrease in deferred tax assets. Deferred service revenue and customer deposits were higher due to the timing of renewals for our annual maintenance agreements, increases in volume and increases in software subscriptions. The decrease in deferred tax assets was primarily related to the amortization of capitalized research and development credits. For 2006, cash provided by operating activities of $219 million increased by $27 million from 2005, primarily driven by higher net income (net of non-cash items). The increase in net income was partially offset by higher accounts receivable. Accounts receivable balances were higher largely due to increased revenue volume, especially in the fourth quarter of 2006. Cash provided by operating activities in 2005 was $11 million higher than 2004. The increase in net income (net of non-cash items) was partially offset by changes in assets and liabilities.

During 2006, capital expenditures increased by $13 million due to increased investment in software development. From 2005 to 2004, total capital expenditures were comparable. In addition to expenditures for property, plant and equipment and capitalized software, other investing activities included $21 million in 2006 and $8 million in 2005 of cash used primarily for acquisition-related activity. Teradata's financing activities in each of the three years consisted of cash outflows to NCR.

Contractual Obligations

In the normal course of business, we enter into various contractual obligations that impact, or could impact, our liquidity. The following table and discussion outlines our material obligations at December 31, 2006, with projected cash payments in the years shown:

In millions	Total Amounts	2007	2008-2009	2010-2011	2012 and thereafter
Lease obligations	$ 11	$ 2	$ 4	$ 3	$ 2
Purchase obligations			—	—	
	67	67			—
Total lease and purchase obligations	**$ 78**	**$69**	**$ 4**	**$ 3**	**$ 2**

Our lease obligations included in the above table are primarily for Teradata-only facilities in various domestic and international locations. It does not include expected leases from NCR for properties that are currently owned by NCR and partially utilized by Teradata. We will include these obligations once we have negotiated and agreed to the terms with NCR. Purchase obligations are committed purchase orders and other contractual commitments for goods or services. The purchase obligation amounts are determined through information in our procurement systems and payment schedules for significant contracts. Excluded in the amounts are expected payments in relation to service agreements with Accenture LLP and NCR for ongoing transaction services, as the agreements are still being negotiated and are therefore not included in the above table.

Our uncertain tax positions are not expected to have a significant impact on liquidity or sources and uses of capital resources. We also have product warranties and several guarantees to third parties that may affect future cash flow. These items are not included in the table of obligations shown above, and are described in detail in Note 10 of Notes to Financial Statements, "Commitments and Contingencies."

Off-Balance Sheet Arrangements

We do not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities ("SPE"), which would have been established for the purpose of facilitating off-balance sheet arrangements or for other contractually narrow or limited purposes. As of December 31, 2006, we were not involved in any material unconsolidated SPE transactions.

Please see Note 10, "Commitments and Contingencies," in the Notes to Financial Statements for additional information on guarantees associated with Teradata's business activities.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our financial statements are prepared in accordance with GAAP. In connection with the preparation of these financial statements, we are required to make assumptions, estimates and judgments that affect the reported

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

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

Revenue Recognition

Teradata's solution offerings typically include hardware, software, software subscriptions, maintenance support services and other professional consulting services. Teradata records revenue when it is realized, or realizable, and earned. Teradata considers these requirements met when: (a) persuasive evidence of an arrangement exists; (b) the products or services have been delivered to the customer; (c) the sales price is fixed or determinable and free of contingencies or significant uncertainties; and (d) collectibility is reasonably assured. Teradata reports revenue net of any taxes assessed by governmental authorities that are imposed on and concurrent with specific revenue-producing transactions. Teradata delivers its solutions primarily through direct sales channels, as well as alliances with system integrators, other independent software vendors and value-added resellers.

Substantially all of Teradata's solutions contain software that is more than incidental to the hardware and services. The typical solution requires no significant production, modification or customization of the software or hardware and the software is not essential to the functionality of the hardware. Revenue related to software and software related elements are recognized under Statement of Position 97-2, *Software Revenue Recognition* . Revenue for hardware and related installation services is recognized under Staff Accounting Bulletin No. 104, *Revenue Recognition* . For software and software related elements, Teradata allocates revenue to each element based upon its fair value as determined by vendor specific objective evidence ("VSOE"). VSOE of fair value is based upon the normal pricing and discounting practices for those products and services when sold separately. These elements often involve delivery or performance at different periods of time. Revenue for software is generally recognized upon delivery with the hardware. Revenue for software subscriptions, which provide for unspecified upgrades or enhancements on a when-and-if-available basis, is recognized straight-line over the term of the subscription arrangement. Revenue for maintenance support services is also recognized on a straight-line basis over the term of the service contract. Revenue for other professional consulting services is recognized as services are provided. In certain instances, customer acceptance is required prior to the passage of title and risk of loss of the delivered products. In such cases, no revenue is recognized until the customer acceptance is obtained. Delivery and acceptance generally occur in the same reporting period.

For arrangements involving multiple deliverables, where the deliverables include software and non-software products and services, Teradata applies the provisions of Emerging Issues Task Force Issue No. 00-21, *Revenue Arrangements with Multiple Deliverables* , to separate the deliverables and allocate the total arrangement

consideration. Accordingly, Teradata evaluates each deliverable to determine whether it represents a separate unit of accounting based on the following criteria: (a) whether the delivered item has value to the customer on a stand-alone basis; (b) whether there is objective and reliable evidence of the fair value of the undelivered items; and (c) if the contract includes a general right of return relative to the delivered item, delivery or performance of the undelivered items is considered probable and substantially in the control of Teradata. If objective and reliable evidence of fair value exists for all units of accounting in the arrangement, revenue is allocated to each unit of accounting based on relative fair values. Each unit of accounting is then accounted for under the applicable revenue recognition guidance. In situations where there is objective and reliable evidence of fair value for all undelivered elements, but not for delivered elements, the residual method is used to allocate the arrangements consideration. Under the residual method, the fair value of the undelivered elements is deferred and the remaining portion of the arrangement fee is allocated to the delivered elements and is recognized as revenue.

Revenue recognition for complex contractual arrangements requires a greater degree of judgment, including a review of specific contracts, past experience, creditworthiness of customers, international laws and other factors. Changes in judgments about these factors could impact the timing and amount of revenue recognized between periods.

Allowance for Doubtful Accounts

We evaluate the collectibility of our accounts receivable based on a number of factors. We establish provisions for doubtful accounts using percentages of our accounts receivable balances as an overall proxy to reflect historical average credit losses and provision for known issues. These percentages are applied to aged accounts receivable balances. Aged accounts are determined based on the number of days the receivable is outstanding, measured from the date of the invoice, or from the date of revenue recognition. As the age of the receivable increases, the provision percentage also increases.

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

The allowance for doubtful accounts as of December 31 was $5 million in 2006, $7 million in 2005 and $6 million in 2004. These allowances represent as a percentage of gross receivables 1.3% in 2006, 2.0% in 2005 and 1.8% in 2004. Although no near-term changes are expected, unforeseen changes to future allowance percentages could materially impact overall financial results.

Given our experience, we believe that the reserves for potential losses are adequate, but if one or more of our larger customers were to default on its obligations, we could be exposed to potentially significant losses in excess of the provisions established. If economic conditions deteriorate, we may increase our reserves for doubtful accounts.

Capitalized Software

We account for research and development costs in accordance with applicable accounting pronouncements, including Statement of Financial Accounting Standards No. 2, *Accounting for Research and Development Costs* , and Statement of Financial Accounting Standards No. 86 (“SFAS 86”), *Accounting for the Costs of Computer Software to be Sold, Leased, or Otherwise Marketed* . SFAS 86 specifies that costs incurred internally in researching and developing a computer software product should be charged to expense until technological feasibility has been established for the product. Technological feasibility is established when all planning, designing, coding and testing activities that are necessary to establish that the product can be produced to meet its detailed design specifications. In the absence of a detail program design, a working model is used to establish technological feasibility. Once technological feasibility is established, all software costs are capitalized until the product is available for general release to customers. Judgment is required in determining when technological

feasibility of a product is established. The timing of when various research and development projects become technologically feasible or ready for release can cause fluctuation in the amount of research and development costs that are expensed or capitalized in any given period, thus impacting our reported profitability for that period.

Warranty Reserves

One of our key objectives is to provide superior quality products and services. To that end, we provide a standard product warranty ranging from 90 days to 12 months such that, should products under warranty require repair, no additional cost of that repair will be charged to our customers. A corresponding estimated liability for potential warranty costs is recorded at the time of the sale. Future warranty obligation costs are based upon historic factors such as labor rates, average repair time, travel time, number of service calls and cost of replacement parts. Upon consummating a sale, Teradata records the associated warranty liability based upon an estimated cost to provide the service over the warranty period.

Income Taxes

Teradata's operating results historically have been included in NCR's U.S. and state income tax returns and income tax returns of certain foreign subsidiaries. The provision for income taxes in Teradata's consolidated financial statements has been determined on a separate-return basis. Deferred taxes and liabilities are recognized for the expected tax consequences of temporary differences between the tax basis of assets and liabilities and their reported amounts.

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

As part of NCR, we regularly evaluate estimates and judgments related to uncertain tax positions, including transfer pricing related risks and, when necessary, establish contingency reserves to account for uncertain tax positions. As more information is obtained via the settlement of tax audits and through other pertinent information, these projections and estimates are reassessed and may be adjusted accordingly. As described in Note 6, there were significant adjustments to these contingency reserves in 2004 and 2005. In accordance with the expected Tax Sharing Agreement between NCR and Teradata, upon the separation, NCR will, in general, indemnify Teradata for any tax liabilities, including those related to tax audits by domestic and international authorities that arose during periods prior to the separation. Therefore, at the separation date, Teradata is expected to have no tax contingency reserves.

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

We had valuation allowances of $43 million as of December 31, 2006, related to certain deferred income tax assets, primarily tax loss carryforwards, in jurisdictions where there is uncertainty as to ultimate realization of a benefit from those tax assets. As of December 31, 2005, the valuation allowance was $35 million. Future changes in local country profitability may result in discrete changes affecting the need for valuation allowances. The form of international tax restructurings associated with the separation will likely result in changes to Teradata's net

operating loss carryforwards and overall deferred tax balances. These changes could impact the evaluation of valuation allowances by jurisdiction.

As part of NCR, we adopted FASB Interpretation No. 48 ("FIN 48"), *Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109* , on January 1, 2007. FIN 48 clarifies the accounting for uncertainty in income taxes by prescribing thresholds and attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, and disclosure. Under FIN 48, we may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon settlement. Prior to January 1, 2007, we evaluated our liabilities under Statement of Financial Accounting Standards No. 5, *Accounting for Contingencies* , which required an accrual for estimated losses when it was probable that a liability had been incurred and the amount could be reasonably estimated. The adoption of FIN 48 did not impact our results of operations or net assets.

Stock-based Compensation

Employees of NCR engaged in the Teradata business are eligible to receive NCR stock-based compensation awards. As part of NCR, we account for employee stock-based compensation costs in accordance with SFAS 123R, which requires us to measure compensation cost for stock awards at fair value and recognize compensation expense over the service period for which awards are expected to vest. We utilize the Black-Scholes option pricing model to estimate the fair value of stock-based compensation at the date of grant, which requires the input of highly subjective assumptions, including expected volatility and expected holding period. Further, as required under SFAS 123R, we estimate forfeitures for options granted, which are not expected to vest. The estimation of stock awards that will ultimately vest requires judgment, and to the extent that actual results or updated estimates differ from our current estimates, such amounts will be recorded as a cumulative adjustment in the period in which estimates are revised. We consider many factors when estimating expected forfeitures, including types of awards and historical experience. Actual results and future changes in estimates may differ substantially from our current estimates.

In addition, we have performance-based awards that vest only if specific performance conditions are satisfied, typically at the end of an award's three-year performance period. The number of shares that will be earned can vary based on actual performance. No shares will vest if the objectives are not met. In the event the objectives are exceeded, additional shares will vest. The cost of these awards is expensed over the performance period based upon management's estimate and analysis of future earnings as compared to the performance criteria. Because the actual number of shares to be awarded is not known until the end of the performance period, the actual compensation expense related to these awards could differ from our current expectations.

Pension, Post-retirement and Post-employment Benefits

NCR employees engaged in the Teradata business are eligible to participate in pension, post-retirement and post-employment benefit plans sponsored by NCR in many of the countries where NCR does business. As Teradata participated in NCR's plans, it accounted for its pension and post-employment benefit costs under the multiemployer plan approach, and has recognized the pension and post-employment costs allocated to it by NCR as expense, with a corresponding contribution in parent company investment. Pension and post-employment benefits costs allocated to Teradata are based on the projected benefit obligation associated with Teradata specific employees and other NCR employees who provided support services to Teradata. Post-retirement benefit costs allocated to Teradata were immaterial for each of the three years ended December 31, 2006.

NCR has significant pension, post-retirement and post-employment benefit costs and credits, which are developed from actuarial valuations. Actuarial assumptions attempt to anticipate future events and are used in calculating the expense relating to these plans. These factors include assumptions about interest rates, expected investment return on plan assets, rate of increase in health care costs, total and involuntary turnover rates, and rates of future compensation increases. In addition, NCR actuarial consultants also use subjective factors such as withdrawal rates and mortality rates to develop valuations. NCR generally reviews and updates these assumptions on an annual basis at the beginning of each fiscal year. NCR is required to consider current market conditions, including changes in interest rates, in making these assumptions. The actuarial assumptions that NCR uses may differ materially from actual results due to changing market and economic conditions, higher or lower withdrawal rates or longer or shorter life spans of participants. These differences may result in a significant impact to the amount of pension, post-retirement or post-employment benefits expense that NCR, and in turn Teradata, has recorded or may record. In addition, because the NCR U.S. defined benefit pension plan is frozen and Teradata is not expected to offer a defined pension benefit to U.S. employees after the separation, total annual pension expense is expected to decrease in the range of $14 to $16 million.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

A discussion of recently issued accounting pronouncements is described in Note 1 of Notes to Financial Statements, and we incorporate such discussion in this MD&A by reference and make it a part hereof.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have exposure to several functional currencies, and our primary exposure is from fluctuations in the Euro, British Pound and Japanese Yen. Due to our global operations, weaknesses in some of these currencies are sometimes offset by strengths in others. Historically, NCR has managed foreign currency risk on a centralized basis. To manage exposures and mitigate the impact of currency fluctuations on the operations of our foreign subsidiaries, NCR hedges our main transactional exposures through the use of foreign exchange forward contracts. This is primarily done through the hedging of foreign currency denominated inter-company inventory purchases by the marketing units and of foreign currency denominated inventory sales by the manufacturing units. All of these transactions are firmly committed or forecasted. These foreign exchange contracts are designated as cash flow hedges and are highly effective in offsetting the risk being managed. As we hedge inventory purchases, the ultimate gain or loss from the derivative contract is recorded in cost of products when the inventory is sold to an unrelated third party. The U.S. Dollar was weaker in the first six months of 2007 as compared to the first six months of 2006 based on comparable weighted averages for our functional currencies. This had a favorable impact of 1% on the first six months of 2007 revenue versus the first six months of 2006 revenue.

We are potentially subject to concentrations of credit risk on accounts receivable. 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 and credit limits. 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 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. At June 30, 2007 and December 31, 2006, we did not have any major concentration of credit risk related to financial instruments.

BUSINESS

Overview

Teradata is a global leader in enterprise data warehousing, including enterprise analytic technologies and services. Our data warehousing solutions are comprised of software, hardware, and related business consulting and support services. Recognized as market leading by industry analysts and customers, our solutions integrate an organization's enterprise-wide data—about customers, financials, operations, and more—into a single data warehouse. Our enterprise analytical technologies then transform that data into actionable "enterprise intelligence." This intelligence offers our customers a single view of their business, and the ability to leverage their organization's data as a strategic corporate asset to gain competitive advantage. They can access more timely and accurate information, obtain better insight about all aspects of their business, and make decisions with greater speed and precision to drive profitable growth. Teradata is designed to enable our customers to maximize business value while minimizing their total costs.

We currently serve more than 850 customers around the world—ranging from small implementations to some of the world's largest data warehouses. Teradata operates from three main locations in the United States: Atlanta, Georgia; Rancho Bernardo, California; and Dayton, Ohio. In addition, our sales and services offices are located in over 40 countries. For the full year ended December 31, 2006, we had net income of $198 million and total revenues of $1.560 billion, of which approximately 60% was derived in the North America and Latin America region (the "Americas"), 23% in the Europe, Middle East and Africa region ("EMEA"), and 17% in the Asia Pacific and Japan region ("APJ"). For financial information about these geographic areas which are also our reportable segments, see "Note 11—Segment Information and Concentrations" in the Notes to Financial Statements and the section entitled "Unaudited Pro Forma Balance Sheet" of this information statement for a discussion of increased costs associated with operating as a separate company.

Industry Overview

Data Warehousing Market and Drivers

Our revenues are primarily generated in the multi-billion dollar data warehousing market. We expect that the need for data warehousing will continue to grow as organizations increasingly rely on enterprise analytics to compete on a global basis. This need is further driven by the convergence of the following key market dynamics we have observed:

- high levels of data growth are being driven by globalization, increased merger and acquisition activities, alignment of IT and business functions, and increased government regulation, such as the Sarbanes-Oxley Act of 2002 and Basel II;
- new technologies such as global positioning systems ("GPS") and radio frequency identification ("RFID") are expected to drive additional customer data volumes, as are new data dimensions such as text, location, and time, which are also adding to scale and complexity requirements;
- improved data warehousing affordability due to price / performance gains on server and disk hardware are enabling new types of usage and more historical data;
- the adoption by customers of ever more real time, or "active," environments for enterprise intelligence is driving more applications, usage and capacity; and
- mission-critical applications used in business operations are increasingly requiring systems to be available at all times.

Our Data Warehousing Solutions

Data Warehousing

Data warehousing is the process of capturing, integrating, storing, managing, and analyzing data to answer business questions and make decisions. An enterprise data warehouse ("EDW") is generally a single, application-neutral repository of an organization's current and historical data for information sharing and analysis. Customers use Teradata's data warehousing hardware and software technologies and related services to:

- acquire, aggregate and integrate data from multiple sources, including data processing and enterprise resource planning systems;
- store that data in centralized data storage devices, such as computer disk drives;
- manage and analyze that data through the Teradata database software and tools, data mining, master data management and other enterprise analytical applications, such as customer management, demand and supply chain management, enterprise risk management, and financial management; and
- integrate analytics-based decisions into operational processes.

Our solutions enable customers to (1) obtain a single, integrated view of their data (about customers, products, channels, financials, suppliers, partners, services, etc.), and (2) transform that data into useful, insightful and actionable enterprise intelligence. By offering a single integrated instance of a customer's analytical data, our solutions are designed to help customers eliminate IT infrastructure costs associated with separately run and managed departmental databases.

Our solutions are robust, scalable, and reliable data warehousing systems that are capable of managing vast amounts of detailed data. Our enterprise data warehouses provide linear scalability, allowing customers' systems to grow in multiple dimensions to accommodate more information, more real-time data, more subject areas, more users, and more complex, meaningful, and sophisticated queries. As the customer requirements grow, our enterprise data warehouse easily expands by adding incremental units of our hardware and software solutions (these units are also referred to as "nodes") at the same ratio of node-to-data as the original system to maintain the same performance (this feature/functionality is also referred to as "linear"). Teradata also has "co-existence" capability that allows us to add current generation nodes with several prior generations of nodes, thereby protecting and extending our customers' investment.

We believe these capabilities and benefits typically make a Teradata enterprise data warehouse a key, strategic IT and business platform for our customers, driving significant investment and long-standing relationships.

Active Enterprise Intelligence

Teradata extends the use of traditional data warehousing by integrating advanced analytics into enterprise business processes through active enterprise intelligence, which reduces the time between obtaining information and acting on it. Specifically, this advanced solution integrates detailed historical information with near real-time data, and then deploys timely, accurate intelligence to decision-makers at all levels of the enterprise. We believe that active enterprise intelligence enables consistent execution of corporate strategy by allowing the strategic decisions devised by senior management to become operationalized and flow to front line employees, such as call center agents, bank tellers, and cashiers, as well as to customers, partners, and suppliers.

Our Products

We are a single-source provider of enterprise data warehousing solutions with a fully integrated business that includes dedicated professionals and technologies. Our products are optimized and integrated specifically for EDW, including the hardware platform, database and application software, and related consulting and support services. The chart above illustrates the key component areas of our integrated data warehousing solution.

Our Key Software and Hardware Products

- **Teradata Database Software** —Our flagship Teradata database software is regarded by customers and industry analysts as a superior choice for analyzing large amounts of data and processing increasing volumes and complexity of queries without compromising performance. Our massively parallel processing ("MPP") architecture combined with our software provides the foundation for our unique ability to support and manage a wide range of data warehousing functions. These functions range from reports to ad hoc queries to data mining and simultaneous data loading, all from a single data warehouse that integrates data from across the enterprise to drive better, faster decision-making. Our Teradata database software, which operates in different operating system environments (including UNIX ®, LINUX and Microsoft Windows ®), delivers real-time intelligence for our customers with capabilities and features such as support of short-term operational and long-term strategic workloads (mixed workload), the ability to handle thousands of concurrent queries, robust and simplified system management, high system availability, event monitoring, and easy integration into the enterprise. We also offer a software subscription program which enables our customers to take advantage of available improvements in future releases of our software.
- **Teradata Servers** —For the hardware component of our solutions, Teradata integrates and optimizes open systems hardware components with our value-added, fault-tolerant BYNET MPP interconnect. We utilize industry standard Intel ® XEON 32/64-bit servers, along with our industry-standard storage offerings, to provide seamless, transparent scalability. As a result, our solutions perform in multiple operating environments. Our research and development efforts have sought to optimize our server family platform as a high performance, scalable, and easily supportable MPP server. Parallel

processing vastly increases the speed with which results are delivered and/or correspondingly increases the amount of data that can be queried or the numbers and complexities of queries that can be run. Further, Teradata servers are designed to protect our customers' technology investments so that new servers can co-exist with multiple previous generations of servers.

- **Teradata Logical Data Models** —Our enterprise industry logical data models ("LDMs") are designed to be easy-to-follow blueprints for designing an enterprise data warehouse that reflects business priorities tailored to the specific needs of an industry. Developed through years of experience serving our customers, our industry-specific LDMs clearly organize and structure data, defining which individual information elements are required and how they relate to one another to provide a data model for the entire enterprise. Our LDMs are licensed to our customers as a key component of our data warehousing solutions and we offer a subscription program so that our customers may obtain the benefit of future releases of these models.
- **Teradata Analytic Applications** —We offer a full suite of data access and management tools and applications that leverage enterprise intelligence to solve business problems. These applications include: data mining, master data management, customer management, enterprise risk management, finance and performance management, demand and supply chain management, and profitability analytics.

Our Services

- **Teradata Professional Consulting Services** —With a leading global EDW professional services organization, Teradata consultants combine a patent-pending methodology with extensive industry expertise and hands-on experience to help our customers quickly recognize business value and minimize risk. We employ skilled consultants who provide data warehousing business impact modeling, design, architecture, implementation, and optimization consulting services, as well as enterprise analytics consulting, data management services, and managed services. Our Global Consulting Centers around the world are staffed with professionals trained in our patent-pending solutions methodology, and supplement local area consulting teams by accessing and utilizing the accumulated wealth of our global knowledge base and providing offshore consulting resources as needed.
- **Teradata Customer Support Services** —Our customer services organization provides an experienced, single point of contact and delivery for the deployment, support and ongoing management of Teradata data warehouses around the world. Our customer support service offers both proactive and reactive services, including installation, maintenance, monitoring, back-up, and recovery services to allow customers to maximize availability and better leverage the value of their investments in data warehousing. This support is increasingly important for our customers' mission-critical data warehouse environments—those that operate continuously 24 hours per day, 7 days per week.
- **Training Services** —To enhance the value of their investment, we also provide our customers with training for their employees and contractors who are responsible for the operation and/or use of their Teradata data warehouses and analytical applications.

Our Strategy

As part of our multi-year goal of advancing our enterprise data warehousing solution as the preferred data warehousing architecture used by companies to build their enterprise analytics infrastructure, we are focused on three core strategies:

- **Expanding our direct market coverage by increasing industry and technical consulting, account executives, and partners .** Recognizing that business issues, decisions and data types vary by industry, our approach to the market is tailored to discrete industries. Accordingly, we seek to employ and retain individuals with specific industry knowledge, for industry consulting, professional services and account management personnel. In addition, we continually seek to leverage our network of strategic and alliance partners, who deliver integrated and complementary products and services that can enhance our market reach.

- **Expanding our solutions and offers by investing in consulting and support services, applications and partners .** We offer data warehouse consulting services to provide our customers with tailored solutions. We are seeking to grow our team of professional consultants to help our customers identify, design and implement additional high value opportunities to leverage and grow their data and extend their data warehouses to active enterprise environments. We will continue to optimize and expand our portfolio of Teradata analytical applications to enable customers to drive additional value from their data warehousing investments. We also seek to partner with leading technology and system integrator companies to deliver a complete solution that includes packaged applications, unique integration technologies, tools and utilities, training and services.
- **Increasing our technology capabilities by investing in active data warehousing and advanced development .** We continually seek to enhance our technology offerings in order to remain a leader in the enterprise data warehousing/analytics market. As businesses integrate technological support for strategic and operational decision making, we plan to continue to invest in capabilities to offer active enterprise intelligence solutions to our customers. We will also seek to further expand our market reach and intellectual property portfolio through appropriate acquisitions and strategic alliances. We will endeavor to exploit future advances in hardware technology with a view to obtaining a speed and cost advantage.

History and Development

Teradata was formed in 1979 as a Delaware corporation. Our first product, the Teradata Database Computer, was utilized by Wells Fargo and AT&T, among others. We established a relational database management system on a proprietary platform in 1984. In 1990, we partnered with NCR to jointly develop next-generation database systems. In 1991, AT&T acquired NCR and, later that year, NCR purchased Teradata. In 1995, Teradata was merged into NCR's operations and ceased to exist as a separate legal entity.

In 1996, AT&T spun off NCR (including Teradata) to form an independent, publicly traded company. In 1999, NCR consolidated its data warehousing business into a separate operating division. We continued our investments to extend the scope of our enterprise data warehousing solutions, including improvements to our leading database software, increasing our enterprise analytic software applications, and providing sophisticated support and professional consulting services.

Customers

We focus our sales efforts on the global 3,000 leading companies across a broad set of industries, including banking/financial services, entertainment (including gaming and media), government, insurance and healthcare, manufacturing, retail, telecommunications, transportation, and travel. We currently have over 850 customer companies, although the extent to which any given customer contributes to our revenues generally varies significantly from year to year and quarter to quarter. These industries provide a good fit for our EDW analytic solutions, as they tend to have large and increasing sources of data, complex data management requirements or large groups of users. We have more than 60% of our employees in customer-facing and/or revenue driving roles.

With more than 25 years of experience, Teradata is a leader in implementing enterprise data warehouses. Our customers represent some of the best-known Global 3000 companies. Teradata solutions power 60% of the most admired global companies, including: 90% of the top ten global telecommunication firms, 60% of the top ten global airlines, 60% of the top ten global transportation firms, 50% of the top ten global retailers, and 40% of the top ten global commercial and savings banks. (Rankings are based on the ten largest companies in each segment per the July 2006 Fortune Global 500 List and Teradata customers as of 2006.)

Enterprise data warehouses are typically built one project at a time. For example, an initial enterprise data warehouse may start with a single subject area, which forms the foundation of data that is available to be leveraged for the next project, and so on. Therefore, a customer with a large order in one quarter may generate

significantly lower revenue in subsequent quarters. For these reasons, as well as the breadth of our customer base, among other things, no single customer of Teradata overall or any of our reportable segments accounted for 10% or more of our total revenue in any of the last three fiscal years. For the year ended December 31, 2006, our top ten customers on a revenue basis collectively accounted for approximately 16% of our total revenues. Moreover, Teradata's total revenue and revenue for each reportable segment can vary considerably from quarter to quarter given the different growth patterns of our existing customers' data warehouse systems and the variable timing of new customer orders. Each of our large sales orders typically requires substantial lead time, and our results in any particular quarter have generally been dependent on our ability to generate large orders for that quarter from a relatively small number of customers.

Partners, Marketing and Distribution Channels

Strategic Partnerships

We seek to leverage our sales and marketing reach through our strategy of partnering with leading global and regional systems integrators, independent software vendors, and consultants which we believe complement our enterprise data warehousing solutions.

- **Alliance Partners** —Strategic partnerships are a key factor in our ability to leverage the value of our data warehousing solutions and expand the scope of our offerings to the marketplace. Our partner program is focused on working collaboratively with independent software vendors in several areas critical to enterprise data warehousing, including tools, data and application integration solutions, data mining and business intelligence, and specific horizontal and industry solutions. Our goal is to provide customer choice with partner offerings that are optimized with our solutions, and fit within the customer's enterprise IT environment. Our strategic alliance partners include many leaders in the data warehousing and analytics market.
- **Systems Integrators** —We also work with a range of consultants and systems integrators that engage in the design, implementation and integration of our solutions. Our consulting and systems integrator partners provide broad industry expertise in the design of business solutions based on our data warehousing technologies. In general, these partners are trusted advisors who assist in vision and strategy development with our customers while objectively assessing and meeting their needs. By working with premier system integrators and consulting firms, we combine our expertise in data warehousing with top-notch consultants to provide true end-to-end solutions. Our key global systems integrators include Accenture, BearingPoint, Capgemini, and Deloitte.

Sales and Marketing

We sell and market our data warehousing solutions in our reportable segments, the Americas, EMEA, and APJ, primarily through a direct sales force. We believe our quota-carrying sales force increases our visibility and penetration in the marketplace and fosters long-term customer relationships and additional product sales.

We support our sales force with marketing and training programs which are designed to grow awareness and highlight our differentiation, as well as provide a robust set of tools for use by our direst sales force. In support of growing awareness of the need for enterprise data warehousing and Teradata solutions specifically, we employ a broad range of marketing tactics including programs to inform and educate the media, industry analysts, academics and other third-party influencers, targeted direct marketing, a website, webinars, and trade shows and conferences. We annually host or participate in worldwide and regional user conferences that take place in approximately 25 locations around the globe.

We also believe that promoting customer success and return on investment is an important element for our success. As a result, and because we have an enthusiastic customer base, we have developed an active program to support and leverage customer references.

Resellers and Distributors

Although the majority of our sales are direct, to extend our sales coverage, we market and sell our products through third-party channels, including resellers and distributors. We have a number of licensed resellers, including Accenture, Bearing Point and EDS, and have license and distribution agreements with independent distributors in many countries worldwide, including NCR, as described in the section entitled "Certain Relationships and Related Party Transactions—Agreements with NCR—Other Commercial Agreements" included elsewhere in this information statement. The distribution agreements generally provide for the right to offer our products within a territory. Our distributors generally maintain sales and services personnel dedicated to our products. Accordingly, we have dedicated sales, marketing, and technical alliance resources designed to optimize our reseller and distributor relationships.

Sources of Materials

Our supply chain includes materials and components from leading technology suppliers including Solectron Corporation, which is a key supplier. Our server line is designed to leverage the best-in-class components from industry leaders like Intel Corporation for microprocessors. In addition, our computer data storage devices (such as disk arrays) are industry-standard technologies provided by LSI Corporation and EMC Corporation, but are selected and configured by us to work optimally with our servers and software. More information regarding sources and availability of raw materials is included in the section entitled "Risks Relating to Our Business—Reliance on Third Parties" included elsewhere in this information statement, which is incorporated herein by reference.

Competition

The overall data warehousing market is very competitive, and we face competition for nearly every sales opportunity we pursue. In addition to our primary competitors, IBM and Oracle, many other companies participate in specific areas of our business, such as enterprise analytic and business intelligence application software. The status of our business relationships with these companies can influence our ability to compete for data warehousing opportunities that include such areas. We expect additional competition from both well-established and emerging companies who have recently become active at the entry-levels of the data warehousing market and who may increase their level of competitive activities in the future.

Competitors take different technical and integration approaches to addressing enterprise analytics needs, and therefore they often recommend a different architecture than our solutions. We believe that our customers recognize the advantages of our integrated enterprise data warehousing approach, which enables us to compete with IBM, Oracle and other competitors as well as new market entrants.

Key factors used to evaluate competitors in these markets include: data warehousing experience and customer references; technology leadership; product quality; performance, scalability, availability and manageability; support and professional services consulting capabilities; industry knowledge; and total cost of ownership. We believe we have a competitive advantage in providing complete, integrated, and optimized data warehousing solutions that address these customer requirements. Moreover, our high performance technology is designed to not only seamlessly and linearly scale with customer growth needs but to do so in a manner that allows us to add current generation nodes with several generations of prior nodes, thereby protecting our customers' investments. We believe this is a capability which makes our data warehousing solutions particularly attractive to customers.

Our products also complement offerings of some of our competitors, with whom we have formed partnerships. Examples of these companies include both IBM and Oracle.

Since the overall market is large and growing, we do expect to see new and emerging competitors with other alternative approaches, especially in the low-end of the data warehousing market. We intend to continue to

compete successfully on the basis of our superior approach, integrated solution with high performing and scalable technology, deep and broad services capabilities, and our successful track record. For more information, see the section entitled "Risk Factors—Risks Relating to Our Business" included elsewhere in this information statement.

Seasonality

Our sales are historically seasonal, in line with capital planning cycles of our customers, with lower revenue in the first quarter and higher revenue in the fourth quarter of each year. Such seasonality causes our working capital cash flow requirements to vary from quarter to quarter depending on the variability in the volume, timing and mix of product sales. In addition, revenue in the third month of each quarter is typically higher than in the first and second months. These factors, among others as more fully described in the section entitled "Risk Factors—Risks Relating to Our Business" included elsewhere in this information statement, make forecasting more difficult and may adversely affect our ability to accurately predict financial results.

Research and Development

We remain focused on designing and developing data warehousing products, services and solutions that anticipate our customers' changing technological needs. As we seek improvements in our products and services, we also consider our customer's current needs as we design our new technology so that new generations of the Teradata database software and operating platforms are compatible with prior generations of our technology. We believe our extensive research and development workforce is one of our core strengths. This global team is headquartered at our facility in Rancho Bernardo, California. Expenses for research and development were $117 million in 2006, $120 million in 2005 and $118 million in 2004. We anticipate that we will continue to have significant research and development expenditures in the future in order to continue a flow of innovative, high-quality products and services, which is vital to our competitive position. Information regarding the accounting and costs included in research and development activities is included in Note 1 of the Notes to Financial Statements of this information statement and is incorporated herein by reference.

Intellectual Property and Technology

After the distribution, we will own approximately 400 patents in the United States and about 100 patents in foreign countries. The foreign patents are generally counterparts of Teradata's U.S. patents. Many of the patents that we will own are licensed to others, and we are licensed to use certain patents owned by others. We will also own approximately 450 patent applications in the United States and about 100 patent applications in foreign countries. The foreign patent applications are generally counterparts of Teradata's U.S. patents. While our portfolio of patents and patent applications in aggregate is of significant value to Teradata, we do not believe that any particular individual patent is by itself of material importance to Teradata's business as a whole.

In addition, upon the spin-off, Teradata will own copyrights and trade secrets in its vast code base which makes up the core Teradata software product offerings, including the Teradata database and application software products. The Teradata database software, based upon computer science research at the California Institute of Technology, works on multiple tasks at once, an approach known as "parallel processing." In fact, the Teradata database software architecture is known in the industry as a "massively parallel processing" or "MPP" system. Parallel processing vastly increases the speed with which results are delivered and correspondingly increases the amount of data that can be queried and the number and complexity of queries that can be run. The name "Teradata" evokes the ability to manage terabytes (i.e., trillions of bytes) of data. One of our key technological advances has been making the Teradata database software and hardware compatible with several operating systems (such as UNIX, LINUX and Windows). In addition, the Teradata database software, as an example of a relational database management system (or RDMBS), comprises nearly six million lines of computer code. The source code versions of our products are protected as trade secrets and, in all major markets, as unpublished copyright works. We also vigorously protect our rights in the Teradata database software and related intellectual property; however, there can be no assurance that these measures will be successful.

After the spin-off, we will also own the Teradata ® trademark, which is registered in the U.S. and in many foreign countries, as well as other tradenames, service marks, and trademarks such as BYNET.

For more information on the intellectual property arrangements entered into in connection with the spin-off, see the section entitled "Certain Relationships and Related Party Transactions—Agreements with NCR—Intellectual Property Agreements" included elsewhere in this information statement.

Employees

As of December 31, 2006, we had 5,100 employees globally. We believe that our future success will depend, in part, on our ability to continue to attract, hire and retain skilled and experience personnel.

Properties and Facilities

Our executive headquarters will be located in Dayton, Ohio, and we manage our business through three main locations in the United States: Atlanta, Georgia; Rancho Bernardo, California; and Dayton, Ohio. As of December 31, 2006, we operated 92 facilities throughout the world, including facilities in El Segundo, California; Raleigh, North Carolina; Beijing, China; Mumbai, India; Tokyo, Japan; and Islamabad, Pakistan. We own our Rancho Bernardo complex, part of which is used as the headquarters of our research and development operations. All of our other research and development facilities are leased, as well as our office, technical support centers, training, and other miscellaneous sites. We plan to maintain facilities in approximately 40 countries.

Our property transition plan in connection with the spin-off is designed to align NCR and Teradata properties in the most cost-effective manner. Where commercially and practically feasible, facilities that can be demised for joint occupancy by the two companies will be made available to both companies and additional space will be leased by Teradata as needed. Of the total square feet currently used by Teradata, approximately 370 thousand square feet is expected to be in a jointly-shared facility with NCR for at least 3 to 4 months. Upon completion of our transition plan, which is expected to be substantially completed by December 31, 2007, we believe our plants and facilities will be suitable and adequate, and we believe we have sufficient capacity to meet our current needs.

Legal Proceedings

See Note 10 and Note 13 in Notes to Financial Statements included herein.

MANAGEMENT

Executive Officers Following the Separation

All but one of our executive officers are currently employees of NCR. After the separation, none of these individuals will continue to be employees of NCR. The following table sets forth the information as of August 20, 2007 regarding the individuals who are expected to serve as our executive officers following the spin-off. In addition, Robert Young is currently serving as our Interim Chief Financial Officer. Mr. Koehler will, in consultation with our Board of Directors, determine our other senior management positions.

Name	Age	Position(s)
Michael Koehler	54	President & Chief Executive Officer
Stephen Scheppmann	51	Executive Vice President and Chief Financial Officer
Saundra Davis	44	Vice President, Human Resources
Robert Fair	44	Executive Vice President, Global Field Operations
Daniel Harrington	44	Executive Vice President, Technology and Support Services
Bruce Langos	54	Chief Operations Officer
Darryl McDonald	48	Chief Marketing Officer
Laura Nyquist	53	General Counsel and Secretary

Michael Koehler . Michael Koehler will be President and Chief Executive Officer of Teradata. Mr. Koehler has served as Senior Vice President, Teradata Division of NCR from March 2003 to the present. From September 2002 until March 2003, he was the Interim Teradata Division Leader, Teradata Division. From 1999 to 2002, Mr. Koehler was Vice President, Global Field Operations, Teradata Division, and from June 1997 to October 1999, he was Vice President, Americas, Retail Solutions Group of NCR. Mr. Koehler began his career at NCR in 1975 and has since held a number of positions of increasing responsibility in the areas of marketing and sales management.

Stephen Scheppmann. Stephen Scheppmann will be Executive Vice President and Chief Financial Officer of Teradata effective as of September 4, 2007. He served as Executive Vice President and Chief Financial Officer of Per-Se Technologies, Inc., a leading provider of administrative healthcare industry services, from May 2006 until May 2007, following the completion of that company's acquisition. From 2000 to May 2006, Mr. Scheppmann served as Executive Vice President and Chief Financial Officer for NOVA Information Systems, Inc., and, from 1988 to 2000, he was Senior Vice President and Chief Financial Officer of Larson-Juhl, Inc. Since January 2006, Mr. Scheppmann has served as a member of the Board of Directors of eResearch Technology, Inc., a publicly-traded biotechnical services and technology company, and has been chairman of its Audit Committee since April 2006.

Robert Young . Robert Young is currently serving as the Interim Chief Financial Officer of Teradata until the effective time of Mr. Scheppmann's appointment. Mr. Young has served as Finance Vice President and Chief Financial Officer, Teradata Division of NCR from January 2000 to the present. He will continue as Teradata's Vice President, Financial Planning and Operations, following the spin-off. From 1996 to 1999 he was Finance Vice President of NCR's Computer Systems Group, National Accounts. Prior to that time, since beginning his career at NCR in 1978, Mr. Young held a number of positions of increasing responsibility in the areas of finance and administration and general management.

Saundra Davis . Saundra Davis will be Vice President, Human Resources of Teradata. Ms. Davis has served as Vice President, Human Resources, Teradata Division of NCR from January 2004 to the present. Prior to this position, Ms. Davis served as Vice President, Human Resources, Corporate Infrastructure, at NCR from January 2003 to December 2003, and as Vice President, Human Resources, Systemedia Division of NCR from June 2000 to December 2002. Ms. Davis joined NCR in 1985 and has since held a number of positions of increasing responsibility in human resources.

Robert Fair . Robert Fair will be Executive Vice President, Global Field Operations of Teradata. Mr. Fair has served as Vice President, Global Marketing, Teradata Division of NCR from April 2003 to the present. From

March 2000 to April 2003, he was Vice President, Americas Communications Industry, Teradata Division. Mr. Fair began his career at NCR in 1984 and has held a number of positions of increasing responsibility in the areas of sales, professional services and marketing.

Daniel Harrington . Daniel Harrington will be Executive Vice President, Technology and Support Services of Teradata. Mr. Harrington has served as Vice President, Customer Services, Teradata Division of NCR, from January 2005 to the present. Prior to this position, from April 1999 to December 2004, he was Vice President, Northern Europe, Teradata Division with responsibility for Europe sales in 2004. Mr. Harrington joined NCR in 1985 and has held a number of positions of increasing responsibility in the areas of sales, marketing and product management.

Bruce Langos . Bruce Langos will be Chief Operations Officer of Teradata. Mr. Langos has been Senior Vice President, Global Operations of NCR, from May 2006 to the present. From 1996 until he assumed that position, Mr. Langos was Vice President, Business Operations, Teradata Division. Mr. Langos joined NCR in 1976 and has held positions of increasing responsibility in sales, marketing, product management and strategic planning.

Darryl McDonald . Darryl McDonald will be Chief Marketing Officer of Teradata. Mr. McDonald has served as Vice President, Global Consulting Services, Teradata Division of NCR from April 2003 to the present. From 1997 until April 2003, Mr. McDonald was Vice President, Americas Retail Industry, Teradata Division. Mr. McDonald joined NCR in 1982 and has held a number of positions of increasing responsibility in the areas of sales and consulting.

Laura Nyquist . Laura Nyquist will be General Counsel of Teradata. Ms. Nyquist has served as Deputy General Counsel and Chief Counsel, Business Counsel Group, NCR, from October 2006 to the present. Prior to this position, Ms. Nyquist was Chief Counsel, Financial Solutions Division from 2004 to September 2006, and was Vice President, Corporate Affairs, and Secretary to the Board of NCR from 1999 to 2004. Ms. Nyquist joined NCR in 1986 and has held a number of positions of increasing responsibility at NCR.

There are no family relationships between any of the executive officers or directors of Teradata.

There are no contractual obligations regarding the election of our executive officers or directors.

Board of Directors Following the Separation

Teradata currently has no active operations and therefore its Board of Directors is limited to Mr. Koehler and Laura Nyquist, who are officers of NCR. However, prior to the spin-off, we expect that Ms. Nyquist will resign from the Board and NCR will appoint five other individuals from the current NCR Board of Directors to serve on the Teradata Board. It is currently expected that two directors of Teradata, Messrs. Boykin and Prahalad will also be members of NCR's Board of Directors, and Mr. Prahalad will have a term limited to one year and will not seek re-election after expiration of this term. The following table sets forth information as of August 13, 2007 regarding the individuals who are expected to be so appointed. For more information, see the section entitled "Executive Officers Following the Separation" included elsewhere in this section for the biographical information of Mr. Koehler.

Name	Age	Position(s)
James Ringler	61	Chairman and Director Nominee
Michael Koehler	54	President & Chief Executive Officer, Director Nominee
Edward (Pete) Boykin	68	Director Nominee
Victor Lund	59	Director Nominee
C. K. Prahalad	65	Director Nominee
William Stavropoulos	67	Director Nominee

James M. Ringler will be the Chairman of the Board of Teradata. He currently serves as Chairman of the Board of NCR, a position he has held since July 25, 2005. From March 30, 2005 to August 7, 2005, Mr. Ringler served as NCR's President and Interim Chief Executive Officer. He served as Vice Chairman of Illinois Tool Works Inc., a multi-billion dollar diversified manufacturer of highly engineered components and industrial systems, from 1999 until 2004. Prior to joining Illinois Tool Works, from 1997 to 1999, Mr. Ringler was

Chairman of Premark International, Inc. ("Premark"), a large, diversified manufacturing company serving the food equipment, builder products and consumer durable markets. He also served as Premark's Chief Executive Officer from 1995 to 1999, and prior to that as its President and Chief Operating Officer. Mr. Ringler was a director of Premark from 1990 until it merged with Illinois Tool Works in 1999. Mr. Ringler serves as a director of NCR, Autoliv Inc., The Dow Chemical Company, FMC Technologies, Inc., and Corn Products International, Inc.

Edward P. "Pete" Boykin will be one of our directors. Mr. Boykin served as the President and Chief Operating Officer of Computer Sciences Corporation ("CSC"), an information technology services company he joined in 1966, from July 2001 to June 2003. From 1998 to 2001, he held a number of senior management positions at CSC, including group president of its Financial Services Group from 1999 to 2001 and vice president of its Technology Management Group from 1998 to 1999. From 1996 to 1998, Mr. Boykin was President of The Pinnacle Alliance, a CSC-managed organization providing information technology outsourcing and other services to J.P. Morgan. Mr. Boykin also serves as a director of NCR.

Victor L. Lund will be one of our directors. He has served as non-executive Chairman of the Board of DemandTec, Inc., a SAS demand forecasting company, since December 2006. Prior to this position, Mr. Lund served as the non-executive Chairman of the Board of Mariner Health Care, Inc., a long-term health care services company, from May 2002 to December 2004. He served as Vice Chairman of Albertson's, Inc., a food and drug retailer, from June 1999 until June 2002. Mr. Lund served as Chairman of the Board of American Stores Company from 1995 until its acquisition by Albertson's in June 1999, and as Chief Executive Officer of American Stores Company from 1992 until 1999. He was President of American Stores Company from 1992 until 1995. Prior to joining American Stores Company in 1977, Mr. Lund was a practicing certified public accountant. He also serves on the boards of NCR, Borders Group, Inc., Del Monte Foods Company, and Service Corporation International.

C.K. Prahalad will be one of our directors. Currently, he is the Paul and Ruth McCracken Distinguished University Professor at The Ross School of Business, University of Michigan. Mr. Prahalad is a nationally recognized specialist in corporate strategy and the role of top management in large, diversified, multi-national corporations. From 2000 to 2002, he was Chairman of PRAJA, Inc., a software company located in San Diego, California. He is also a director of NCR, Hindustan Lever Limited, India, and World Resources Institute, Washington, D.C., a non-governmental organization.

William S. Stavropoulos will be one of our directors. He retired as director and Chairman of the Board of Directors of The Dow Chemical Co. ("Dow Chemical"), a chemical and plastics producer, on April 1, 2006. He had served in such capacity since November 2000. Mr. Stavropoulos was the President and Chief Executive Officer of Dow Chemical from 1995 to 2000 and was reappointed to that position in December 2002. In November 2003, Mr. Stavropoulos relinquished the position as President and in November 2004 relinquished the position as Chief Executive Officer. In addition, he is a director of NCR, BellSouth Corporation, Chemical Financial Corporation, and Maersk Inc., and is a trustee of the Fidelity Group of Funds.

Composition of the Board of Directors

Upon the consummation of our separation, our Board of Directors will consist of six members, at least a majority of whom we expect to satisfy the independence standards established by the Sarbanes-Oxley Act and the applicable rules of the SEC and the New York Stock Exchange ("NYSE"). It is anticipated that our Board of Directors will meet at least quarterly.

Our certificate of incorporation and by-laws divide our Board of Directors into three classes with staggered terms, which means that the directors in one of these classes will be elected each year for a new three-year term. Upon the expiration of the term of a class of directors, directors in the class will be up for election for three-year terms at the annual meeting of stockholders to be held in the year in which the term expires. Class A directors have an initial term expiring in 2008, Class B directors have an initial term expiring in 2009 and Class C directors have an initial term expiring in 2010. Class A is comprised of Messrs. Prahalad and Stavropoulos, Class B is comprised of Messrs. Koehler and Ringler, and Class C is comprised of Messrs. Boykin and Lund.

Committees of the Board of Directors

Our Board of Directors will establish several standing committees in connection with the discharge of its responsibilities. Upon effectiveness of our Registration Statement on Form 10 of which this information statement is a part, our Board of Directors will have the following committees:

Audit Committee . The Audit Committee is the principal agent of the Board of Directors in overseeing (i) the quality and integrity of the Company's financial statements; (ii) the assessment of financial risk and risk management programs; (iii) the independence, qualifications and performance of the Company's independent registered public accounting firm; (iv) the performance of the Company's internal auditors; and (v) the integrity of management and the quality and adequacy of disclosures to stockholders. The committee also:

- is solely responsible for hiring and terminating the Company's independent registered public accounting firm and pre-approving all audit, as well as any audit-related, tax and other non-audit services, to be performed by the independent registered public accounting firm;
- reviews and discusses with Teradata's independent registered public accounting firm its quality control procedures and the Company's critical accounting policies and practices;
- regularly reviews the scope and results of audits performed by the Company's independent registered public accounting firm and internal auditors;
- meets with management to review the adequacy of the Company's internal control framework and its financial, accounting, reporting and disclosure control processes;
- reviews the Company's periodic SEC filings and quarterly earnings releases;
- reviews and discusses with the Company's Chief Executive Officer and Chief Financial Officer the procedures they followed to complete their certification in connection with NCR's periodic filings with the SEC; and
- discusses management's plans with respect to the Company's major financial risk exposures.

The Audit Committee will have three members, Messrs. Boykin, Lund and Prahalad, each of whom is independent and financially literate, as determined by the Board under applicable SEC and NYSE standards. In addition, the Board is expected to determine that Messrs. Boykin and Lund are "audit committee financial experts," as defined under SEC regulations. No member of the committee may receive any compensation, consulting, advisory or other fee from the Company, other than the Board compensation described below under the caption "Compensation of Directors," as determined in accordance with applicable SEC and NYSE rules. Members serving on the Audit Committee are limited to serving on two other audit committees of public companies, unless the Board of Directors evaluates and determines that these other commitments would not impair his or her effective service to the Company.

A more detailed discussion of the committee's mission, composition, and responsibilities is contained in the Audit Committee Charter.

Compensation and Human Resource Committee . This committee reviews and approves the Company's total compensation goals, objectives and programs covering executive officers and key management employees as well as the competitiveness of Teradata's total executive officer compensation practices. The committee also:

- evaluates and reviews the performance levels of Teradata's executive officers and determines base salaries and equity and incentive awards for such officers;
- discusses its evaluation of, and determination of compensation to, the Chief Executive Officer at executive sessions of the Board of Directors;
- reviews and approves Teradata's executive compensation plans;
- monitors Teradata's compliance with the Sarbanes-Oxley Act of 2002 relating to 401(k) plans and loans to directors and officers, NYSE rules relating to approval of equity compensation plans and all other applicable laws affecting employee compensation and benefits;

- reviews management's proposals to make significant organizational changes or significant changes to existing executive officer compensation plans; and
- oversees Teradata's plans for management succession and development.

This committee may delegate its authority to the Company's Chief Executive Officer to make equity awards to individuals other than executive officers in limited instances.

This committee will have three members, Messrs. Boykin, Lund and Ringler, each of whom the Board of Directors has determined meet the NYSE listing independence standards and the Company's independence standards.

The Board expects that it will authorize this committee to engage a compensation consultant to review the Company's long-term incentive program, the Management Incentive Plan and other key programs related to the compensation of executive officers. The committee may decide to direct its consultant to conduct market studies, review publicly available market data and be readily available for consultation with this committee and its members regarding such matters.

A more detailed discussion of the committee's mission, composition, and responsibilities is contained in the Compensation and Human Resource Committee Charter.

Committee on Directors and Governance . This committee is responsible for reviewing the Board's corporate governance practices and procedures and the Company's ethics and compliance program, and:

- establishes procedures for evaluating the performance of the Board of Directors and oversees such evaluation;
- reviews and makes recommendations to the Board concerning director compensation; and
- reviews the composition of Teradata's Board of Directors and the qualifications of persons identified as prospective directors, recommends the candidates to be nominated for election as directors, and, in the event of a vacancy on the Board, recommends any successors.

We expect the Board to authorize this committee to engage a consultant to review the Company's director compensation program. The committee may decide to direct its consultant to conduct market studies, review publicly available market data concerning various elements of potential director compensation, including retainer and meeting fees and long-term incentive payments, and be readily available for consultation with this committee and its members regarding such matters.

The Committee on Directors and Governance will be composed entirely of independent directors, namely Messrs. Prahalad, Ringler and Stavropoulos.

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

The Executive Committee will be composed of Messrs. Ringler, Koehler, Lund, and Stavropoulos.

Selection of Nominees for Directors

In determining candidates for nomination, the Committee on Directors and Governance will seek the input of the Chairman of the Board and the Chief Executive Officer and will consider individuals recommended for Board membership by the Company's stockholders in accordance with the Company's by-laws and applicable law. From time to time, the committee may engage outside search firms to assist it in identifying and contacting qualified candidates. All candidates will be evaluated by the committee using the qualification guidelines included as part of the Board's Corporate Governance Guidelines. As part of the selection process, the Committee on Directors and Governance and the Board of Directors examine candidates' business skills and experience, personal integrity, judgment, and ability to devote the appropriate amount of time and energy to serving the best interests of stockholders. The Board and the Committee on Directors and Governance are committed to finding proven leaders who are qualified to serve as Teradata directors.

Stockholders wishing to recommend individuals for consideration as directors should contact the Committee on Directors and Governance by writing the Company's Corporate Secretary at Teradata Corporation, 1700 South Patterson Blvd., Dayton, OH 45479. Recommendations by stockholders that are made in this manner will be evaluated in the same manner as recommendations for other candidates. Stockholders who want to nominate directors for election at Teradata's next annual meeting of stockholders must follow the procedures described in the Company's by-laws.

Compensation and Human Resource Committee Interlocks and Insider Participation

With the exception of Mr. Koehler, none of our executive officers will serve as a member of our Board of Directors. In addition, Mr. Koehler will not serve on our Compensation and Human Resource Committee. Following the separation, none of our executive officers will serve as a member of the Compensation and Human Resource Committee of any entity that has one or more executive officers serving on our Compensation and Human Resource Committee.

Compensation of Directors

Non-Employee Directors

Historically . Pursuant to authority granted to it by NCR's Board of Directors, the NCR Committee on Directors and Governance (the "NCR Directors Committee") adopted the NCR Director Compensation Program on April 26, 2006. The NCR Director Compensation Program provides for the payment of annual retainers, annual equity grants and initial equity grants to non-employee members of NCR's Board of Directors.

Going Forward . Pursuant to authority granted to it by NCR's Board of Directors, the NCR Directors Committee adopted the Teradata Director Compensation Program on April 24, 2007. The Teradata Director Compensation Program provides for the payment of annual retainers, annual equity grants and initial equity grants to non-employee members of Teradata's Board of Directors, which are substantially similar to that provided to non-employee members of NCR's Board of Directors. While Teradata's director compensation program will initially be substantially similar to that of NCR, Teradata may modify such program following the Distribution.

Annual Retainer

Historically . Under the NCR Director Compensation Program, each non-employee member of NCR's Board receives an annual retainer of $75,000. The Chairman of the NCR Board receives an additional retainer of $165,000, and each director serving on the NCR Audit Committee receives an additional retainer of $5,000. The chair of the NCR Directors Committee receives an additional retainer of $9,000, and the chairs of the NCR Audit Committee and the NCR Compensation and Human Resource Committee each receive an additional retainer of $12,000.

Prior to January 1 of each year, an NCR director may elect to receive all or a portion of his or her annual retainer in NCR common stock instead of cash. In addition, a director may elect to defer receipt of shares of common stock payable in lieu of cash. For awards received in 2006, directors could elect to receive payments for deferred stock in NCR common stock or in cash. Beginning in 2007, payments for deferred stock may be paid only in common stock and not in cash.

Going Forward . Teradata's annual retainer program, including the ability to elect to receive Teradata stock in lieu of a cash retainer and to defer receipt of shares in lieu of cash, is substantially similar to that of NCR. While Teradata's annual retainer program will initially be substantially similar to that of NCR, Teradata may modify such program following the Distribution.

Initial Equity Grant

Historically . The NCR Director Compensation Program provides that upon initial election to the NCR Board, each non-employee director will receive a grant of restricted stock or restricted stock units. A director may elect to defer receipt of the shares of common stock that would otherwise be received upon vesting of restricted stock or restricted stock units. The restricted stock units vest in four equal quarterly installments, commencing three months after the grant date. Payment is made only in NCR common stock.

Going Forward . Except for NCR directors who join Teradata's Board in connection with the spin-off, we will provide our non-employee directors with equity grants that are substantially similar to those provided under the NCR Director Compensation Program upon initial election to the Teradata Board.

Annual Equity Grant

Historically . The NCR Director Compensation Program also provides that, on the date of each annual meeting of NCR's stockholders, each non-employee director will be granted restricted stock and/or restricted stock units and options to purchase a number of shares of NCR common stock in an amount determined by the NCR Directors Committee. Any restricted stock units awarded will vest in four equal quarterly installments, commencing three months after the grant date. Any options that are granted will be fully vested and exercisable on the first anniversary of the grant. If the grant is made in the form of restricted stock units, a director may elect to defer receipt of the shares of common stock payable when such restricted stock units vest. Pursuant to the NCR Director Compensation Program, on the date of NCR's 2006 annual stockholders' meeting, each non-employee director received an annual equity award valued at $62,500, which was granted in the form of 1,486 restricted stock units. Each non-employee director also received an additional equity award valued at $62,500, which was granted in the form of options to purchase 3,724 shares of NCR common stock.

Going Forward . We will provide Teradata's non-employee directors with annual equity grants which are substantially similar to those provided under the NCR Director Compensation Program. Following the Distribution, Teradata may modify its annual equity grant practices.

The following table sets forth the compensation for future services expected to be paid to our non-employee directors following the distribution:

Compensation	Amount
Annual Director Retainer	$ 75,000
New Director Equity Grant (other than for NCR Directors who become Teradata Directors at the time of spin-off)	75,000
Chairman	$ 165,000
Audit Committee Chair	$ 12,000
Audit Committee Member	$ 5,000
Compensation and Human Resource Committee Chair	$ 12,000
Committee on Directors and Governance Chair	$ 9,000

Director Compensation Table

The following table sets forth information concerning the 2006 compensation awarded by NCR to non-employee directors of NCR who will be non-employee directors of Teradata:

Name (a)	Fees Earned or Paid in Cash ($) (b)(6)(7)	Stock Awards ($) (c) (9), (10), (11)	Option Awards ($) (d) (12), (13)	Non-Equity Incentive Plan Compensation ($) (e)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (f)	All Other Compensation ($) (g)	Total ($) (h)
James Ringler, Chairman(1)	249,777	321,275	43,464	—	—	18,542(14)	633,058
Edward (Pete) Boykin(2)	— (8)	130,566	43,464	—	—	—	174,030
Victor Lund(3)	75,253	31,250	43,464	—	—	—	149,967
C.K. Prahalad(4)	— (8)	117,436	43,464	—	—	—	160,900
William Stavropoulos(5)	65,846	27,395	43,464	—	—	—	136,705

(1) Mr. Ringler serves as Chairman of the NCR Board of Directors and will serve as Chairman of the Teradata Board of Directors.
(2) Mr. Boykin serves as Chair of the Audit Committee of the NCR Board of Directors.
(3) Mr. Lund will serve as Chair of the Audit Committee of the Teradata Board of Directors.
(4) Mr. Prahalad serves as Chair of the Committee on Directors and Governance of the NCR Board of Directors.
(5) Mr. Stavropoulos will serve as Chair of the Committee on Directors and Governance of the Teradata Board of Directors.
(6) Amounts reported in this column represent the annual retainers and meeting fees earned by the directors in 2006 and paid in cash ("Cash Retainers"). Directors may elect to receive these Cash Retainers in the form of cash or common stock, or an even distribution of both. To the extent that a director elected to receive his Cash Retainers in common stock, such fees are not reported in column (b); however, the dollar amount, if any, recognized for financial statement reporting purposes in 2006 in accordance with FAS 123R with respect to such stock is reflected in the "stock awards" column (column (c)).
(7) The Board of Directors adopted a new Director Compensation Program, effective April 26, 2006. Prior to the adoption of the new program, the previous director compensation program provided for the payment of an annual retainer as well as meeting fees and committee chair fees. Therefore, this column reflects the payment of meeting fees with respect to meetings prior to April 26, 2006.
(8) Messrs. Boykin and Prahalad elected to receive the following Cash Retainers earned in 2006 in the form of an equivalent number of shares: Mr. Boykin, $87,253; and Mr. Prahalad, $84,978. In the event a director elects to receive Cash Retainers in the form of stock, he or she may further elect to receive such stock currently or at a future specified date. Mr. Boykin has elected to defer his receipt of shares in respect of his Cash Retainers until the date upon which he ceases to serve as a director.
(9) The amounts reported in this column include the dollar amount recognized for financial statement reporting purposes in 2006 in accordance with FAS 123R in connection with annual awards of Restricted Stock Units made to each non-employee director pursuant to the Director Compensation Program ("RSU Awards"). See Note 8 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2006, for a discussion of the relevant assumptions used in calculating grant date fair value pursuant to FAS 123R. The grant date fair value of the RSU Award given to each non-employee director is $65,258 and equates to 1,486 restricted stock units.
(10) The amounts reported in this column also include the dollar amount recognized for financial statement reporting purposes in 2006 in accordance with FAS 123R with respect to Messrs. Boykin and Prahalad who have elected to receive their Cash Retainers in the form of shares, as described in footnote 8 above. See Note 8 to the Consolidated Financial Statements included in NCR's Annual Report on Form 10-K for the year ended December 31, 2006, for a discussion of the relevant assumptions used in calculating grant date fair value pursuant to FAS 123R. The grant date fair value for Cash Retainers paid in stock on March 31, 2006 is $23,012 for Mr. Boykin and $19,268 for Mr. Prahalad. The grant date fair value for Cash Retainers paid in stock on June 30, 2006 is $28,274 for Mr. Boykin and $29,229 for Mr. Prahalad. The grant date fair value for Cash Retainers paid in stock on September 30, 2006 is $23,028 for Mr. Boykin and $22,283 for Mr. Prahalad. The grant date fair value for Cash Retainers paid in stock on December 31, 2006 are $23,032 for Mr. Boykin and $22,261 for Mr. Prahalad.
(11) Each non-employee director had 744 restricted stock units unvested and outstanding as of December 31, 2006. Messrs. Ringler, Lund and Boykin elected to defer their receipt of shares that would otherwise be issuable in respect of restricted stock units until they vest.
(12) The amounts reported in this column include the dollar amount recognized for financial statement reporting purposes in 2006 in accordance with FAS 123R with respect to the annual stock option grants made to each non-employee director

("Option Awards"). See Note 8 to the Consolidated Financial Statements included in NCR's Annual Report on Form 10-K for the year ended December 31, 2006, for a discussion of the relevant assumptions used in calculating grant date fair value pursuant to FAS 123R. The grant date fair value of the Option Award given to each non-employee director is $65,252 and equates to 3,724 options to purchase NCR common stock.

(13) The Option Awards outstanding as of December 31, 2006 for each of the non-employee directors are as follows: Mr. Ringler, 68,334; Mr. Boykin, 39,724; Mr. Lund, 27,724; Mr. Prahalad, 82,670; and Mr. Stavropoulos, 65,724.

(14) The amount reported reflects the incremental cost to NCR for Mr. Ringler's personal use of NCR's corporate aircraft. See footnote I to the 2006 Perquisites Table in NCR's 2007 Proxy Statement for a discussion of the method of calculating such incremental cost to the Company.

Employee Directors

Mr. Koehler will not receive remuneration for his service as a director of Teradata.

Executive Compensation

Compensation Discussion and Analysis ("CD&A")

This CD&A describes the philosophy applied to our named executive officers with respect to 2006, and the ways in which we anticipate that our compensation philosophy will differ after we become an independent public company. As our programs initially will be largely the same as those applicable to executives of our parent company, NCR, we do not anticipate that there will be many differences immediately following the spin-off.

The NCR executive compensation program has been designed to help NCR (1) assemble and maintain a leadership team with the integrity, skills, and dedication needed to manage a global organization and the vision to anticipate and respond to future market developments, and (2) achieve financial results that enhance the value of NCR stockholders' investment. At the same time, the NCR program has been structured to be flexible, so that NCR can meet the changing needs of its business over time.

We anticipate that following the spin-off we will continue to have a similar philosophy, adjusted for the industry and business situation of Teradata.

Our named executive officers are Messrs. Koehler, Scheppmann Young, Fair, Harrington and McDonald. Of these named executive officers, only Mr. Koehler was a named executive officer of NCR in 2006 ("NCR Executive"). Messrs. Young, Fair, Harrington and McDonald were non-executive employees of NCR in 2006 ("NCR Non-Executives"). Mr. Scheppmann will not become an executive officer of Teradata until September 4, 2007. As a result, their compensation was not subject to the executive compensation programs of NCR or the oversight of the NCR Compensation and Human Resource Committee (the "NCR Committee"). Throughout this CD&A, references to the 2006 executive compensation program are relevant only with respect to Mr. Koehler, and the compensation elements applicable to the NCR Non-Executives are described separately where appropriate.

Compensation Philosophy

Following the spin-off, our executive compensation program will continue to be guided by the following four principles:

1. *We compensate our named executive officers primarily with current cash and long-term equity incentives.*
2. *We strive to pay at competitive market levels.*
3. *To motivate and reward our executives for superior performance, the majority of our key program elements are performance-based.*
4. *To encourage high-performing executives to stay with us, key program elements are structured to enable them to share in our long-term growth and success.*

General Compensation Levels

Historically . The base salaries and annual and long-term incentive opportunities offered to NCR's named executive officers have been designed to ensure that they are competitive with market practices, support NCR's executive recruitment and retention objectives, and are internally equitable among executives.

As part of this process, the NCR Committee considered market data and input provided by NCR's compensation consultant, Frederic W. Cook & Co., and NCR management. The market data is derived from several published high-technology and general industry compensation surveys. NCR used this data to match its specific executive positions to those with similar functional descriptions at companies with similar business characteristics.

Going Forward . In preparation for the spin-off, a decision was made to increase the base salaries and annual incentives of our named executive officers as of the spin-off to remain competitive with market practices, support executive recruitment and retention objectives and establish internal equity among executives. Specifically, the NCR Committee considered market data and input provided by NCR's compensation consultant and management and Teradata's management, as described below.

Going forward, it is expected that Teradata's Compensation and Human Resource Committee ("our Compensation Committee") will continue to take this approach to establish compensation levels.

Benchmarking and Peer Groups

Historically . NCR has benchmarked the various elements of its executive compensation program in order to gauge its compensation levels relative to that of the market and NCR's competitors through the use of publicly available market surveys, total compensation studies and long-term incentive compensation analyses of the named executive officers. In addition, NCR has evaluated the base salary, annual incentive awards, and long-term incentives provided to the named executive officers of the companies in its peer group.

NCR selected its primary peer group by examining its competitors in terms of industry, size and recruiting. Then, in addition to industry peers, NCR examined companies that compete with it for executive talent on a national and geographically-specific basis. For 2006, NCR's primary peer group included the following companies:

Avaya Inc.
Cognos Incorporated
CA International
Diebold, Incorporated
DST Systems, Inc.
EMC Corporation
Fiserv, Inc.
Hewlett-Packard Company
Hyperion Solutions Corporation
International Business Machines Corporation
Lexmark International, Inc.
Micros Systems, Inc.
Oracle Corporation
Pitney Bowes Inc.
Symbol Technologies, Inc.
Unisys Corporation

Going Forward . In connection with the spin-off, the NCR Committee benchmarked the various elements of Teradata's executive compensation program in order to gauge our compensation levels relative to that of the market and our competitors. Specifically, with the assistance of Frederick W. Cook & Co. and our management

team, the NCR Committee examined companies within our industry peer group to ascertain whether our compensation was competitive with those of our peers. In connection with the spin-off, Teradata's peer group included the following companies:

BMC Software, Inc.
CA, Inc.
Cognos Incorporated
Compuware Corporation
DST Systems, Inc.
Fidelity National Information Services, Inc.
Fiserv, Inc.
Hyperion Solutions Corporation
Informatica Corporation
Microstrategy Incorporated
Network Appliance Inc.
SPSS Inc.
SRA International, Inc.
Sybase, Inc.
TIBCO Software Inc.

After the spin-off, we anticipate that we will use several methods to benchmark our executive compensation practices against other companies. First, we anticipate using publicly available market surveys to match the roles of our named executive officers to roles in the surveys. In addition, we intend to conduct total compensation studies which will be reviewed for accuracy and appropriateness by our Compensation Committee's compensation consultant. Third, we anticipate that our Compensation Committee's compensation consultant will conduct an analysis of the named executive officers to assist Teradata with establishing a budget for overall long-term incentive awards and will assist our Compensation Committee with setting compensation for the named executive officers. For further perspective, we will evaluate the base salary, annual incentive awards, and long-term incentives provided to the named executive officers of the companies in our peer group. We will extract this data from publicly available sources.

Elements of Executive Compensation

Historically . NCR used several compensation elements in its executive compensation program, including:

- Base salary,
- Annual cash incentives (such as the annual cash award opportunities available under the various incentive plans, performance bonuses and retention bonuses),
- Long-term equity incentives,
- Executive perquisites and other personal benefits, and
- Post-termination compensation (such as severance and change in control arrangements).

Going Forward . Following the spin-off, we anticipate that we will use a mix of compensation elements as described below.

Cash Compensation

We provide cash compensation to our named executive officers through base salary and annual incentive programs.

Base Salary

Historically . NCR has set base salary to be competitive with the general market and its peer groups. Generally, the median of the relevant market data as described above has been used as a guideline for determining base salary.

Going Forward . In connection with the spin-off, we reviewed the base salaries of our named executive officers to determine if any adjustments would be advisable in light of the fact that we would become a separate public company as of the spin-off. As a result of this review, we determined that the annual base salaries of each of our named executive officers (other than Mr. Young, who is serving as Chief Financial Officer in an interim capacity, and Mr. Scheppmann, who is a new hire) will be increased effective as of the spin-off as follows:

Named Executive Officer	NCR Base Salary Pre-Spin-Off	Teradata Base Salary Post-Spin-Off
Michael Koehler	$ 500,000	$ 700,000
Robert Fair	$ 275,834	$ 360,000
Daniel Harrington	$ 275,834	$ 360,000
Darryl McDonald	$ 275,834	$ 330,000

These increases are intended to reflect the additional responsibilities that the named executive officers will incur in connection with their new roles as managers of a publicly traded company. In addition, they are consistent with practice among our competitors as reflected in the peer group study described above and are intended to promote internal pay equity among executives. Mr. Koehler's annual base salary is set forth in an offer letter provided to him by NCR, as described in more detail under the caption entitled "Management—Employee Benefit Plans—Mr. Koehler's Offer Letter" included elsewhere in this section. Mr. Scheppmann's annual base salary of $412,000 is set forth in an offer letter provided to him by NCR, as described in more detail under the caption entitled "Management—Employee Benefit Plans—Mr. Scheppmann's Offer Letter" included elsewhere in this section. We anticipate that following the spin-off, as was the case at NCR, in February of each year, the base salary of each of our named executive officers will be reviewed and adjusted. The base salaries paid to the named executive officers during 2006 are reported in the Summary Compensation Table on page 92.

Short-Term Incentives

Historically . Bonus compensation is a key component of NCR's executive compensation strategy.

NCR's annual incentive award for 2006 for the NCR Executive, Mr. Koehler, was payable in cash under the NCR Management Incentive Plan ("NCR MIP"). This plan was designed to motivate NCR's executive officers to attain specific short-term performance objectives that, in turn, further NCR's long-term objectives.

The award payable under the NCR MIP to Mr. Koehler for 2006 was based on NCR's earnings before interest and taxes ("EBIT"). The award was .75% of EBIT. Under the terms of the NCR MIP, however, the NCR Committee has the ability to use and did use its negative discretion to reduce the amount of this award that was generated pursuant to this formula.

For 2006, the NCR Committee established a series of objectives to be taken into consideration in exercising its negative discretion and determining award amounts (the "2006 NCR Annual MIP Objectives"). These objectives consisted of financial performance objectives linked to corporate and/or business unit performance applicable to his or her role, stretch objectives relating to his or her respective business unit's financial performance and diversity objectives designed to increase the diversity of NCR's workforce. The NCR Committee determined each executive's actual award by comparing the actual corporate and/or business unit performance against the metrics and objectives described above. In no circumstances could an actual award exceed the award level established in the NCR MIP.

The 2006 NCR Annual MIP Objectives were based on a percentage of base salary and were comprised of a set of financial performance metrics measured at the corporate and/or business unit level. The target payout for 2006 was set at 75% of base salary for Mr. Koehler. The NCR Committee determined these percentages after

assessing external market conditions and evaluating annual incentive award levels in the relevant peer group and in the various industries in which NCR operated.

In 2006, NCR used the NCR MIP and the 2006 NCR Annual MIP Objectives established by the NCR Committee to promote a vision of shared success among NCR's executive officers by providing a clear, concise framework that unified NCR's multiple business units around NCR's overall corporate success. To achieve this result, at least 25% of the target annual incentive award for each of NCR's named executive officers, including Mr. Koehler, was based on NCR's "non-pension operating income after capital charge" for the year. Non-pension operating income is essentially NCR's operating income as reported under generally accepted accounting principles, but without taking into consideration the impact of pension income or expense for the year ("NPOI"). Generally, NCR excludes the impact of its pension plans when calculating its operating income because their impact on financial performance is better considered over several years, and does not directly relate to an executive officer's performance or NCR's success in operations.

NCR adjusted NPOI to take into consideration capital charges for the year. These capital charges represent NCR's cost of capital as used in NCR's operations and corporate activities. By incorporating this factor into the performance measure, NCR was able to ensure that its named executive officers considered the long-term impact of their decisions as well as the short-term financial consequences. The long-term impact is based on charging a cost of capital for long-term assets to reflect NCR's investors' required rate of return. The short-term financial consequence is based on the charge associated with working capital items such as accounts receivable, inventory and other current liabilities.

In addition to this corporate performance measure under the 2006 NCR Annual MIP Objectives, Mr. Koehler had 75% of his target annual incentive award tied to his business unit's operating income and/or revenue for the year.

Under the 2006 NCR Annual MIP Objectives, Mr. Koehler also had the potential to receive a stretch incentive award equal to 25% of his base salary if the Teradata business unit achieved a specific order target considered to be significantly above the unit's annual plan. NCR used the Teradata Division's three-year strategic and operating plan to help determine this stretch goal. NCR included the stretch component on an "all or none" basis. That is, if the goal was achieved, the NCR Executive received the full award; if it was not achieved, he received nothing.

For the 2006 NCR Annual MIP Objectives, NCR set the target level for non-pension operating income after capital charge at NCR's projected one-year business growth objective. NCR set the operating income and/or revenue target levels for each business unit to exceed its 2005 operating results by an amount that would represent acceptable growth if the unit was being evaluated as a stand-alone business and would reflect an appropriate contribution relative to NCR's other business units towards NCR's operating income objectives. In the case of the stretch incentive award opportunity, the target level was tailored to the strategic measure (for example, customer orders) or financial measure (for example, revenue) which NCR considered to be a key metric in evaluating that business unit's competitive position in its market and the levels were set to ensure annual progress towards fulfilling the unit's three year strategic and operating plan. In making determinations of the desired threshold, target, and maximum performance levels for each financial and strategic measure, NCR also considered the general economic climate and the specific market conditions that it was likely to face in the upcoming year in each of the business sectors in which it operates. The 2006 NCR Annual MIP Objectives also contained a payout threshold, under which there would be no payout for 2006 unless NCR as a whole achieved, at a minimum, its actual 2005 operating results as measured by NPOI.

In the case of NCR's financial performance objectives applied at the company level, over the past five years, NCR performed significantly below target one time, slightly below target three times, and in excess of target one time, but did not achieve the maximum performance level. In the case of the stretch financial performance objectives, 2006 was the first year in which such objectives were set, so no historical performance periods are available for comparison.

When setting objectives to take into consideration when exercising negative discretion under the NCR MIP, NCR tended to set the threshold, target, and maximum performance levels for annual incentive awards to ensure that the relative level of difficulty of achieving the target level is consistent from year to year. However, in the case of the stretch awards for 2006, NCR set the performance level on an "all or none" basis at a level of difficulty that reflected a significant increase from the prior year's operating results and would represent a significant increase in customer orders or revenue, as the case may be, relative to NCR's competitors.

Finally, Mr. Koehler, as an NCR Executive, had the potential to receive an additional diversity component under the 2006 NCR Annual MIP Objectives. He had the potential to receive an award equal to 10% of his base salary if NCR achieved three separate measures surrounding the interviewing and hiring of women or ethnic minorities at the management level in the United States. These three measures were:

1) 25% of open roles above a certain level are filled by diverse candidates;

2) 40% of candidates interviewed for the open roles above a certain level are diverse; and

3) An increase in the percentage of diverse employees in the targeted population versus the prior year.

Like the stretch incentive award, NCR considered this award on an "all or none" basis. If the goals were achieved, the NCR named executive officers received the full award; if they were not, no award was payable. Unlike the stretch incentive award, the diversity award measures were based on total NCR, rather than individual or business unit, performance, in order to better promote the company-wide efforts to increase the diversity of its workforce. For 2006, all three of the above measures were achieved and Mr. Koehler received the award payout.

The NCR 2006 Business Performance Plan ("NCR BPP") provided an opportunity for the NCR Non-Executives and other NCR employees not directly involved in sales or professional services to share in NCR's success. Year-end bonus awards were paid if performance measures based on NCR's 2006 financial and/or productivity results were met or exceeded. In general, the NCR BPP is not an individual incentive plan; rather, the level of payouts under the BPP is driven primarily by organizational successes. The NCR BPP included various performance measures which must be obtained before any payout is made. Messrs.Young, Fair, Harrington and McDonald were eligible in 2006 under the NCR BPP.

The target bonus percentage under the NCR BPP was the percentage of each employee's annual base salary eligible to be paid for each measure when the target level of achievement was met. For 2006, the measures were comprised of revenue, profitability, and/or productivity measures. Regardless of the achievement of other financial results, no awards would be paid under the NCR BPP unless NCR achieved a target NPOI. This number was set at a level consistent with prior years' targets to drive NCR's performance. Once this measure was met, all other objective measures were held to their own specific minimum level of attainment. Mr. Young's target was 30% of his base salary, Mr. Fair's target was 40% of his base salary, Mr. Harrington's target was 50% of his base salary and Mr. McDonald's target was 40% of his base salary.

The annual cash incentive awards earned by Teradata's named executive officers for 2006 (other than Mr. Scheppmann) are reported in the Summary Compensation Table on page 92. Additional information about these awards is reported in the Grants of Plan-Based Awards Table on page 95.

Going Forward . In connection with the spin-off, we will adopt an incentive bonus plan, which is described under the caption entitled "Our Management Incentive Plan" included elsewhere in this section, and was approved by the NCR Committee on April 24, 2007. All of our named executive officers who will be serving as executive officers after the separation will participate under the plan following the spin-off. After the spin-off, the performance measures and considerations in exercising negative discretion will generally mirror those of NCR. For purposes of exercising their negative discretion under the Management Incentive Plan, in connection with the spin-off, the target bonus amounts for each of our named executive officers were established as follows:

Named Executive Officer	Teradata Target Bonus as a Percentage of Base Salary Post-Spin-off
Michael Koehler	100%
Stephen Scheppmann	75%
Robert Fair	75%
Daniel Harrington	75%
Darryl McDonald	75%

The above target bonus percentages for our other named executive officers are intended to reflect the substantial responsibilities that the Teradata named executive officers will incur in connection with their new roles as managers of a publicly traded company. In addition, they are consistent with practice among Teradata's competitors as reflected in the peer group study described above and are intended to reflect the relative importance and contributions of the executives' positions. Perhaps most importantly, they provide our named executive officers with a compensation structure consistent with Teradata's pay-for-performance philosophy. Messrs. Koehler's and Scheppmann's annual bonus targets are set forth in offer letters provided to them by NCR, as described in more detail under the caption entitled "Management—Employee Benefit Plans—Mr.Koehler's Offer Letter and—Mr. Scheppmann's Offer Letter" included elsewhere in this section. Under the terms of Mr. Scheppmann's offer letter, in 2007, he is also guaranteed a bonus of at least 75%, with a maximum potential payout of 150% of his annual base salary, such award to be pro-rated for the time he serves after his start date.

Long-Term Incentives

Historically . A substantial portion of the total compensation of NCR's named executive officers was delivered in the form of stock options, time-based restricted stock and performance-based restricted stock.

Stock Options. The stock option awards granted in 2006 to NCR's named executive officers vest through continued service over (a) four years in equal annual 25% increments or (b) three years in equal 33 $^{1}/_{3}$ % increments. This feature was intended to ensure that a recipient will realize meaningful value from his award only if he or she remains employed by NCR for a predetermined time and the market price of NCR's common stock appreciates over that time.

Performance-Based Restricted Stock . The performance-based restricted stock awards granted in 2006 to NCR's named executive officers vest only if, at the end of the three-year performance period, NCR has achieved specific Cumulative Net Operating Profit ("CNOP") goals for the period from January 1, 2006 through December 31, 2008.

For the awards made in 2006, NCR set the target level for CNOP at NCR's projected long-term business growth objective over the next three years. In making determinations of the desired threshold, target, and maximum performance levels, the NCR Committee also took into consideration the general economic climate and the specific market conditions that NCR is likely to face in the upcoming years. NCR set the target performance levels for performance-based restricted stock awards such that the levels are challenging but achievable, in that the target levels represent projected long-term meaningful growth of NCR. NCR set its threshold and maximum performance levels approximately 10% below and above, respectively, the target

performance level. Beginning in 2007, NCR began awarding performance-based restricted stock units in lieu of performance-based restricted shares as part of its annual award program.

Time-Based Restricted Stock . The restricted stock awards granted in 2006 to Messrs. Fair, Harrington and McDonald vest over three years in equal 33 1/3% increments, provided they are still employed by NCR at the time of vesting. Recipients of restricted stock do not receive dividends; however, recipients may vote the shares subject to a grant.

Annual Awards

In 2006, the NCR named executive officers each received an equity award that was divided equally between stock options and performance-based restricted stock based upon fair value. The mix used in 2006 was intended to provide the most appropriate alignment with both stockholder and economic interests. While a stock option provides a direct link to financial performance as measured by growth in the market price of NCR's common stock and emphasizes NCR's overall performance in the market, the performance-based restricted stock awards drive results since their payout is directly tied to the achievement of specific pre-established financial performance goals that have been crafted to help NCR reach its long-term strategic objectives.

The accounting expense recognized by NCR in 2006 with respect to long-term incentive awards earned by the named executive officers who were NCR employees during 2006 and earlier years is reported in the Summary Compensation Table on page 92. Additional information on these awards, including the number of shares subject to each award, is reported in the Grants of Plan-Based Awards Table on page 95 and the Outstanding Equity Awards at Fiscal Year-End Table on page 96.

Ad Hoc Awards

In 2006, ad hoc awards were given to Messrs. Fair, Harrington and McDonald for retention purposes and in recognition of their consistent exemplary performance.

Equity Award Grant Practices

All currently outstanding equity awards were approved either by the NCR Committee or the NCR Chief Executive Officer. As reflected in the Grants of Plan-Based Awards Table on page 95, the effective date of the annual awards made in 2006 corresponded to the date on which the NCR Committee approved those awards. NCR did not coordinate the release of information about NCR to affect the value of stock options or other equity awards that were part of the NCR named executive officers' total compensation packages. In order to standardize the grant dates for equity awards and to ensure that there is no potential discretion in selecting the timing of the awards and specific grant dates, NCR adopted the following process effective January 1, 2007:

- *Annual Awards* : Grants of annual equity awards, including stock option grants, are effective on the first calendar day of the month immediately following the date the NCR Committee meets to approve the award. Because the NCR Committee is expected to review grant recommendations and approve annual equity awards at its February meeting, the effective date for annual grants will typically be March 1 each year.
- *Ad hoc Awards* : In the case of an award approved by the NCR Committee at any meeting that is scheduled at least 30 days in advance of the meeting date, the effective date for the award will be the first calendar day of the month immediately following the date the NCR Committee approves the award. In the case of awards approved by the NCR Committee at any meeting that is scheduled with less than 30 days notice (a "special meeting"), or via an action by unanimous written consent ("Action by Consent"), the effective date for the award will be determined as follows:
    - With respect to awards approved at a special meeting held on or before the 15th day of the month, or via an Action by Consent fully executed on or before the 15th day of the month, the effective date will be the first calendar day of the month immediately following the special meeting or Action by Consent.

- With respect to awards approved at a special meeting held on or after the 16th day of the month, or via an Action by Consent fully executed on or after the 16th day of the month, the effective date will be the first calendar day of the second month immediately following the special meeting or Action by Consent.
- In no case will an ad hoc award for a newly hired employee be effective prior to the recipient's effective date of employment.

Once a stock option grant has been approved by the NCR Committee, the award's exercise price (which must be equal to the fair market value of NCR's common stock on the grant date) is determined by using the closing market price of NCR common stock on the effective date of the award.

Going Forward . Each of our named executive officers who was an employee of NCR has been granted long-term incentives with respect to NCR common stock. Effective as of the spin-off, these long-term incentives will be converted into awards that relate solely to the common stock of Teradata in a manner designed to preserve the economic value of such awards, as described in more detail under the caption entitled "Management—Employee Benefit Plans—Teradata Stock Incentive Plan" included elsewhere in this section. In connection with the spin-off, the NCR Committee approved the Teradata Corporation 2007 Stock Incentive Plan. The plan will give us the ability to provide our eligible employees, including each of our named executive officers, grants of stock compensation awards based on our shares in the future if our Compensation Committee determines that it is in the best interest of Teradata and our stockholders to do so. See the caption entitled "Management—Employee Benefit Plans—Teradata Stock Incentive Plan" for more information.

Following the spin-off, we intend to make grants of awards under the Teradata Corporation 2007 Stock Incentive Plan. For performance-based equity grants, we will use performance metrics that are appropriate for the size, scope and industry of our company. From time to time, we intend to grant equity awards to the Teradata executive officers outside the annual award process, such as in connection with the hiring of a new executive, for retention purposes, to reward exemplary performance, and/or for promotional recognition.

At the time of the distribution, we will make initial awards to each of our named executive officers. The value of the grants to Messrs. Koehler, Scheppmann Young, Fair, Harrington and McDonald are $4,500,000, $600,000, $300,000, $500,000, $500,000 and $450,000, respectively. The awards will generally be made 50 percent in stock options and 50 percent in performance-based restricted stock units. The stock options will have a per share exercise price of the fair market value of Teradata stock on the effective date of the grant, a ten year term and will vest 25 percent per year over a four year period from the date of grant. We anticipate that the vesting of the stock units will be subject to attainment of revenue and/or operating goals over a three year performance period from January 1, 2008 until December 31, 2010, as determined by the Teradata Committee.

At the time of the distribution, we will also make a hiring equity award with a value of $800,000 to Mr. Scheppmann. The award will consist of a grant of stock options with a grant date value of $500,000, which will have a per share exercise price equal to the fair market value of Teradata stock on the effective date of the grant, a ten year term, and will vest 25 percent per year over a four year period from the effective date of grant. The hiring award will also consist of service-based restricted stock units based on shares of Teradata common stock with a grant date value of $300,000. These stock units will vest at the end of three years, provided he is still employed by Teradata at such time.

We will not have a program, plan, or practice specifically designed to coordinate the grant of ad hoc awards with the release of information about Teradata. In order to standardize the grant dates for our equity awards and to ensure that there is no potential discretion in selecting the timing of the awards and specific grant dates, we intend to adopt a process which generally mirrors that of NCR.

Executive Perquisites

Historical . Perquisites and other personal benefits did not comprise a significant portion of NCR's executive compensation program. While employed as an executive of NCR, Mr. Koehler was eligible for up to $5,000

annually under NCR's executive medical program for a comprehensive physician examination and diagnostic testing. Also, prior to the spin-off from NCR, Mr. Koehler was provided with a $12,000 annual allowance under the financial counseling program to be used for financial and tax planning, estate planning, financial planning related legal services, and income tax preparation. The incremental costs to NCR associated with providing perquisites to Mr. Koehler in 2006 are described in the Perquisites Table on page 93.

Going Forward . Teradata intends to take a minimalist approach to perquisites as well. We do not expect the financial counseling and executive medical programs to be instituted at Teradata. Similarly, Teradata does not currently have corporate aircraft. The elimination of these perquisites was considered while determining the base salaries of our named executive officers as of the spin-off date.

Retirement Benefits

Historical . NCR provided retirement benefits to its U.S. employees under a number of defined benefit pension plans. The NCR plans that were applicable to Teradata's named executive officers include: the NCR Pension Plan, the NCR Nonqualified Excess Plan and the Retirement Plan for Officers of NCR. The NCR Pension Plan is a broad-based tax-qualified defined benefit pension plan for NCR's U.S. employees. The NCR Nonqualified Excess Plan is a non-tax-qualified defined benefit pension plan that restores benefits to participants in the NCR Pension Plan that would otherwise be lost under that plan due to limitations under the federal income tax laws on the provision of benefits under tax-qualified defined benefit pension plans. The Retirement Plan for Officers of NCR is a non-tax-qualified supplemental executive retirement plan that provides more generous benefits than the NCR Nonqualified Excess Plan for designated executives, including some of the Teradata named executive officers.

NCR froze the pension benefits under all of these plans as of December 31, 2006, for all of the remaining U.S. participants, including the Teradata named executive officers. This means that, while participants retain the pension benefits already accrued, no additional pension benefits will accrue after the effective date of the freeze.

Going Forward . In connection with the spin-off, all liabilities for the accrued benefits under the frozen NCR retirement plans for the Teradata named executive officers other than Mr. Scheppmann will be retained by NCR. The actuarial present values of the accumulated pension benefits of our named executive officers who participate in these plans as of the end of 2006, as well as other information about each of NCR's defined benefit pension plans, are reported in the Pension Benefits Table on page 100.

We do not anticipate that we will offer a U.S. pension plan after the spin-off. All of the current participants in NCR's pension plans, both qualified and non-qualified, will continue to receive credit for years of service while continuously employed with Teradata.

Change in Control Arrangements

Historical . NCR maintains a change in control severance plan, which would provide for separation payments and benefits that are consistent with common market practices among NCR's peers to NCR's named executive officers upon qualifying terminations of employment in connection with a change in control of NCR.

Going Forward . In connection with the spin-off, the NCR Board adopted a change in control severance plan for Teradata similar to the plan offered by NCR. We believe that the change in control severance plan will help us to attract and retain our named executive officers by reducing the personal uncertainty and anxiety that arises from the possibility of a future business combination. Moreover, the change in control plan is designed to help offset the personal anxiety of executives as to their own futures if an actual change in control occurs and make the executives neutral to pursuing change in control transactions that are in the best interests of Teradata and our stockholders. We have selected objective criteria to determine whether a change in control has occurred for purposes of the plan, in order to reduce the likelihood of a dispute in the event of a change in control and to help ensure that the agreements are triggered only under circumstances where a true transfer of control or ownership has occurred.

In addition, the Teradata change in control plan will continue to provide for the "double trigger" vesting of equity compensation awards, which means that both a change in control and a termination of employment must occur in order for a named executive officer's equity compensation awards to accelerate in connection with a change in control. This design was used because it will serve Teradata's retention goals upon a change in control better than so-called "single trigger" vesting, which would require only a change in control for awards to accelerate.

More information on the change in control plans and the financial impact of such plans is provided under the caption entitled "Potential Payments Upon Terminations and Change in Control—Change in Control Arrangements" included elsewhere in this section.

Severance Agreements

Historically . To ensure that NCR is offering a competitive executive compensation program, NCR believes it is important to provide reasonable severance benefits to its named executive officers. NCR does not have individual severance agreements with its named executive officers. Instead, NCR's U.S.-based named executive officers are covered under NCR's standard U.S. reduction-in-force plans. Generally, these plans provide employees with severance benefits if NCR terminates their employment in connection with a business restructuring (unless the termination is for cause). The payments and other benefits provided under these plans reflect the fact that it may be difficult for these individuals to find comparable employment within a short period of time. The U.S. plan provides NCR's U.S. employees with one week of separation pay for each full year of service (employees with one year of service or less receive a minimum of two weeks of separation pay, while employees with either two or three full years of service receive a minimum of four weeks of separation pay). Payments are capped at an amount equal to 26 weeks of separation pay. The plan also provides employees with outplacement services to assist them with securing new employment and the continuation of NCR-subsidized medical coverage for them and their dependents for up to 26 weeks. Finally, the plan gives NCR the discretion to increase the number of weeks of separation pay that an employee receives. It is generally NCR's practice to negotiate such terms with each of its most senior executives, including its named executive officers.

Going Forward . We anticipate that Teradata will establish severance programs or enter into severance agreements with our named executive officers that it determines are necessary or advisable in order to attract and retain senior management. In connection with the spin-off, we entered into a separate severance arrangement with Mr. Koehler under an offer letter agreement that will become effective upon the spin-off. The agreement provides that, in the event we terminate his employment (other than for cause) or if he were to resign for good reason, he would receive:

- A payment equal to 150% of the sum of his annual base salary and target annual bonus;
- A payment equal to a *pro rata* portion of his annual bonus for the year in which the termination occurs; and
- Medical benefits for himself and his dependents, equal to the level he received during his employment, for a period of 18 months.

Further information concerning Mr. Koehler's offer letter is found under the caption entitled "Management—Employee Benefit Plans—Mr. Koehler's Offer Letter" included elsewhere in this section.

Equity Ownership Guidelines

Prior to the spin-off, the NCR Committee adopted stock ownership guidelines for our executive officers, including our named executive officers. These guidelines will encourage our executives to increase their ownership of Teradata common stock to a market value equal to two times base salary (three times base salary in the case of our Chief Executive Officer) over a period of five years. For these purposes, ownership includes interests in restricted stock, restricted stock units, stock acquired through our employee stock purchase plan, and investments in our stock through Teradata's Section 401(k) savings plan. Stock options are not taken into consideration in meeting the ownership guidelines.

The guidelines are intended to ensure that our executive officers maintain an equity interest in the Company at a level sufficient to assure our stockholders of their commitment to value creation, while satisfying an individual's needs for portfolio diversification.

Tax Deductibility Policy. Section 162(m) of the Internal Revenue Code of 1986, as amended, which we refer to as the "Code," generally limits the tax deductibility of compensation of the Chief Executive Officer and the other three most highly compensated executive officers of a publicly-held company to $1 million per executive unless the compensation constitutes "performance-based" compensation. We intend that compensation paid to our named executive officers not be subject to the limitation on tax deductibility under Section 162(m) of the Code so long as this can be achieved in a manner consistent with our other compensation objectives.

The following tables provide additional detail on the topics discussed in this CD&A with respect to our named executive officers.

Summary Compensation Table

The following table sets forth information concerning the 2006 cash and non-cash compensation awarded by NCR and its subsidiaries to or earned by our named executive officers: the Chief Executive Officer, the Interim Chief Financial Officer and the persons who we expect will be our three most highly compensated executive officers. While Mr. Scheppmann will be one of our named executive officers after the spin-off, he is not included in the following table because he will not become our Chief Financial Officer until September 4, 2007.

As NCR was not a party to any employment agreements with our named executive officers, the base salary amounts set forth in the table were discretionary amounts established by NCR. However, in connection with the spin-off, NCR provided Messrs. Koehler and Scheppmann with offer letters to be effective upon the spin-off and September 4, 2007, respectively, that set forth their compensation.

As described above in the CD&A, our annual incentive award for 2006 for Mr. Koehler as an executive officer of NCR was payable in cash under the NCR MIP based on NCR's EBIT. The award was .75% of EBIT. Under the terms of the NCR MIP, however, the NCR Committee has the ability to use and did use its negative discretion to reduce the amount of the awards that were generated pursuant to this formula based on financial performance objectives linked to corporate and/or business unit performance applicable to his role. Messrs. Young, Fair, Harrington and McDonald participated in the NCR BPP, which provided an opportunity for the NCR Non-Executives based on NCR and Teradata's 2006 financial and/or productivity results and not an individual's performance.

As described above in the CD&A, during 2006, the NCR Committee granted equity awards to Messrs. Koehler, Young, Fair, Harrington and McDonald pursuant to NCR's equity incentive plans. Grants made by NCR prior to April 26, 2006 were made under NCR's Management Stock Plan, which was in effect until that date, and grants made by NCR after April 26, 2006 were made under NCR's 2006 Stock Incentive Plan, which became effective on that date.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($) [1]	Non-Stock Incentive Plan Compensation ($) [2]	Change in Pension Value and Non-qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Michael Koehler President & Chief Executive Officer	**2006**	417,000		852,963	259,156	332,150	175,405	27,682	2,064,356
Robert Young Interim Chief Financial Officer	**2006**	198,183		72,541	45,279	55,050	76,361	10,994	458,408
Robert Fair Executive Vice President, Global Field Operations	**2006**	266,309		182,664	102,463	98,608	33,898	7,850	691,792
Daniel Harrington Executive Vice President, Technology and Supporting Services	**2006**	266,300		171,180	106,763	123,256	35,890	4,177	707,566
Darryl McDonald Chief Marketing Officer	**2006**	266,309		173,882	107,429	98,608	43,490	9,192	698,910

(1) The amounts shown in this column are comprised of qualified performance-based restricted stock and are valued based upon the aggregate grant date fair value of each award determined pursuant to Financial Accounting Standards Board Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment* (which we refer to as FAS 123R). See Note 8 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2006 for a discussion of the relevant assumptions used in calculating grant date fair value pursuant to FAS 123R. For further information about these awards, see the Grants of Plan-Based Awards table beginning on page 95 of this Form 10.

(2) The amounts reported in this column consist of payments made in March 2007 with respect to NCR's various annual incentive plans for 2006. For more information regarding the criteria and eligibility of these plans, see the Grants of Plan-Based Awards Table, beginning on page 95 of this Form 10.

All Other Compensation Table

Name and Principal Position	Year	Perquisites and Other Personal Benefits ($)	Tax Reimbursements ($)	Insurance Premiums ($)	Company Contributions to Retirement and 401(k) Plans ($)	Severance Payments / Accruals ($)	Change in Control Payments / Accruals ($)	Total ($)
(a)	(b)	(c) [A]	(d)	(e) [B]	(f) [C]	(g)	(h)	(i)
Michael Koehler President & Chief Executive Officer	**2006**	17,050	—	2,596	8,036	—	—	27,682
Robert Young Interim Chief Financial Officer	**2006**	—	—	2,744	8,250	—	—	10,944
Robert Fair Executive Vice President, Global Field Operations	**2006**	—	—	700	7,150	—	—	7,850
Daniel Harrington Executive Vice President, Technology and Support Services	**2006**	—	—	661	3,516	—	—	4,177
Darryl McDonald Chief Marketing Officer	**2006**	—	—	1,156	8,036	—	—	9,192

(A) The amounts reported in this column reflect the aggregate incremental costs to NCR in fiscal year 2006 for the items set forth in the Perquisites Table. Perquisites are valued at the actual amount paid to each provider of such perquisites, or if applicable, to the named executive officer for use in connection with a perquisite program.

(B) The amounts reported in this column reflect the dollar value of any insurance premiums paid by NCR with respect to life insurance for the benefit of the named executive officers.

(C) The amounts reported in this column reflect contributions made by NCR to NCR's Savings Plan on behalf of each of the named executive officers.

Perquisites Table

Name	Year	Security Monitoring (I)	Executive Medical Program (II)	Financial Planning Allowance (III)
(a)	(b)	(c)	(d)	(e)
Michael Koehler	2006	50	5,000	12,000
Robert Young	2006	—	—	—
Robert Fair	2006	—	—	—
Daniel Harrington	2006	—	—	—
Darryl McDonald	2006	—	—	—

(I) The amount reported consists of expenses relating to a residential security telephone line that reports to NCR's central station. The cost of monitoring such security is estimated to be less than $50 per year.

(II) In 2006, NCR implemented an executive medical program, which provided reimbursement of up to $5,000 for each participating executive to receive medical diagnostic services at a designated medical facility. Although not all of the NCR named executive officers used all of their allowance, due to privacy considerations associated with the receipt of medical services, NCR elected to disclose the total amount of the maximum benefit available to each executive, rather than the amounts actually used by each individual.

(III) The amounts reported in this column represent the payment made by NCR to each executive to be used to obtain financial planning assistance, as part of NCR's financial planning allowance program.

2006 Grants of Plan-Based Awards Table

The NCR Committee granted options to purchase shares of NCR common stock to Messrs. Koehler, Young, Fair, Harrington and McDonald on February 13, 2006. Twenty-five percent of these options vest on each of the first, second, third and fourth anniversaries of the grant date. Additionally, Messrs. Fair, Harrington and McDonald were granted options to purchase shares of NCR common stock on November 1, 2006. One-third of these options vest on each of the first, second and third anniversaries of the grant date. The exercise price for each of these options is equal to the average of the high and low sale prices of NCR's common stock on the date of grant. The NCR Committee also granted performance-based restricted shares to Messrs. Koehler, Young, Fair, Harrington and McDonald on February 13, 2006. Performance-based restricted shares include the right to vote and the right to receive dividends, but may not be sold or transferred during the vesting period.

In connection with the spin-off, the NCR Committee adjusted the 2006 performance-based equity awards so that 2/3 of each award will pay out in NCR and/or Teradata shares (in accordance with the methodology described for other equity awards) subsequent to the time of the spin-off based on achieving target performance. A new one-year, time-based restricted stock award will be made subsequent to the time of the spin-off for the number of shares that represent the Company's over-performance against the target up to the date of the Distribution. The remaining 1/3 of the underlying award will be uplifted to reflect the Company's over-performance against target up to the Distribution date, and the resulting number of shares will be subject to a substitute award with new CNOP performance measures during a performance period that begins on the Distribution date and ends on December 31, 2008 ("Stub Award"). The Stub Award and the time-based award will be made based on shares of Teradata, with the number of shares being equitably adjusted to preserve the intrinsic value of the award at the time of the spin-off. No shares will vest under the Stub Awards if the performance metrics are not met.

Messrs. Fair, McDonald and Harrington were also awarded time-based restricted stock on November 1, 2006. One-third of these shares vest on each of the first, second and third anniversaries of the grant date.

In 2006, the NCR Committee established objectives to be considered when determining annual bonuses as described in the Compensation Discussion and Analysis.

The following table summarizes the plan-based awards, including equity and non-equity, granted by NCR during 2006 to the Teradata named executive officers who were employed by NCR:

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards [1]			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($ / Sh)	Closing Price on Grant Date ($ /Sh)	Grant Date Fair Value
Name	Grant Date	Approval Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)					
(a)	(b)	(b1)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(k1)	(l)
Michael Koehler, President & Chief Executive Officer	MIP		159,375	318,750	637,500								
	Diversity			42,500									
	Stretch			106,250									
	2/13/2006	2/13/2006				2,082	8,328	12,492					321,836
	2/13/2006	2/13/2006								20,872	38.645	38.54	321,833
Robert Young, Interim Chief Financial Officer	BPP		29,757	59,514	119,028								
	2/13/2006	2/13/2006				238	952	1,428					36,790
	2/13/2006	2/13/2006								2,385	38.645	38.540	36,775
Robert Fair, Executive Vice President, Global Field Operations	BPP		53,302	106,603	213,207								
	11/1/2006	9/11/2006							10,500				434,595
	11/1/2006	9/11/2006								10,000	41.390	41.21	165,146
	2/13/2006	2/13/2006				661	2,644	3,966					102,177
	2/13/2006	2/13/2006								6,626	38.645	38.540	102,169
Daniel Harrington, Executive Vice President, Technology and Support Services	BPP		66,625	133,250	266,500								
	11/1/2006	9/11/2006							10,500				434,595
	11/1/2006	9/11/2006								10,000	41.390	41.21	165,146
	2/13/2006	2/13/2006				661	2,644	3,966					102,177
	2/13/2006	2/13/2006								6,626	38.645	38.540	102,169
Darryl McDonald, Chief Marketing Officer	BPP		53,302	106,603	213,207								
	11/1/2006	9/11/2006							7,500				310,425
	11/1/2006	9/11/2006								10,000	41.390	41.21	165,146
	2/13/2006	2/13/2006				661	2,644	3,966					102,177
	2/13/2006	2/13/2006								6,626	38.645	38.540	102,169

[1] The entries in columns (c), (d), and (e) with respect to Messrs. Koehler, Young, Fair, Harrington and McDonald reflect the potential award level for each such named executive officer under their applicable 2006 NCR annual incentive plan as described in the Compensation Discussion and Analysis. The actual amounts earned under the plans are reflected in the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table.

Outstanding Equity Awards at Fiscal Year-End

The following table summarizes the outstanding NCR equity awards, in both option and stock awards, for the Teradata named executive officers (other than Mr. Scheppmann) as of December 31, 2006, and the value of outstanding NCR options held by such officers as of the end of such fiscal year:

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Stock Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Stock Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Stock Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Michael Koehler, President & Chief Executive Officer									
2/13/2006 (1)		20,872		38.645	2/13/2016				
2/13/2006 (2)								8,328	356,105
10/25/2005 (3)						48,170	2,059,749		
7/1/2005 (4)						5,000	213,800		
3/1/2005 (1)	3,912	11,736		38.97	3/1/2015				
3/1/2005 (1)						2,608	111,518		
3/1/2004 (5)		10,000		22.65	3/1/2014				
3/1/2004 (5)						1,000	42,760		
8/4/2003 (5)	5,668			13.67	8/4/2013				
1/1/1996 (6)						3,214	137,431		
Robert Young, Interim Chief Financial Officer									
2/13/2006 (1)		2,385		38.645	2/13/2016				
2/13/2006 (2)								952	40,708
12/5/2005 (4)						5,000	213,800		
3/1/2005 (1)	837	2,514		38.97	3/1/2015				
3/1/2005 (1)						204	8,723		
3/1/2004 (5)	3,732	1,868		22.65	3/1/2014				
3/1/2004 (5)						168	7,184		
8/4/2003 (5)	4,500			13.67	8/4/2013				
2/3/2003 (5)	4,500			9.675	2/3/2013				
7/29/2002 (5)	4,500			12.7225	7/29/2012				
1/24/2002 (5)	4,500			20.595	1/24/2012				

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Stock Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Stock Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Stock Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Robert Fair, Executive Vice President, Global Field Operations									
11/1/2006 [5]		10,000		41.39	10/31/2016				
11/1/2006 [5]						10,500	448,980		
2/13/2006 [1]		6,626		38.645	2/13/2016				
2/13/2006 [2]								2,644	113,057
12/5/2005 [4]						8,500	363,460		
6/21/2005 [4]						1,000	42,760		
3/1/2005 [1]	1,549	4,649		38.97	3/1/2015				
3/1/2005 [1]						754	32,241		
3/1/2004 [5]	8,000	4,000		22.65	3/1/2014				
3/1/2004 [5]						250	10,690		
8/4/2003 [5]	6,000			13.67	8/4/2013				
2/3/2003 [5]	6,000			9.675	2/3/2013				
7/29/2002 [5]	7,500			12.7225	7/29/2012				
1/24/2002 [5]	7,500			20.595	1/24/2012				
1/26/2001 [5]	16,000			22.2344	1/26/2011				
4/10/2000 [5]	13,000			20.875	4/10/2010				
Daniel Harrington, Executive Vice President, Technology and Support Services									
11/1/2006 [5]		10000		41.39	11/1/2016				
11/1/2006 [5]						10,500	448,980		
2/13/2006 [1]		6626		38.645	2/13/2016				
2/13/2006 [2]								2,644	113,057
12/13/2005 [4]						3,000	128,280		
3/1/2005 [1]	1549	4649		38.97	3/1/2015				
3/1/2005 [1]						754	32,241		
1/3/2005 [4]						5,000	213,800		
3/1/2004 [5]		3668		22.65	3/1/2014				
3/1/2004 [5]						250	10,690		
8/4/2003 [5]	2334			13.67	8/4/2013				
1/3/2000 [6]						4,192	179,250		

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Stock Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Stock Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Stock Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Darryl McDonald, Chief Marketing Officer									
11/1/2006 (5)		10000		41.39	10/31/2016				
11/1/2006 (5)						7500	320,700		
2/13/2006 (1)		6626		38.645	2/13/2016				
2/13/2006 (2)								2644	113,057
12/5/2005 (4)						8500	363,460		
6/21/2005 (4)						1000	42,760		
3/1/2005 (1)	1549	4649		38.97	3/1/2015				
3/1/2005 (1)						754	32,241		
3/23/2004 (5)	1953	977		20.57	3/23/2014				
3/1/2004 (5)	6046	3024		22.65	3/1/2014				
3/1/2004 (5)						250	10,690		
8/4/2003 (5)	7500			13.67	8/4/2013				
4/11/2003 (5)	10000			10.025	4/11/2013				
2/3/2003 (5)	5000			9.675	2/3/2013				
7/29/2002 (5)	5000			12.7225	7/29/2012				
1/24/2002 (5)	7500			20.595	1/24/2012				
1/26/2001 (5)	16000			22.2344	1/26/2011				
4/10/2000 (5)	20000			20.875	4/10/2010				
1/3/2000 (5)	12000			19.0938	1/3/2010				
9/17/1999 (4)	20000			17.375	9/17/2009				
1/4/1999 (5)	7400			20.75	1/4/2009				

(1) This grant will vest in four equal annual installments, beginning on the first anniversary of the grant date.

(2) This grant will vest in full after three years with successful completion of performance metrics, as approved by the NCR Committee.

(3) This grant will vest in two equal installments, the first 50% on October 25, 2007 and the remaining 50% on October 25, 2008.

(4) This grant will vest in full on the third anniversary of the date of grant.

(5) This grant will vest in three equal annual installments, beginning on the first anniversary of the grant date.

(6) This grant will vest in full once the recipient reaches age 55.

Option Exercises and Stock Vested

The following table summarizes the NCR stock option exercises and the NCR stock award vesting for the Teradata named executive officers as of December 31, 2006:

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
(a)	(b)	(c)	(d)	(e)
Michael Koehler, President & Chief Executive Officer	35,668	787,344	31,869	1,259,208
Robert Young Interim Chief Financial Officer	0	—	234	9,310
Robert Fair, Executive Vice President, Global Field Operations	39,000	800,994	4501	185,812
Daniel Harrington, Executive Vice President, Technology and Support Services	14,000	380,564	12,501	497,952
Darryl McDonald, Chief Marketing Officer	3,796	103,473	3,835	148,158

Pension Benefits

NCR maintained several pension plans that provide benefits for its employees, including Messrs. Koehler, Young, Fair, Harrington and McDonald. In 2004, NCR closed its U.S. pension plans to new participants and froze the pension benefits for existing U.S. participants under the age of 40. Effective December 31, 2006, these plans were frozen for all of the remaining participants, including these named executive officers.

NCR Pension Plan

Each of Messrs. Koehler, Young, Fair, Harrington and McDonald is a participant in NCR's pension plan. The NCR Pension Plan is a non-contributory, qualified pension plan that previously covered all NCR employees based in the United States. The NCR Pension Plan pays a monthly pension benefit and a PensionPlus benefit, each of which vests after the earlier of five years of service or attaining age 65. The full monthly pension benefit may begin at age 62, but may be started between age 55 and 62 in a reduced amount at the option of the participant after the participant has terminated employment. The PensionPlus benefit may be taken as a lump sum after termination of employment, or may be used to increase the monthly pension benefit.

The monthly pension benefit is computed by multiplying the following three items: (1) the participant's years of service with NCR, (2) a factor between 1.4% and 1.7%, depending on the participant's total years of service, and (3) the participant's modified average pay. Modified average pay is the average annual base pay and bonus received during a participant's career, with an adjustment to pay for earlier years when earnings typically were less. The PensionPlus benefit is computed as an account balance, although the account is for bookkeeping purposes only. The plan allocates to a participant's account each month 1.5% (3% in the case of employees hired on and after June 1, 2002) of the participant's compensation for such month, and also provides monthly interest credits on the participant's account balance. These interest credits will continue despite the plan being frozen. See Note 9 to the Consolidated Financial Statements included in NCR's Annual Report on Form 10-K for the year ended December 31, 2006, for a discussion of the relevant assumptions used in quantifying the present value of the current accrued benefit as reported in the Pension Benefits Table below.

NCR Nonqualified Excess Plan

NCR also maintains the NCR Nonqualified Excess Plan (the "Excess Plan"), which pays the additional pension benefits that would be paid under the NCR Pension Plan if certain federal limits on the amount of pay that may be considered under the NCR Pension Plan were not in effect. Benefits are calculated in the same way as under the NCR Pension Plan, and vesting provisions are the same. See Note 9 to the Consolidated Financial Statements included in NCR's Annual Report on Form 10-K for the year ended December 31, 2006, for a discussion of the relevant assumptions used in quantifying the present value of the current accrued benefit as reported below in the Pension Benefits Table. Messrs. Koehler, Young, Fair, Harrington and McDonald are participants in NCR's non-qualified excess plan.

Supplemental Retirement Plans

NCR also maintains a supplemental retirement plan for senior managers called the Retirement Plan for Officers of NCR (the "Officer Plan"). This plan covers senior managers appointed to specified executive levels after November 30, 1988. Mr. Koehler is a participant in the Officer Plan.

The Officer Plan pays monthly benefits in an amount equal to 2.5% of career average monthly pay for service after becoming a plan participant and vests after the earlier of five years of service or attaining age 65. The full monthly pension benefit may begin at age 62, but may be started between age 55 and 62 in a reduced amount at the option of the participant after the participant has terminated employment. See Note 9 to the Consolidated Financial Statements included in NCR's Annual Report on Form 10-K for the year ended December 31, 2006, for a discussion of the relevant assumptions used in quantifying the present value of the current accrued benefit as reported in the Pension Benefits Table below.

The following table summarizes the accumulated NCR pension value for Messrs. Koehler, Young, Fair, Harrington and McDonald as of December 31, 2006.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($)
Michael Koehler [1]	NCR Pension Plan	31.3	$ 525,001
President & Chief Executive Officer	Officer Plan	12.2	$ 434,377
Chief Financial Officer	Excess Plan	31.3	$ 332,835
Robert Young	NCR Pension Plan	28.0	$ 631,016
Interim Chief Financial Officer	Excess Plan	28.0	$ 44,040
Robert Fair	NCR Pension Plan	22.6	$ 287,927
Executive Vice President, Global Field Operations	Excess Plan	22.6	$ 88,405
Daniel Harrington	NCR Pension Plan	21.4	$ 276,006
Executive Vice President, Technology and Support Services	Excess Plan	21.4	$ 113,284
Darryl McDonald	NCR Pension Plan	24.7	$ 301,009
Chief Marketing Officer	Excess Plan	24.7	$ 113,498

(1) Pursuant to the terms of the Officer Plan, Mr. Koehler has been credited with fewer years of service under the Officer Plan than his years of service with NCR because he did not become eligible for Officer Plan participation until the attainment of executive status.

Employee Benefit Plans

Teradata Management Incentive Plan

A wholly-owned subsidiary of NCR, as our sole stockholder, approved our Management Incentive Plan, which we refer to as the "MIP." The purpose of the MIP is to advance our interests and those of our stockholders and assist us in attracting and retaining executive officers by providing incentives and financial rewards to such

executive officers that are intended to be deductible to the maximum extent possible as "performance-based compensation" within the meaning of Section 162(m) of the Code. The principal features of the MIP are summarized below.

Administration; Amendment and Termination . The MIP is administered by our Compensation Committee, which has broad authority to administer and interpret the MIP and its provisions as it deems necessary and appropriate. Our Compensation Committee will be composed solely of two or more "outside directors" within the meaning of Section 162(m) of the Code. Under this plan, the Teradata Board of Directors has the right to amend or terminate the MIP at any time. Amendments to the MIP will require stockholder approval to the extent required to comply with applicable law.

Eligibility . Our Board-appointed officers who are designated by the Teradata Board as "Section 16 officers" and are selected by our Compensation Committee to participate in the MIP, as well as other employees selected by our Compensation Committee, are eligible to receive awards under the MIP. Currently, there are eight officers who are designated by the NCR Board as Section 16 officers. Mr. Scheppmann will be a Section 16 officer upon the effective date of his appointment, September 4, 2007.

Awards . Under the MIP, each participant is eligible to receive a maximum performance award equal to a percentage of our "earnings before income taxes" for a performance period established by the committee. "Earnings before income taxes" means our earnings before income taxes as reported in our income statement for the applicable performance period, prior to accrual of any amounts for payment under the MIP for the performance period, adjusted to eliminate the effects of charges for restructurings, discontinued operations, extraordinary items and other unusual or non-recurring items, and the cumulative effect of tax or accounting charges, each as defined by generally accepted accounting principles or identified in our financial statements, notes to the financial statements or management's discussion and analysis.

Specifically, our Chief Executive Officer is eligible to receive a performance award equal to 1.5 percent of "earnings before income taxes" for the performance period and the other participants in the MIP are each eligible to receive a performance award equal to .75% of "earnings before income taxes" for the performance period. The actual performance award granted to a participant is determined by our Compensation Committee, which retains the discretionary authority to reduce or eliminate (but not increase) a performance award based on its consideration of, among other things, corporate or business unit performance against budgeted financial goals, achievement of non-financial goals, economic and relative performance considerations and assessments of individual performance.

The time period during which the achievement of the performance goals is to be measured shall be determined by our Compensation Committee, but may be no longer than five years and no less than six months. Within the earlier of ninety days after the beginning of each fiscal year or the expiration of 25% of a performance period, our Compensation Committee will designate one or more performance periods, determine the participants for such performance periods and affirm the applicability of the formula for determining each participant's award.

Each award under the MIP shall be paid in cash, provided that our Compensation Committee may in its discretion determine that all or a portion of an award shall be paid in stock, restricted stock, stock options or other stock-based or stock-denominated units that are issued pursuant to our equity compensation plans. An award shall be paid only after written certification by our Compensation Committee as to the attainment of the performance goals and the amount of the award. Receipt of performance awards may be deferred under certain circumstances in accordance with a deferred compensation plan approved by our Compensation Committee.

Termination of Employment . A participant who terminates employment with us during a performance period due to retirement, disability or death shall be eligible to receive an award under the MIP prorated for the portion of the performance period prior to termination of employment. Subject to the discretion of our Compensation Committee to determine otherwise, if a participant terminates employment with us for a reason other than retirement, disability or death, no award shall be payable with respect to the performance period in which such termination occurs.

New Plan Benefits. The award, if any, that an individual may receive under the MIP is at the discretion of our Compensation Committee and therefore cannot be determined in advance.

Teradata Stock Incentive Plan

A wholly-owned subsidiary of NCR, as our sole stockholder, approved the Teradata Corporation 2007 Stock Incentive Plan, which we refer to as the "SIP." The purpose of the SIP is to give us a competitive advantage in attracting, retaining and motivating officers, employees, directors and/or consultants and to provide us with a stock plan providing incentives directly linked to shareholder value. The principal features of the SIP are summarized below.

General. Awards granted under the SIP may be in the form of stock options, stock appreciation rights, restricted stock, restricted stock units, performance units, other stock-based awards or any combination of those awards. The SIP provides that awards may be made under the SIP for ten years.

Administration. Under the terms of the SIP, the SIP will be administered by our Compensation Committee, or by such other committee or subcommittee as may be appointed by our Board, and which consists entirely of two or more "outside directors" within the meaning of Section 162(m) of the Code. Unless and until the Board appoints any other committee or subcommittee, the SIP will be administered by our Compensation Committee. Under the terms of the SIP, our Compensation Committee can make rules and regulations and establish such procedures for the administration of the SIP as it deems appropriate.

Shares Available. The SIP provides that the aggregate number of shares of our common stock that may be subject to awards under the SIP cannot exceed 20 million, subject to adjustment in certain circumstances to prevent dilution or enlargement. No more than 5,000,000 shares may be granted as options intended to be incentive stock options. No participant may be granted, during any consecutive 36-month period, options and stock appreciation rights covering in excess of 2,000,000 shares, or restricted stock, restricted stock units or other awards subject to the achievement of performance goals covering in excess of 750,000 shares. Shares underlying awards that expire or are forfeited or terminated without being exercised will again be available for the grant of additional awards within the limits provided by the SIP. In addition, shares that expire or are forfeited or terminated without being exercised or that are settled for cash will again be available for the grant of additional awards under the SIP, within the limits provided by the SIP. Shares withheld by or delivered to us to satisfy the exercise price of options or tax withholding obligations will be deemed to not have been issued under the SIP.

Eligibility. The SIP provides for awards to directors, officers, employees, contractors and consultants of Teradata and its subsidiaries and affiliates and prospective employees, contractors and consultants who have accepted offers of employment, contract services or consultancy from us or our subsidiaries or affiliates, except that incentive stock options may only be granted to employees of Teradata and its subsidiaries. As of the date of the spin-off, we anticipate that there will be approximately 440 directors, officers and employees eligible to participate in the SIP. The current executive officers of Teradata named in the Summary Compensation Table under the caption "Executive Compensation" herein and each of the directors of Teradata are among the individuals eligible to receive awards under the SIP.

Stock Options. Subject to the terms and provisions of the SIP, options to purchase Teradata common stock may be granted to eligible individuals at any time and from time to time as determined by our Compensation Committee. Options may be granted as incentive stock options, or as non-qualified stock options. Subject to the limits provided in the SIP, our Compensation Committee or its delegate determines the number of options granted to each recipient. Each option grant will be evidenced by a stock option agreement that specifies whether the options are intended to be incentive stock options or non-qualified stock options and such additional limitations, terms and conditions as our Compensation Committee may determine, but the plan provides that in no event will the normal vesting schedule of an option provide that the option will vest before the first anniversary of the date of grant (other than in the case of death or disability).

The exercise price for each option granted is determined in accordance with the method as defined in the SIP, except that the option exercise price may not be less than 100% of the fair market value of a share of Teradata common stock on the date of grant.

All options granted under the SIP will expire no later than ten years from the date of grant. The method of exercising an option granted under the SIP will be set forth in the stock option agreement for that particular option.

At the discretion of our Compensation Committee, a stock option agreement evidencing the award of stock options may contain limitations on the exercise of options under certain circumstances upon or after the termination of employment or in the event of death, disability or retirement. Stock options are nontransferable except by will or by the laws of descent and distribution or, in the case of non-qualified stock options, as otherwise expressly permitted by our Compensation Committee. The granting of an option does not accord the recipient the rights of a stockholder, and such rights accrue only after the exercise of an option and the registration of shares of our common stock in the recipient's name.

Stock Appreciation Rights. Our Compensation Committee in its discretion may grant stock appreciation rights under the SIP. A stock appreciation right entitles the holder to receive from Teradata upon exercise an amount equal to the excess, if any, of the aggregate fair market value of a specified number of shares of our common stock that are the subject of such stock appreciation right over the aggregate exercise price for the underlying shares. At the discretion of our Compensation Committee, the agreement evidencing the award of stock appreciation rights may place limitations on the exercise of such stock appreciation rights under certain circumstances upon or after the termination of employment or in the event of death, disability, or retirement.

Teradata may make payment of the amount to which the participant exercising stock appreciation rights is entitled by delivering shares of our common stock, cash or combination of stock and cash as set forth in the award agreement relating to the stock appreciation rights. Stock appreciation rights are not transferable except by will or the laws of descent and distribution or, with respect to stock appreciation rights that are not granted in "tandem" with an option, as expressly permitted by our Compensation Committee. Each stock appreciation right will be evidenced by an award agreement that specifies the date and terms of the award and such additional limitations, terms and conditions as our Compensation Committee may determine.

Restricted Stock. The SIP provides for the award of shares of Teradata common stock that are subject to forfeiture and restrictions on transferability ("Restricted Stock") as set forth in the SIP and as may be otherwise determined by our Compensation Committee. Except for these restrictions and any others imposed by our Compensation Committee, upon the grant of Restricted Stock the recipient will have rights of a shareholder with respect to the Restricted Stock, including the right to vote the Restricted Stock and to receive all dividends and other distributions paid or made with respect to the Restricted Stock. During the restriction period set by our Compensation Committee, the recipient may not sell, transfer, pledge, exchange or otherwise encumber the Restricted Stock. Any award of Restricted Stock will be subject to vesting during a restriction period of at least three years following the date of grant, except that a restriction period of at least one year is permissible if vesting is conditioned upon the achievement of performance goals established by our Compensation Committee. An award of Restricted Stock may vest in part on a pro rata basis prior to the expiration of any restriction period, and up to five percent of shares available for grant as Restricted Stock (together with all other shares available for grant as awards under the SIP other than options, stock appreciation rights or dividend equivalent rights) may be granted with a restriction period of at least one year regardless of whether vesting is conditioned upon the achievement of performance goals.

Restricted Stock Units. The SIP authorizes our Compensation Committee to grant restricted stock units. Restricted stock units are not shares of Teradata common stock and do not entitle the recipients to the rights of a stockholder. Restricted stock units granted under the SIP may or may not be subject to performance conditions. The recipient may not sell, transfer, pledge or otherwise encumber restricted stock units granted under the SIP prior to their vesting. Restricted stock units will be settled in cash or shares of Teradata common stock, in an amount based on the fair market value of Teradata common stock on the settlement date.

Any award of restricted stock units will be subject to vesting during a restriction period of at least three years following the date of grant, except that a restriction period of at least one year is permissible if vesting is conditioned upon the achievement of certain performance goals established by our Compensation Committee. In addition, an award of restricted stock units may vest in part on a pro rata basis prior to the expiration of any restriction period, and up to five percent of shares available for grant as restricted stock units (together with all other shares available for grant as awards other than options, stock appreciation rights or dividend equivalent rights) may be granted with a restriction period of at least one year regardless of whether vesting is conditioned upon the achievement of performance goals.

Performance Units. The SIP provides for the award of performance units that are valued by reference to a designated amount of property other than shares of our common stock. The payment of the value of a performance unit is conditioned upon the achievement of performance goals set by the committee in granting the performance unit and may be paid in cash, shares of our common stock, other property or a combination thereof. The performance period for a performance unit must be at least one year.

Other Stock-Based Awards. The SIP also provides for grants of other stock-based awards under the plan. Awards of unrestricted stock may only be granted in lieu of compensation that would otherwise be payable to the participant. Any other stock-based award that is a Full Value Award (as defined in the SIP) will be subject to vesting during a restriction period of at least three years following the date of grant, except that a restriction period of at least one year is permissible if vesting is conditioned upon the achievement of certain performance goals established by our Compensation Committee. In addition, any other stock-based award that is a Full Value Award may vest in part on a pro rata basis prior to the expiration of any restriction period, and up to five percent of shares available for grant as other stock-based awards that are Full Value Awards (together with all other shares available for grant as Full Value Awards) may be granted with a restriction period of at least one year regardless of whether vesting is conditioned upon the achievement of performance goals.

Performance Goals. The plan provides that performance goals may be established by the committee in connection with the grant of Restricted Stock, Restricted stock units, performance unit or other stock-based awards. In the case of an award intended to qualify for the performance-based compensation exception of Section 162(m) of the Code, (i) such goals shall be based on the attainment of specified levels of one or more of the following measures: revenues; revenue growth; earnings (including earnings before taxes, earnings before interest and taxes or earnings before interest, taxes, depreciation and amortization); earnings per share; operating income (including non-pension operating income); pre- or after-tax income (before or after allocation of corporate overhead and bonus); cash flow (before or after dividends); cash flow per share (before or after dividends); gross margin; return on equity; return on capital (including return on total capital or return on invested capital); cash flow return on investment; return on assets or operating assets; economic value added (or an equivalent metric); stock price appreciation; total shareholder return (measured in terms of stock price appreciation and dividend growth); cost control; gross profit; operating profit; cash generation; unit volume; stock price; market share; sales; asset quality; cost saving levels; marketing spending efficiency; core non-interest income; debt reductions; stockholder equity; regulatory achievements; implementation, completion or attainment of measurable objectives with respect to research development, products or projects; recruiting and maintaining personnel or change in working capital with respect to Teradata or any one or more subsidiaries, divisions, business units or business segments of Teradata either in absolute terms or relative to the performance of one or more other companies or an index covering multiple companies and (ii) such performance goals will be set by our Compensation Committee within the time period and other requirements prescribed by Section 162(m) of the Code and the regulations promulgated thereunder.

Change in Control. In the event of a change in control, awards granted under the SIP that are not assumed, converted or replaced in connection with such change in control will vest immediately prior to the change in control. If awards are assumed, converted or replaced in connection with a change in control, and during the 24-month period following the change in control there is a termination of an award holder's employment (a) by us for any reason other than "cause" or "disability" or (b) by certain employees who participate in our Teradata

Change in Control Severance Plan or our Teradata severance policy, or to the extent set forth in an award agreement, for "good reason": (1) any option or stock appreciation right outstanding as of the date of the change in control that remains outstanding as of the date of termination will vest immediately and become fully exercisable until the later of the date upon which the option or stock appreciation right would expire absent the special change in control provision and the first anniversary of the date of termination; (2) the restrictions and deferral limitations applicable to any Restricted Stock will lapse, and any Restricted Stock outstanding as of the date of the change in control that remains outstanding as of the date of termination will become free of all restrictions and become fully vested and transferable; and (3) all restricted stock units outstanding as of the date of the change in control that remain outstanding as of the date of termination will be considered to be earned and payable in full, and any deferral or other restriction will lapse and each such restricted stock unit will be settled as promptly as practicable in accordance with the applicable award agreement.

Awards Under the SIP. Because it is within the discretion of our Compensation Committee to determine which officers and employees receive awards and the amount and type of awards received, it is not presently possible to determine the number of individuals to whom awards will be made in the future under the SIP or the amount of the awards.

Amendment. The Board may amend, alter or discontinue the SIP at any time. No such amendment or termination, however, may impair the rights of any holder of outstanding awards without his or her consent, except for amendments made to cause the SIP to comply with applicable law, stock exchange rules or accounting rules, and no award may be amended or otherwise subject to any action that would be treated, for accounting purposes, as a "repricing" of such award, unless such action is approved by Teradata's stockholders.

Federal Income Tax Consequences. The following is a summary of certain federal income tax consequences of awards made under the SIP, based upon the laws in effect on the date hereof. The discussion is general in nature and does not take into account a number of considerations which may apply in light of the circumstances of a particular participant under the SIP. The income tax consequences under applicable state and local tax laws may not be the same as under federal income tax laws.

Non-Qualified Stock Options. A participant will not recognize taxable income at the time of grant of a non-qualified stock option, and Teradata will not be entitled to a tax deduction at such time. A participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) upon exercise of a non-qualified stock option equal to the excess of the fair market value of the shares purchased over their exercise price, and Teradata generally will be entitled to a corresponding deduction.

Incentive Stock Options. A participant will not recognize taxable income at the time of grant of an incentive stock option. A participant will not recognize taxable income (except for purposes of the alternative minimum tax) upon exercise of an incentive stock option. If the shares acquired by exercise of an incentive stock option are held for the longer of two years from the date the option was granted and one year from the date the shares were transferred, any gain or loss arising from a subsequent disposition of such shares will be taxed as long-term capital gain or loss, and Teradata will not be entitled to any deduction. If, however, such shares are disposed of within such two or one year periods, then in the year of such disposition the participant will recognize compensation taxable as ordinary income equal to the excess of the lesser of the amount realized upon such disposition and the fair market value of such shares on the date of exercise over the exercise price, and Teradata generally will be entitled to a corresponding deduction.

Stock Appreciation Rights. A participant will not recognize taxable income at the time of grant of a stock appreciation right, and Teradata will not be entitled to a tax deduction at such time. Upon exercise, a participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) equal to the fair market value of any shares delivered and the amount of cash paid by Teradata, and Teradata generally will be entitled to a corresponding deduction.

Restricted Stock. A participant will not recognize taxable income at the time of grant of shares of Restricted Stock, and Teradata will not be entitled to a tax deduction at such time, unless the participant makes an election

under Section 83(b) of the Code to be taxed at such time. If such election is made, the participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) at the time of the grant equal to the excess of the fair market value of the shares at such time over the amount, if any, paid for such shares. If such election is not made, the participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) at the time the restrictions lapse in an amount equal to the excess of the fair market value of the shares at such time over the amount, if any, paid for such shares. Teradata is entitled to a corresponding deduction at the time the ordinary income is recognized by the participant, except to the extent the deduction limits of Section 162(m) of the Code apply. In addition, a participant receiving dividends with respect to Restricted Stock for which the above-described election has not been made and prior to the time the restrictions lapse will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee), rather than dividend income. Teradata will be entitled to a corresponding deduction, except to the extent the deduction limits of Section 162(m) of the Code apply.

Restricted Stock Units. A participant will not recognize taxable income at the time of grant of a restricted stock unit, and Teradata will not be entitled to a tax deduction at such time. A participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) at the time of settlement of the award equal to the fair market value of any shares delivered and the amount of cash paid by Teradata, and Teradata will be entitled to a corresponding deduction, except to the extent the deduction limits of Section 162(m) of the Code apply.

Performance Units. A participant will not recognize taxable income at the time of grant of performance units, and Teradata will not be entitled to a tax deduction at such time. A participant will recognize compensation taxable as ordinary income (and subject to income tax withholding in respect of an employee) at the time of settlement of the award equal to the fair market value of any shares or property delivered and the amount of cash paid by Teradata, and Teradata will be entitled to a corresponding deduction, except to the extent the deduction limits of Section 162(m) of the Code apply.

Section 162(m). Section 162(m) of the Code limits the deductibility of certain compensation of the Chief Executive Officer and the next four most highly compensated officers of publicly-held corporations. Compensation paid to such an officer during a year in excess of $1 million that is not performance-based (or does not comply with other exceptions) would not be deductible on Teradata's federal income tax return for that year. It is intended that compensation attributable to stock options and stock appreciation rights granted under the SIP will qualify as performance-based. Teradata's Board of Directors will evaluate from time to time the relative benefits to Teradata of qualifying other awards under the SIP for deductibility under Section 162(m) of the Code.

Equitable Adjustments to Outstanding NCR Equity-Based Awards

In connection with the spin-off, we will convert NCR's existing equity grants held by Teradata employees in the manner described under the caption entitled "—Employee Benefits Agreement" included elsewhere in this section.

Term; Amendment

No awards will be made under the SIP following the tenth anniversary of the date that the SIP becomes effective. Our Board of Directors may amend or terminate the SIP at any time, provided that the amendment or termination does not adversely affect any award that is then outstanding without the award holder's consent. We must obtain stockholder approval of an amendment to the SIP if stockholder approval is required to comply with any applicable law, regulation or stock exchange rule.

Teradata Employee Stock Purchase Plan

A wholly-owned subsidiary of NCR, as our sole stockholder, approved the Teradata Corporation Employee Stock Purchase Plan, which we refer to as the "ESPP." The purpose of the ESPP is to provide our eligible

employees and those of our designated subsidiaries an opportunity to purchase our common stock through payroll deductions. It is intended to encourage ownership of our common stock to enable eligible employees to participate in the economic progress of Teradata during the term of the plan. The ESPP is intended to qualify as an "employee stock purchase plan" under Section 423 of the Code. The principal features of the ESPP are summarized below.

Administration. The ESPP will be administered by the Vice President, Human Resources. He or she will have discretionary authority to interpret the ESPP and to establish rules and regulations relating to the ESPP from time to time and to make all other determinations necessary or advisable for the administration of the ESPP. A third party recordkeeper maintains an investment account for each participant with a record of the shares purchased by such participant.

Shares Available. The maximum number of shares of Teradata common stock available for purchase under the ESPP will be 4,000,000. The aggregate number of shares will be subject to adjustment in the event of certain changes to our capital structure as described in the ESPP. The shares of Teradata common stock purchased and issued under the ESPP will consist of authorized and unissued shares.

Eligibility. Any person who is employed by us or any of our subsidiaries on the first business day of each month, and is not deemed for purposes of Section 423(b)(3) of the code to own stock possessing 5% or more of the total combined voting power or value of all classes of stock of Teradata or a subsidiary or the parent of Teradata, if any, is generally eligible to participate in the ESPP.

Participation and Payroll Deductions. Eligible employees may purchase shares of our common stock at below-market prices through payroll deductions during each purchase period, with amounts accumulated during each purchase period. The amount of the payroll deduction must be a whole percentage amount of the employee's compensation (before withholding or other deductions) paid during the purchase period by Teradata or any of its subsidiaries, and may not be less than 1% of such employee's compensation nor more than 10% of such compensation.

Deduction Changes and Withdrawal. Employees may change their rate of payroll deduction at any time prior to February 15 or August 15 of any year the ESPP is in effect. A participant may withdraw from participation in the ESPP at any time by filing a notice of withdrawal. Upon a participant's withdrawal, the amount credited to his or her stock purchase account will be applied to the purchase of Teradata common stock on the next exercise date, which occurs on the last business date of the month. A participant who withdraws from the ESPP may again become a participant by filing a new stock purchase agreement in accordance with the procedures described above.

Purchase of Shares. Funds held in a participant's account on the last business day of each month will be used to purchase shares of Teradata common stock for the participant at 95% of the average of the reported highest and lowest sale prices of shares of Teradata common stock on the NYSE on that date. Dividends on shares purchased and held in a participant's account are credited to the participant's account and will be used to purchase additional shares on the next monthly exercise date, unless the participant elects not to have such dividends reinvested.

Limitation on Purchases of Shares. A participant may not purchase more than 50,000 shares of Teradata common stock on any purchase date.

Termination of Participation. When a participant ceases to be our employee for any reason, the amount credited to the participant's stock purchase account on the date of termination will be used to purchase shares of our common stock on the next applicable purchase date.

Amendment and Termination of the ESPP . Teradata's Board of Directors may amend the ESPP at any time and for any reason, provided that, without approval of our stockholders, no amendment may increase the number

of shares of our common stock reserved for purchase under the ESPP or reduce the purchase price per share below 95% of the average of the highest and lowest sale prices of shares of our common stock on the NYSE on the applicable purchase date. The ESPP will continue in effect through [•], 2017, unless the Board of Directors terminates the ESPP. Upon termination or expiration of the ESPP, the entire amount credited to the stock purchase account of each participant shall be refunded to such participant.

Federal Income Tax Consequences . The following is a summary of certain federal income tax consequences under the ESPP, based upon the laws in effect on the date hereof. The discussion is general in nature and does not take into account a number of considerations which may apply in light of the circumstances of a particular participant under the ESPP. The income tax consequences under applicable state and local tax laws may not be the same as under federal income tax laws. The ESPP is intended to be an "employee stock purchase plan" within the meaning of Section 423 of the Code. Under Section 423 of the Code, an eligible employee who elects to participate in the ESPP will not recognize any taxable income at the time shares are purchased under the ESPP for the employee. If a participant disposes of the shares purchased under the ESPP after two years from the applicable exercise date and the amount realized exceeds the purchase price, the participant will recognize compensation taxable as ordinary income in an amount equal to the lesser of (a) the excess of the fair market value of the shares on the exercise date over the purchase price and (b) the amount realized on such disposition over the purchase price. The participant's cost basis in the shares will be increased by the amount of ordinary income recognized by the participant. In addition, if the amount realized on such disposition exceeds the fair market value of the shares on the exercise date, such excess will be taxed as long term capital gain. If the amount realized on such disposition is less than the purchase price of the shares under the ESPP, the participant will recognize long term capital loss in the amount of the difference between the purchase price and the amount realized.

Teradata will not be entitled to any deduction with respect to a disposition of the shares occurring under these circumstances. If the participant disposes of the shares purchased under the ESPP within two years after the applicable exercise date, the participant will recognize compensation taxable as ordinary income, and Teradata will be entitled to a corresponding deduction, in an amount equal to the excess of the fair market value of the shares on the applicable exercise date over the purchase price of the shares under the ESPP. The participant's cost basis in the shares will be increased by the amount of the ordinary income recognized by such participant. In addition, upon such disposition of the shares, the participant will recognize capital gain or loss equal to the difference between the amount realized on such disposition and the participant's cost basis in the shares, as so increased. Teradata will not be entitled to any deduction with respect to the amount recognized by such participant as a capital gain.

Mr. Koehler's Offer Letter

On August 3, 2007, NCR entered into an offer letter with Mr. Koehler, which will become effective upon the spin-off. Under the terms of the letter, Mr. Koehler will serve as President and Chief Executive Officer of Teradata. The offer letter also provides that he will receive an annual base salary of $700,000 and an annual bonus target of 100 percent of his annual base salary with the ability to earn a bonus from 0 percent to 200 percent of annual base salary, depending on performance. As described in more detail in the CD&A, Mr. Koehler's offer letter provides that he will receive a sign-on grant of Teradata equity on or as soon as practicable following the spin-off with a grant date value of $4.5 million. In addition, the letter specifies that Mr. Koehler will be eligible to participate in the employee benefit plans of Teradata generally. In the event that, prior to a change in control, Mr. Koehler's employment is terminated by Teradata without "cause" or by Mr. Koehler for "good reason," the letter specifies that Mr. Koehler will be entitled to receive a severance payment equal to 1.5 times his annual base salary and target bonus and continued medical benefits for 18 months, subject to his execution and non-revocation of a release. The letter also specifies that, following a change in control, he will be eligible for severance benefits as a Tier I participant in the Teradata Corporation Change in Control Severance Plan for Executive Officers. Finally, the agreement provides for 12-month post-termination non-competition, non-solicitation and non-hire of employees and non-solicitation of customers covenants and a perpetual covenant not to use or disclose confidential information.

Mr. Scheppmann's Offer Letter

On August 20, 2007, NCR entered into an offer letter with Mr. Scheppmann. Under the terms of the letter, Mr. Scheppmann will serve as Executive Vice President and Chief Financial Officer of Teradata. The offer letter states that he will receive an annual base salary of $412,000 and, for 2007, an annual bonus guaranteed at an amount equal to at least 75 percent of his annual base salary, with the ability to earn up to 150 percent of annual base salary, depending on performance. Such award will be pro-rated for the number of calendar months, or parts thereof, during which he serves as Teradata's Chief Financial Officer in 2007. As described in more detail in the CD&A, Mr. Scheppmann's offer letter provides that he will receive a hiring grant of Teradata equity with a grant date value of $800,000 as well as an initial post-separation grant of Teradata equity with a grant date value of $600,000. Both grants will be effective on or as soon as practicable following the spin-off. In addition, the letter specifies that Mr. Scheppmann will be eligible to participate in the employee benefit plans of Teradata. In the event that, following a change in control, Mr. Scheppmann's employment is terminated by Teradata without "cause" or by Mr. Scheppmann for "good reason," the letter specifies that Mr. Scheppmann will be entitled to receive severance benefits as a Tier II participant in the Teradata Corporation Change in Control Severance Plan for Executive Officers. Finally, the agreement provides for 12-month post-termination non-competition, non-solicitation and non-hire of employees and non-solicitation of customers covenants and a perpetual covenant not to use or disclose confidential information.

Potential Payments Upon Terminations and Change in Control

Overview. Except as otherwise described below with respect to the change in control table as of December 31, 2007, the tables below reflect the amount of compensation to be paid, and/or benefits to be provided, to each of our named executive officers employed by NCR, in the event of termination of such executive's employment by NCR as of December 31, 2006. A description of death and disability benefits and treatment of equity upon termination is provided below. See "Retirement Benefits," "Change in Control Arrangements" and "Severance Agreements" in the Compensation Discussion and Analysis for a description of such items.

The agreements discussed in "Change in Control Arrangements" and "Severance Agreements" in the Compensation Discussion and Analysis include the following material conditions to the receipt of compensation and/or benefits. In the case of the Change in Control Severance Plan, the compensation and/or benefits provided to each participant will be conditioned upon such participant's execution of a restrictive covenant and release agreement that includes, among other items, restrictive covenants and a confidentiality provision. As discussed in "Severance Agreements" in the Compensation Discussion and Analysis, we expect that it will be our practice to negotiate the terms of such agreements, when needed, with each of our most senior executives. Such negotiated agreements typically include non-competition, non-solicitation and confidentiality provisions.

Treatment of Equity upon Terminations . The awards given to the named executive officers while employed by NCR will be converted to Teradata awards as discussed under the caption entitled "—Employee Benefits Agreement" included elsewhere in this section. These awards will be subject to the same vesting provisions detailed as follows:

Situation	Restricted Stock	Performance-Based Restricted Stock	Stock Options
Death and Long-term Disability ("LTD")	Awards vest in full upon the date of death or LTD	A pro rata portion of the stock, calculated as of the date of death or long-term disability, will continue to vest and payout at the end of the performance period based on actual results	Awards vest in full upon the date of death or LTD and are exercisable for the one-year period following the date of death if the death occurs prior to age 55; or the earlier of the actual expiration or three years if after age 55
Retirement	Pro rata portion will become fully vested as of date of retirement	A pro rata portion of the stock, calculated as of the date of retirement will continue to vest and payout at the end of the performance period based on actual results	Unvested awards are forfeited. Vested awards expire the earlier of three years following retirement date or the expiration date
Termination due to Reduction in Force ("RIF")	Pro rata portion will become fully vested as of date of RIF	A pro rata portion of the stock, calculated as of the date of RIF, will continue to vest and payout at the end of the performance period based on actual results	Unvested awards are forfeited. Vested awards expire the earlier of one day prior to 60 days post termination or the expiration date
Voluntary Resignation	Award is forfeited	Award is forfeited	Unvested awards are forfeited. Vested awards expire the earlier of one day prior to 60 days post termination or the expiration date
Involuntary Termination for Cause	Award is forfeited	Award is forfeited	Award is forfeited
Termination without Cause or Resignation for Good Reason following a Change in Control ("CIC")	Award vests in full upon the date of CIC	Award vests in full upon the date of CIC	Award vests in full upon the date of CIC

Change in Control Arrangements . In connection with the spin-off, the NCR Board adopted a change in control severance plan for Teradata similar to the plan offered by NCR. The plan has an initial term of two years with automatic one-year extensions, unless terminated by the Board at least 90 days prior to the end of the current term. The plan provides that executive officers will receive severance benefits if their employment with us is terminated as a result of involuntary termination without cause, or voluntary termination for good reason during the two years following certain change in control events (such as an acquisition, merger or liquidation of Teradata). The severance benefits include (a) severance pay equal to 300% of base pay for Mr. Koehler and 200% of base pay for Messrs. Scheppmann, Young, Fair, Harrington and McDonald; (b) the same percentage applied to the average annual bonus earned over the past three years under the Teradata MIP (or that of NCR); (c) a pro rata, long-term incentive payment at target, and any earned but unpaid long-term incentive payments or annual bonuses; (d) continued medical and dental coverage for the officer and eligible dependents and continued life insurance for the officer for a period no longer than the end of the second full year following the change in control; (e) outplacement services for one year; and (f) financial counseling for one year, if Teradata has an executive financial counseling program in place at the time of the change in control. In addition, the officer will be fully vested in any Teradata stock options or other stock awards, according to the Teradata MIP. Supplemental pension benefits under the Officer Plan will also vest in full upon a change in control. In order to receive the

benefits of the Teradata Change in Control Severance Plan, a participant must sign, and not revoke, a release of employment-related claims against Teradata and must agree not to compete with Teradata and not to recruit Teradata employees following termination of employment. In addition, in the event that a participant is subject to the so-called "golden parachute" excise tax under Section 4999 of the Code, the participant will be entitled to an additional payment such that he is placed in the same after-tax position as if no excise tax had been imposed, unless the participant receives payments in connection with the change in control that only exceed the maximum he or she could receive without being subject to the tax by 10% in which case the participant's parachute payments will be reduced to the maximum amount that he can receive without being subject to the tax.

Estimated NCR Change in Control Severance Benefits as of December 31, 2006

The table below sets forth the estimated amounts to which Teradata's named executive officers listed below may have become entitled if their employment were terminated following a change in control if such event had occurred on December 31, 2006.

Executive	Cash [1]	Pro rata Bonus [2]	Stock Options [3]	Rst. Stock & Perf. Shares [3]	Welfare Benefits	Outplacement	Excise Tax Gross Up [4] [5] [6] [7]	Total
Michael Koehler	$2,231,250	$332,150	$331,468	$2,921,320	$40,526	$ 10,000	$ 0	$5,866,714
Robert Young	0	55,050	56,877	263,231	0	0	0	375,157
Robert Fair	0	98,608	139,024	1,011,178	0	0	0	1,248,810
Darryl McDonald	0	98,608	119,383	882,898	0	0	0	1,100,889
Daniel Harrington	0	123,256	132,320	1,126,288	0	0	0	1,381,864

(1) Mr. Koehler was the only officer covered under a change in control and therefore eligible for the cash payout.

(2) Equity valuations assume closing price of NCR stock on December 29, 2006 of $42.76

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

(a) Volatility—35.3%
(b) Dividend Yield—0%
(c) Risk Free Rate—4.61%
(d) Option Term—expected option term of 5.3 years less elapsed time since option grant or one year (depending on stock plan in effect at time of grant)

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

(a) Short Term—5.89%
(b) Mid Term—5.62%
(c) Long Term—5.81%

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

Estimated Teradata Change in Control Severance Benefits as of December 31, 2007

The table below sets forth the estimated amounts to which the Teradata named executive officers may become entitled if their employment were terminated following a change in control that occurs on December 31, 2007. The following forward-looking table includes disclosure about our named executive officers' rights under the new Teradata Change in Control Severance Plan using the base salaries approved for such named executive officers following the spin-off and the other assumptions described in the table and footnotes below. It has been included because only one named executive officer was covered under a change in control plan in 2006 and because Mr. Scheppmann will not become Chief Financial Officer until September 4, 2007.

Executive	Cash	Pro rata Bonus [1]	Stock Options [2]	Rst. Stock & Perf. Shares [2]	Welfare Benefits	Outplacement	Excise Tax Gross Up [3] [4] [5] [6]	Total
Michael Koehler	$4,200,000	$700,000	$94,069	$2,014,253	$45,261	$ 10,000	$2,190,042	$9,253,624
Stephen Scheppmann	1,442,000	103,000	0	0	28,748	10,000	585,874	2,169,622
Robert Young	644,054	92,008	13,710	294,360	28,748	10,000	352,056	1,434,935
Robert Fair	1,260,000	270,000	41,328	930,778	24,660	10,000	0	2,536,766
Darryl McDonald	1,155,000	247,500	41,328	845,258	25,572	10,000	661,335	2,985,994
Daniel Harrington	1,260,000	270,000	41,328	832,088	24,582	10,000	0	2,437,998

(1) The pro rata bonus reflects the target bonus amount for the 2007 period.

(2) Equity valuations assume closing price of NCR stock on December 29, 2006 of $42.76.

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

(a) Volatility—35.3%
(b) Dividend Yield—0%
(c) Risk Free Rate—4.61%
(d) Option Term—expected option term of 5.3 years less elapsed time since option grant or one year (depending on stock plan in effect at time of grant).

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

(a) Short Term—5.89%
(b) Mid Term—5.62%
(c) Long Term—5.81%

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

(6) The 280G base calculation reflects W2 earnings from 2002-2006 as 2007 data is not available.

Reduction-in-Force Severance as of December 31, 2006

Executive	Cash [1]	Pro rata Bonus [2]	Stock Options [3][4]	Rst. Stock & Perf. Shares	Welfare Benefits	Outplacement	Total
Michael Koehler	$212,500	$332,150	$ 0	$ 104,393	$4,356	$ 10,000	$663,399
Robert Young	95,991	55,050	0	11,933	4,356	10,000	177,330
Robert Fair	133,904	98,608	0	33,143	4,356	10,000	280,011
Darryl McDonald	133,904	98,608	0	33,143	4,356	10,000	280,011
Daniel Harrington	133,900	123,256	0	33,143	4,356	10,000	304,655

(1) Cash severance payout is estimate only and subject to individual negotiation.

(2) The payments reported in these columns include only unvested awards. Vested equity is reported in the Outstanding Equity Awards at Fiscal Year-End Table.

(3) Equity valuations assume closing price of NCR stock on December 29, 2006 of $42.76.

Death and Disability. Benefits provided to named executive officers as of December 31, 2006, under the termination scenarios of death or disability depend on the individual level of benefits chosen by the named executive officer during NCR's annual benefits enrollment process. The named executive officers receive the same company-provided life insurance coverage, short-term disability coverage, and long-term disability coverage as the general NCR population. These core coverages are 200% of base salary for life insurance, 100% of base salary for two to eighteen weeks depending on years of service and 66 2/3% of base salary for the remainder of a 26-week period for short-term disability coverage, and 50% of base salary for the duration of an employee's long-term disability for long-term disability coverage. Each NCR employee has the option of choosing a higher level of coverage at his or her own expense.

Death

Executive	Life Insur. (1)	Pro rata Bonus (2)	Stock Options (3)	Rst. Stock & Perf. Shares (3)	Welfare Benefits	Outplacement	Total
Michael Koehler	$1,155,000	$332,150	$331,468	$3,025,713	$ 0	$ 0	$4,844,331
Robert Young	767,900	55,050	56,877		0	0	879,827
Robert Fair	1,040,000	98,608	139,024	1,044,321	0	0	2,321,952
Darryl McDonald	2,500,000	98,608	119,383	916,041	0	0	3,634,032
Daniel Harrington	1,820,000	123,256	132,320	1,159,431	0	0	3,235,007

(1) Life Insurance proceeds would be payable by a third-party insurer.

(2) Equity valuations assume closing price of NCR stock on December 29, 2006 of $42.76.

Disability

Executive	Dis Pymts (1)(2)	Pro rata Bonus (3)	Stock Options (4)	Rst. Stock & Perf. Shares (4)	Welfare Benefits	Outplacement	Total
Michael Koehler	$ 0	$332,150	$331,468	$3,025,713	$ 0	$ 0	$3,689,331
Robert Young	0	55,050	56,877		0	0	111,927
Robert Fair	0	98,608	139,024	1,044,321	0	0	1,281,952
Darryl McDonald	0	98,608	119,383	916,041	0	0	1,134,032
Daniel Harrington	0	123,256	132,320	1,159,431	0	0	1,415,007

(1) Named executive officers are provided with a core level of long-term disability coverage equivalent to 66 2/3% of beginning of year base salary for 2 weeks and 50% of beginning of year base salary thereafter. Each had the option of purchasing, at their own cost, a higher level of coverage of 100% of beginning of year base salary for 26 weeks and 66 2/3% of beginning of year base salary thereafter. These coverages and options were provided to all NCR employees in the US.

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

(3) Equity valuations assume closing price of NCR stock on December 29, 2006 of $42.76.

Voluntary Resignation as of December 31, 2006

Executive	Cash	Pro rata Bonus	Stock Options (1)	Rst. Stock & Perf. Shares (1)	Welfare Benefits	Outplacement	Total
Michael Koehler	$ 0	$ 0	$ 0	$ 104,393	$ 0	$ 0	$104,393
Robert Young	0	0	0	11,933	0	0	11,933
Robert Fair	0	0	0	33,143	0	0	33,143
Darryl McDonald	0	0	0	33,143	0	0	33,143
Daniel Harrington	0	0	0	33,143	0	0	33,143

(1) Equity valuations assume closing price of NCR stock on December 29, 2006 of $42.76.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of the date hereof, all of the outstanding shares of Teradata's common stock are indirectly, wholly-owned by NCR. After the distribution, NCR will not directly or indirectly own any of our common stock. The following table provides information with respect to the expected beneficial ownership of NCR common stock by (i) each of our stockholders who we believe will be a beneficial owner of more than 5% of NCR outstanding common stock based on current publicly available information, (ii) each of the persons nominated to serve as Teradata's directors, (iii) each officer named in the Summary Compensation Table, and (iv) all of Teradata's executive officers and directors nominees as a group. We based the share amounts on each person's beneficial ownership of NCR common stock as of July 31, 2007, unless we indicate some other date or basis for the share amounts in the applicable footnotes.

Except as otherwise noted in the footnotes below, each person or entity identified below has sole voting and investment power with respect to such securities. Following the distribution, Teradata will have outstanding an aggregate of approximately 180,547,118 shares of common stock based upon approximately 180,547,118 shares of NCR common stock outstanding on July 31, 2007, assuming no exercise of NCR options, and applying the distribution ratio of one share of our common stock for every share of NCR common stock held as of the record date.

Name and Address of Beneficial Owner	Total Shares to Be Beneficially Owned [1][2]		# of Shares That May Be Acquired Within 60 Days [3]
	# of Shares	% of Class	
Greater than 5% Stockholders:			
FMR Corp	22,077,310[4]	12.2%	
82 Devonshire Street			
Boston, Massachusetts 02109			
Dodge & Cox	13,695,990[5]	7.6%	
555 California Street, 40th Floor			
San Francisco, California 94104			
Non-Employee Director Nominees:			
Edward P. Boykin, Director	68,183	*	39,724
Victor L. Lund, Director	43,352	*	27,724
C.K. Prahalad, Director	116,845	.1%	77,770
James M. Ringler, Director	98,187	.1%	68,334
William S. Stavropoulos, Director	105,177	.1%	65,724
Named Executive Officers:			
Michael Koehler, Director and Officer	114,099	.1%	28,710
Stephen Scheppmann, Future Chief Financial Officer	0	n/a	0
Robert Young, Interim Chief Financial Officer	35,582	*	25,871
Robert Fair, Officer	91,918	.1%	59,755
Darryl McDonald, Officer	161,971	.1%	127,155
Daniel Harrington, Officer	50,233	*	10,757
All directors and named executive officers as a group (13 persons)	**968,032[6]**	**.5%**	**575,578**

* The number is significantly less than .1%.

(1) Some of the executive officers and directors own fractional shares of NCR stock. For purposes of this table, all fractional shares have been rounded to the nearest whole number.

(2) This column includes shares held by NCR's employees and directors who have entered into a standard brokerage account form with Fidelity which includes a provision for the pledge of NCR shares owned by such executive officer or director. The pledge applies to all shares listed for each individual in the table above which are held in such individual's Fidelity brokerage account.

(3) This column shows those shares the officers and directors have the right to acquire through stock option exercises within 60 days after July 31, 2007. These shares are also included in the Total Shares to Be Beneficially Owned column.

(4) Information is based upon a Schedule 13G/A filed by FMR Corp. ("FMR") and Edward C. Johnson III, Chairman of FMR, with the SEC on February 14, 2007. FMR reports ownership of shares held by its direct and indirect subsidiaries, including Fidelity Management & Research Company ("Fidelity"), Fidelity Management Trust Company, Strategic Advisers, Inc., Pyramis Global Advisors Trust Company, Pyramis Global Advisors, LLC and Fidelity International Limited. These FMR entities have sole power to dispose or direct the disposition ("investment power") over all 22,077,310 shares and sole power to vote or direct the vote ("voting power") with respect to 1,984,089 shares. Fidelity is the beneficial owner of 20,186,681 of the shares shown above as a result of acting as investment adviser to various investment companies ("Funds"). Edward C. Johnson III, FMR, through its control of Fidelity, and the Funds each have sole investment power over the 20,186,681 shares owned by the Funds.

(5) Information is based upon the Schedule 13G/A, dated February 8, 2007, filed by Dodge & Cox with the SEC. According to this filing, Dodge & Cox, as an investment adviser, has sole investment power over 13,695,900 of these shares, has sole voting power over 12,832,590 shares, and has shared voting power over 141,900 shares.

(6) Includes 51.626 shares held by an executive officer and spouse as joint tenants.

(7) In addition to the shares listed in the table, directors and executive officers hold the following number of restricted stock units which have not yet vested: Messrs. Boykin, Lund and Ringler, 1,486 (the receipt of which each of the directors has elected to defer); Messrs. Prahalad and Stavropoulos, 979; Mr. Koehler, 7955; Mr. Young, 796; and Messrs. Fair, Harrington and McDonald, 2,121.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The Distribution from NCR

The distribution will be accomplished by NCR's distributing all of its shares of Teradata common stock to holders of NCR common stock entitled to such distribution, as described in the section entitled "The Separation" included elsewhere in this information statement. Completion of the distribution will be subject to satisfaction or waiver by NCR of the conditions to the separation and distribution described below under the caption entitled "Agreements with NCR."

Related Party Transactions

Teradata's Committee on Directors and Governance will be responsible for determining whether any conflicts of interest exist and the review and approval of each related party transaction. Teradata's Board of Directors has formalized a Related Person Transactions Policy in writing.

This policy provides for approval or ratification of each related person transaction in accordance with the procedures and policies discussed below (i) by Teradata's Committee on Directors and Governance or (ii) if the Committee on Directors and Governance determines that the approval or ratification of such related person transaction should be considered by all of the disinterested members of the Board of Directors, by such disinterested members of the Board of Directors by the vote of a majority thereof.

The policy provides for our General Counsel to advise the Chairman of the Committee on Directors and Governance of any related person transaction of which the General Counsel becomes aware. The Committee on Directors and Governance shall consider such related person transaction, unless the Committee on Directors and Governance determines that the approval or ratification of such transaction should be considered by all of the disinterested members of the Board of Directors, in which case such disinterested members of the Board of Directors shall consider the transaction. Except as set forth below, no related person transaction not approved in advance shall be entered into by Teradata unless the consummation of such transaction is expressly subject to ratification.

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

Factors that are reviewed by the Committee on Directors and Governance or the Board of Directors, as applicable, include: the size of the transaction and the amount payable to a related person; the nature of the interest of the related person in the transaction; whether the transaction may involve a conflict of interest; and whether the transaction involves the provision of goods or services to Teradata that are available from unaffiliated third parties and, if so, whether the transaction is on terms and made under circumstances that are at least as favorable to Teradata as would be available in comparable transactions with or involving unaffiliated third parties.

Agreements with NCR

Before our separation from NCR, we will enter into a Separation and Distribution Agreement and several other agreements with NCR to effect the separation and provide a framework for our relationships with NCR after the separation. These agreements will govern the relationships between us and NCR subsequent to the completion of the separation plan and provide for the allocation between us and NCR of NCR's assets, liabilities

and obligations (including employee benefits, intellectual property and tax-related assets and liabilities) attributable to periods prior to the respective separations of each of the businesses from NCR. In addition to the Separation and Distribution Agreement (which contains many of the key provisions related to our separation from NCR and the distribution of our shares of common stock to NCR stockholders), these agreements include, among others:

- Intellectual Property Agreements;
- Tax Sharing Agreement;
- Interim Services and Systems Replication Agreement;
- Employee Benefits Agreement;
- Real Estate Arrangements;
- Master Agreement for enterprise data warehousing sales and support;
- Service Provider Agreements;
- Distributor Agreements; and
- Network Support Agreement.

The forms of many of the principal agreements described below have been filed as exhibits to the registration statement on Form 10 of which this information statement is a part, and the summaries below of each of these agreements set forth the terms that we believe are material. These summaries are qualified in their entirety by reference to the full text of the applicable agreements, which are incorporated by reference into this information statement.

Separation and Distribution Agreement

The Separation and Distribution Agreement will set forth our agreement with NCR regarding the principal transactions necessary to separate us from NCR. It will also set forth other agreements that govern certain aspects of our relationship with NCR after the completion of the separation plan. The parties intend to enter into the Separation and Distribution Agreement before the distribution of our shares to NCR stockholders. Upon our separation from NCR, the Separation and Distribution Agreement will be effective as between us and NCR with respect to the obligations owed by us to NCR and the obligations owed by NCR to us.

Transfer of Assets and Assumption of Liabilities. The Separation and Distribution Agreement will identify assets to be transferred, liabilities to be assumed and contracts to be assigned to us and NCR as part of the separation of us from NCR, and will describe when and how these transfers, assumptions and assignments will occur, although many of the transfers, assumptions and assignments may have already occurred prior to the parties' entering into the Separation and Distribution Agreement. In particular, the Separation and Distribution Agreement will generally provide that, subject to the terms and conditions contained therein:

- Certain assets will be retained by or transferred to us or one of our affiliates, including, but subject to certain exceptions, (i) assets to be specified in the Separation and Distribution Agreement or the schedules thereto, or in the ancillary agreements, (ii) any assets reflected in the audited balance sheet of Teradata as of June 30, 2007 as assets of Teradata and its subsidiaries, (iii) certain specified real property assets and tangible property located on such property, (iv) any assets resulting from or acquired in the operation of the Teradata business after June 30, 2007, (v) certain assets held prior to the spin-off by NCR or its subsidiaries which are used primarily in the Teradata business, (vi) a specified amount of cash as contemplated by the pro forma balance sheet included in this information statement, so that the cash and cash equivalents held by Teradata at the spin-off will be $200 million in the aggregate (excluding working capital), and (vii) certain other assets to be specified. Certain assets are specifically

excluded as assets which will be retained by or transferred to NCR, including (i) specified contracts and other agreements, (ii) real property used primarily in NCR's business and other specified real property, and (iii) certain other specified assets.

- Certain liabilities will be retained by or transferred to us or one of our affiliates, including, but subject to certain exceptions, (i) liabilities to be specified in Separation and Distribution Agreement or the schedules thereto, or in the ancillary agreements, (ii) all liabilities, including any employee-related liabilities and environmental liabilities, primarily relating to, arising out of or resulting from the operation of the Teradata business or assets to be transferred to or retained by Teradata pursuant to the Separation and Distribution Agreement, (iii) a specified portion of certain liabilities which Teradata will share with NCR, (iv) all liabilities reflected as liabilities or obligations of Teradata in the audited balance sheet of Teradata as of June 30, 2007, subject to any discharge of such liabilities subsequent to December 31, 2006, (v) all liabilities relating to certain specified legal suits or proceedings, and (vi) all liabilities relating to certain specified matters. Certain liabilities are specifically excluded as liabilities that will be retained by or transferred to NCR, including (i) environmental liabilities of NCR and its current and past affiliates, except to the extent primarily relating to conduct of the Teradata business (subject to certain exceptions), (ii) liabilities relating to certain terminated, divested or discontinued businesses and operations, and (iii) certain other specified liabilities.

Following the spin-off date, NCR and Teradata will seek to substitute the June 30, 2007 balance sheet with an unaudited Teradata balance sheet of September 30, 2007. However, absent agreement, the June 30, 2007 balance sheet will continue to be used for purposes of the Separation and Distribution Agreement.

In general, neither Teradata nor NCR will make any representations or warranties regarding the assets, businesses or liabilities transferred or assumed, any consents or approvals that may be required in connection with such transfers or assumptions, the value or freedom from any lien or other security interest of any assets transferred, the absence of any defenses relating to any claim of either Teradata or NCR, or the legal sufficiency of any conveyance documents. Except as expressly set forth in the Separation and Distribution Agreement or in any ancillary agreement, all assets will be transferred on an "as is," "where is" basis.

Treatment of NCR Fox River Liability. NCR has been identified as a potentially responsible party in connection with certain environmental matters, including the Fox River matter, as further described in NCR's Annual Report on Form 10-K for the year ended December 31, 2006, at "Environmental Matters" under Note 11 of Notes to Consolidated Financial Statements, "Commitments and Contingencies," and in the "Critical Accounting Policies and Estimates" section of NCR's "Management Discussion and Analysis." We believe that Teradata should not be contingently liable for the Fox River matter under applicable law, whether as a successor or otherwise. However, in the event that a party were to assert that we are liable, NCR is obligated under the Separation and Distribution Agreement to indemnify Teradata with respect thereto.

Assignments of Obligations. Delayed Transfers. NCR and Teradata will be required to use their reasonable best efforts to obtain consents, approvals and amendments required to novate or assign assets and liabilities that are to be transferred pursuant to the Separation and Distribution Agreement. The parties are also seeking to replicate certain contractual arrangements currently applicable to NCR. If either party is unable to obtain required consents, approvals or amendments, then until the consent is obtained, or until such arrangements are replicated, the prospective assignor will act as agent or subcontractor for the prospective assignee and perform the assignee's obligations, and the assignee will pay and remit to the assignor all money, rights and other consideration received by the assignee in respect of such performance.

The Distribution. The Separation and Distribution Agreement will also govern the rights and obligations of the parties regarding the proposed distribution. Prior to the distribution, we will distribute to NCR as a stock dividend the number of shares of our common stock distributable in the distribution. NCR will cause its agent to distribute all of the issued and outstanding shares of our common stock to NCR stockholders who hold NCR shares as of the applicable record date.

Additionally, the Separation and Distribution Agreement will provide that the distribution is subject to several conditions that must be satisfied or waived by NCR in its sole discretion. For further information regarding these conditions, see the section entitled "The Separation—Conditions to the Distribution" included elsewhere in this information statement. NCR may, in its sole discretion, determine the distribution date and the terms of the distribution, and may at any time until completion of the distribution decide to abandon or modify the distribution.

Termination. The Separation and Distribution Agreement will provide that it may be terminated at any time prior to the distribution date by NCR.

Release of Claims. We and NCR will agree to broad pre-closing releases pursuant to which each will release the other from any claims against the other party which arise out of or relate to events, circumstances or actions occurring or failing to occur or any conditions existing at or prior to the time of the distribution date. These releases will be subject to certain exceptions set forth in the Separation and Distribution Agreement.

Indemnification. We will indemnify NCR and its affiliates and their directors, officers and employees against liabilities relating to, arising out of or resulting from our failure to pay or satisfy any liabilities related to:

- Failure to pay, perform or otherwise promptly discharge any liabilities or contracts allocated to us in the separation;
- Our business, or any liabilities or contracts allocated to us in the separation;
- Any breach by us or our affiliates of the Separation and Distribution Agreement or any of the ancillary agreements contemplated by the Separation and Distribution Agreement except as specified in any ancillary agreement; and
- Any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated or necessary to make statements in this information statement or related disclosure documents not misleading.

NCR will indemnify us and our affiliates, directors, officers and employees against liabilities relating to, arising out of or resulting from our failure to pay or satisfy any liabilities related to:

- Failure to pay, perform or otherwise promptly discharge any liabilities or contracts of NCR and its affiliates other than liabilities allocated to us in the separation;
- The business and operations of NCR and any liabilities of NCR which are not allocated to us in the separation; and
- Any breach by NCR or its affiliates of the Separation and Distribution Agreement or any of the ancillary agreements contemplated by the Separation and Distribution Agreement, except as specified in any ancillary agreement.

The Separation and Distribution Agreement will also specify procedures with respect to claims subject to indemnification and related matters.

Business Opportunities. Neither NCR, Teradata nor their respective affiliates will have any duty to refrain from engaging in similar activities or lines of business or doing business with suppliers or customers, and the parties acknowledge that neither of them will have any duty to communicate or offer any business opportunities to the other.

Exchange of Information. The Separation and Distribution Agreement will provide that the parties will exchange certain information reasonably required to comply with reporting, filing, audit, litigation, tax, regulatory and other obligations.

Dispute Resolution. As a general rule, NCR and Teradata have agreed to arbitration in the event of a dispute or claim arising out of the Separation and Distribution Agreement, any related ancillary agreements or the transactions contemplated by these agreements. However, NCR and Teradata agree that if the amount in controversy is determined to be reasonably likely to be in excess of a specified amount, either party may elect to commence a court action in lieu of arbitration.

Further Assurances. NCR and Teradata agree to use reasonable best efforts to take all actions reasonably necessary, proper or advisable to consummate and make effective the transactions contemplated by the Separation and Distribution Agreement and the ancillary agreements related thereto.

Intellectual Property Agreements

Teradata and the other businesses of NCR use patents, trademarks, copyrights and other types of intellectual property. As part of the separation, such intellectual property will be allocated to NCR or Teradata. In some cases, the intellectual property will be cross-licensed by NCR and Teradata after the spin-off. NCR and Teradata will enter into a Trademark License Agreement, a Trademark Assignment, a Patent Assignment, a Patent License Agreement, a Technology Agreement, a limited Exclusive Patent License, a Third Party Licenses Agreement, and a Domain Name Assignment.

For the most part, patents will be transferred to Teradata if they are more relevant to the Teradata business than the other businesses of NCR. Patents will be retained by NCR if they are more relevant to the non-Teradata businesses of NCR. Under this approach, Teradata will receive approximately 20% of NCR's approximately 1,750 U.S. patents and approximately 50% of NCR's approximately 1,000 pending U.S. patent applications.

NCR and Teradata will enter into a conventional cross-licensing agreement with each other in respect of all or most of the patents. Under the cross-license agreement, NCR and its subsidiaries are entitled to use the patents transferred to Teradata, and Teradata is entitled to use the patents retained by NCR. No royalty or balancing payments will be made under the cross-licenses. The cross-licenses will be perpetual and apply to all existing patents and patent applications, as well as patents filed within a specified period, such as three or five years. The licensee (NCR or Teradata) has no right to sub-license the patent or otherwise collect royalties in respect of the patent licensed to it. There are "field of use" restrictions. For example, Teradata is not entitled to use the patents cross-licensed to Teradata to produce ATMs, and NCR is not entitled to use the patents cross-licensed to NCR to produce a data warehouse. There will also be a limited exclusive patent license from NCR to Teradata for a relatively small number of patents in certain fields of use, which is subject to termination in the event of a specified change of control of us.

NCR has existing licensing and cross-licensing agreements with many third parties. Most of these license agreements with third parties will be retained at NCR, while a few may be transferred to Teradata. In a limited number of licenses, Teradata will not have ongoing rights under the third parties' patents.

Trademarks relating to the Teradata business will be transferred to Teradata. NCR will on a transitional basis, allow Teradata to use NCR trademarks for a brief period (e.g., to remark software code for new releases, permit new business cards and stationery to be created using only the Teradata trademarks, etc.).

Copyrights relating to the Teradata business will be transferred to Teradata. In general, copyrights will not be jointly owned after the spin-off except for certain common support function software for which joint ownership of copyrights will be necessary.

Other forms of intellectual property (such as know-how, trade secrets and technology) will be allocated to the entity to which they are most relevant. These types of intellectual property will be subject to a royalty-free perpetual cross-licensing arrangement between NCR and Teradata, similar to the cross-licensing arrangement between NCR and Teradata described for patents.

Tax Sharing Agreement

The Tax Sharing Agreement will govern the respective rights, responsibilities, and obligations of NCR and Teradata after the spin-off, with respect to tax liabilities and benefits, tax attributes, tax contests and other tax matters regarding income taxes, other taxes and related tax returns. In general, NCR will be responsible for all taxes reported on any separate tax return of NCR (i.e., one that includes NCR or one of its subsidiaries but does not include Teradata or one of its subsidiaries) and will be responsible for all taxes reported on any joint return (i.e., one that includes NCR or one its subsidiaries, on the one hand, and Teradata or one of its subsidiaries, on the other hand), and Teradata will be responsible for all taxes reported on any separate tax return of Teradata (i.e., one that includes Teradata or one of its subsidiaries but does not include NCR or one of its subsidiaries).

The Tax Sharing Agreement will provide for certain restrictions on our ability to pursue strategic or other transactions that may maximize the value of our business. The Tax Sharing Agreement will provide special rules allocating tax liabilities in the event that the spin-off, together with certain related transactions, were not tax-free. In general:

- If any of the following events (among others) prevents the spin-off and related transactions from being tax-free, we will be liable for the resulting taxes:
  - Any acquisition of all or a portion of our stock or assets, whether by merger or otherwise;
  - We cease to actively conduct the Teradata business during the two-year period following the spin-off; or
  - We take or fail to take any other action that prevents the spin-off and related transactions from being tax-free.
- During the two-year period following the spin-off, among other restrictions, we may not, subject to certain exceptions, enter into or authorize (i) any transaction resulting in the acquisition of 40% or more of our stock or 60% or more of our assets, (ii) any merger, (iii) any issuance of equity securities beyond certain thresholds or (iv) any repurchase of Teradata common stock unless (a) we deliver to NCR a “will”-level legal opinion, satisfactory to NCR, stating that the intended transaction will not prevent the spin-off and related transactions from being tax-free or (b) NCR obtains a letter ruling, satisfactory to NCR, from the IRS to this effect.
- During the two-year period following the spin-off, if we enter into, or authorize, a transaction resulting in the acquisition of 25% or more (but less than 40%) of our stock, our Board of Directors must provide NCR with a certificate describing the transaction and stating that the transaction is not subject to the opinion/ruling procedure described above.
- The fact that NCR receives a board certificate, legal opinion or letter ruling will not, in itself, exonerate us from liability for taxes in the event that the spin-off and related transactions were not tax-free as a result of our actions or as a result of an acquisition of our stock or assets.

These covenants and indemnity obligations may discourage, delay or prevent a change of control that you may consider favorable. Though valid as between the parties, the Tax Sharing Agreement will not be binding on the IRS.

Interim Services and Systems Replication Agreement

NCR and Teradata will to enter into an Interim Services and Systems Replication Agreement, which will provide for the provision of certain transitional services by Teradata and its subsidiaries to NCR and its subsidiaries, and vice versa. The services may include the provision of administrative and other services identified by the parties. The Interim Services and Systems Replication Agreement will provide for a term of up to 18 months, which may be extended for an additional six months by mutual agreement of the parties. The pricing will be based on actual costs incurred by the party rendering the services plus a fixed percentage.

- ***Shared Software Applications*** . Approximately 90% of the software applications used in the Teradata business are also used by the other businesses of NCR. A portion of the shared applications will be duplicated and contributed to Teradata before the spin-off. Shared applications not duplicated and contributed before the spin-off will remain with NCR and will continue being shared until duplicates are created for Teradata. The cost of creating new security features, and the cost of running and maintaining these applications, will be shared ratably by NCR and Teradata pursuant to the Interim Services and Systems Replication Agreement.
- ***Computer Infrastructure Support Services*** . Dedicated computer infrastructure used to operate the software applications contributed to Teradata will be owned by Teradata following the spin-off. However, NCR will continue to provide a significant portion of support services for this infrastructure pursuant to the Interim Services and Systems Replication Agreement until Teradata hires a third party to manage its data center operations or establishes its own data center.
- ***Government Systems Subcontract*** . NCR and Teradata will enter into a subcontract agreement under the Interim Services and Systems Replication agreement for the limited purpose of enabling NCR to purchase Teradata solutions for resale and/or relicense to state and federal governments as well as certain non-government entities in support of certain classified and unclassified government contracts. Under this transition arrangement, NCR may purchase Teradata solutions solely in support of existing government contracts or subcontracts that are pending novation approvals as required under federal regulations, relate to sales made by NCR under a General Services Administration (“GSA”) schedule contract, or are made under classified government programs. This arrangement will end, in whole or in part, as applicable, upon the government’s execution or issuance to Teradata of: (a) a company-level security clearance; (b) a GSA schedule contract; and/or (c) a novation agreement.
- ***Spare Parts Support Services*** . After the spin-off, NCR’s customer services business will provide spare parts support to Teradata on a transition basis pursuant to the Interim Services and Systems Replication Agreement. Spare parts support is the purchase, repair, stocking, shipping and inventory management of spare parts used in the repair and replacement of hardware components that fail. The service will be provided for a fixed term, beginning on the date of the spin-off and ending on December 31, 2008, with an option to extend for up to six months.

Employee Benefits Agreement

Prior to the spin-off, NCR and Teradata will enter into an Employee Benefits Agreement, which will address certain employee compensation, benefit and labor-related matters. In general, Teradata will be responsible for all obligations and liabilities relating to current and former employees of Teradata and their dependents and beneficiaries and NCR will be responsible for all obligations and liabilities relating to its current and former employees, even if such former employees performed services in the past for the Teradata business, and their dependents and beneficiaries. The most significant exception to these general terms is that with respect to the U.S. Pension Plan and non-qualified pension plans, and to the extent legal and/or practicable under the laws of non-U.S. jurisdictions, all assets and liabilities relating to any defined benefit pension plans, whether relating to Teradata or NCR employees, will be retained by NCR. If such treatment is not permitted in non-U.S. jurisdictions, Teradata will assume the assets and liabilities with respect to the pension plans relating to Teradata employees in the non-U.S. jurisdictions.

As of the date of the spin-off, Teradata and its subsidiaries will generally cease to participate in any benefit plan or trust under any such plan sponsored or maintained by NCR or its subsidiaries (other than Teradata) and NCR will cease to participate in any benefit plan or trust under any such plan sponsored or maintained by Teradata or its subsidiaries. With respect to employees who are transferred to Teradata in connection with the spin-off, Teradata will generally recognize and credit service with Teradata and NCR. As soon as practicable after the date of the spin-off, the account balances of Teradata employees in the savings plans maintained by NCR will be transferred to the trust funding the Section 401(k) plan that will be maintained by Teradata.

In general, pursuant to the Employee Benefits Agreement, all liabilities relating to health and welfare coverage or claims and workers compensation claims submitted by (or, in the case of a jurisdiction in which such coverage is fully insured, incurred by) or on behalf of Teradata employees or their covered dependents under the NCR health and welfare plans on or before the date of the spin-off will remain liabilities of NCR, and all liabilities relating to health and welfare coverage or claims incurred by or on behalf of Teradata employees or their covered dependents after the date of the spin-off will be liabilities of Teradata.

Teradata intends to provide the current and former employees of Teradata and its subsidiaries with coverage under new Teradata health insurance plans immediately after the spin-off that is similar to that which they received under NCR's health insurance plans.

Options, performance shares, performance options, restricted stock, and restricted stock units will be treated as follows at the spin-off: (1) each option and other stock-based award based on shares of NCR common stock that is held by an employee of NCR will, at the spin-off, be substituted for an option or award based on shares of NCR common stock with the number of shares and, in the case of a stock option, the exercise price being equitably adjusted to preserve the intrinsic value of the award or option as of immediately prior to the spin-off; (2) each option and other stock-based award based on shares of NCR common stock that is held by an employee of Teradata will, at the spin-off, be substituted for an option or award based on shares of Teradata common stock with the number of shares and, in the case of a stock option, exercise price being equitably adjusted to preserve the intrinsic value of the award or option as of immediately prior to the spin-off; (3) each option based on shares of NCR common stock that is held by a retiree of NCR will, at the spin-off, be substituted for an option based on shares of NCR common stock and an option based on shares of Teradata common stock with the number of shares and the exercise price being equitably adjusted to preserve the intrinsic value of the option as of immediately prior to the spin-off and (4) each option and other stock-based award based on shares of NCR common stock that is held by a non-employee director of NCR will, at the spin-off be substituted for an option or award based on shares of NCR common stock and an option or award based on shares of Teradata common stock with the number of shares and, in the case of a stock option, exercise price being equitably adjusted to preserve the intrinsic value of the option or award as of immediately prior to the spin-off. For purposes of this paragraph, the term "intrinsic value" means the in-the-money value of the option (that is, the excess of the fair market value of the award over the aggregate exercise price thereof, in each case, at the applicable time).

For any award described above that is subject to performance vesting conditions under a 2006-2008 performance cycle, to reflect estimated performance through the date on which the spin-off occurs: (1) two thirds of the number of shares subject to the award will vest as soon as practicable following the spin-off; (2) for performance shares only and, not only performance option, a new one-year, time based award will be made subsequent to the time of the spin-off for a number of shares that reflects the degree to which NCR exceeded the performance targets applicable to the vested two thirds of the award as of immediately before the spin-off, based on performance measured through the spin-off; and (3) the remaining one third of the number of shares subject to the award will be subject to a new one-year performance goal, except that, in the case of performance shares only, the number of shares subject to the award will be adjusted to reflect the degree to which NCR met the performance targets applicable to the award as of immediately before the spin-off, based on performance measured through the spin-off. For any performance share award described above that is subject to performance vesting conditions under a 2007-2009 performance cycle, the performance shares will be substituted with substantially identical awards based on new performance metrics applicable to each company. The performance period will begin at the time of the spin-off and will end on December 31, 2009.

Real Estate Arrangements

At approximately 80 locations globally, real estate is presently used by both the Teradata business and the other businesses of NCR, and it is intended that, at least for some period, those properties will continue to be used by both companies after the spin-off. Some of the shared properties are presently owned by NCR or a subsidiary and others are leased from third parties. In almost all cases, NCR or its subsidiary will retain

ownership of the owned properties and retain the leasehold from the third party in the case of the leased properties. A portion of each owned property will be leased to Teradata or its subsidiary, and a portion of each leased property will be subleased to Teradata or its subsidiary.

In the case of owned properties, the lease to Teradata or its subsidiary will reflect a fair market value rent and a term in almost all cases not in excess of five years. In the case of the leased properties, the sublease will pass through all the costs (such as rent, property taxes and utilities) that NCR or its subsidiary incurs under the lease from the third party for the portion of the property that will be subleased to Teradata, and the sublease terms will otherwise reflect the third party lease. The term of the third party lease in almost all cases was five years or less when the third party lease was entered into and thus the costs that are passed through to Teradata under the sublease will approximate a fair-market-value rent. The term of the sublease will not extend beyond the term of the third party lease.

Master Agreement for Enterprise Data Warehousing Sales and Support

NCR and Teradata will enter into a commercial ongoing Master Agreement for the purchase by NCR of enterprise data warehouse hardware, software licenses, deliverables licenses and services from Teradata (together, the "Teradata Offerings"). Under this agreement, Teradata will provide maintenance and support services and coverage in support of NCR's enterprise data warehouse (which includes Teradata hardware, the Teradata operating system and the Teradata database software, along with certain related utilities, tools, applications and deliverables) and certain other applications used by NCR on the Teradata database platform, when NCR and Teradata enter into particular orders for such under the master agreement.

Under the Master Agreement, Teradata will, when ordered and paid for by NCR, provide NCR with maintenance and support services and coverage for NCR's existing enterprise data warehouse. After the spin-off, NCR will use the database software and technology included in its existing enterprise data warehouse pursuant to a paid-up license that will be retained by NCR and an update subscription service arrangement. Under this agreement, NCR also may purchase additional Teradata Offerings from Teradata if NCR desires to expand, upgrade or replace its enterprise data warehouse. The fees for maintenance, support and, if applicable, subscription coverage will be payable at market rates in advance of the coverage period.

This commercial Master Agreement and orders under it for the provision of Teradata Offerings, including continuing maintenance, support and update subscription coverage fees for NCR's enterprise data warehouse, will be terminable by either party with advance written notice unless the applicable order specifies otherwise and will reflect arm's length terms and conditions similar to those applicable to other third parties. The pricing for the Teradata Offerings will be based on arm's length, fair-market-value net order prices after discounts that are no greater or less than those for comparable products for comparable customers under similar circumstances.

This Master Agreement and its exhibits will apply to all Teradata Offerings to be acquired by NCR from Teradata after the spin-off. The parties have agreed upon a negotiated price of $2,250,000 per year for an initial non-cancelable period of five years for maintenance, support and subscription coverage for NCR's existing data warehouse capability, and that NCR will serve as a public reference customer for Teradata.

Other Commercial Agreements

NCR and Teradata will enter into certain other commercial agreements, each of which will reflect arm's length, fair-market-value pricing, terms and conditions. These commercial agreements are described below:

- ***Service Provider Agreements*** . NCR's customer services business will provide (1) on-site maintenance and other customer services to Teradata's customers on a subcontract basis, (2) level one call-taking support services to Teradata customers in Japan and certain European countries, and (3) information technology maintenance and support services for Teradata's internal systems. On-site support is the

repair and replacement of hardware components that fail. In connection with such services, under the Service Provider Agreements, 25 to 30 employees (or their full-time equivalents) in the customer services business will provide on-site support services. In addition, under this agreement, NCR's customer services business will provide support for level one calls, which are the initial customer calls made to service providers in order to initiate service on a product. In most areas in which the Teradata business will offer service to its customers, Teradata personnel will take the level one calls. However, in some countries that require local language skills and where call volume is low, Teradata intends to use NCR's customer services business to screen initial customer calls and then forward those calls to the appropriate Teradata experts for further action. These agreements will have renewable, one-year terms and will be similar to the numerous customer services business commercial agreements with third parties. In addition, the parties will coordinate ongoing UNIX MP-RAS support activities for each of their respective customer bases.

- ***Distributor Agreement*** . NCR may act as a distributor for Teradata in certain jurisdictions in the Middle East, Africa, Southeast Asia and South America where Teradata does not expect to have sufficient business volume to justify the expense of a direct presence. NCR will distribute Teradata products and Teradata systems to end-user customers pursuant to a distributorship commercial agreement similar to those that NCR and Teradata have with third parties.
- ***Network Support Agreement*** . NCR's IT services organization will provide voice and data network services to Teradata for a three-year period with an option to renew for an additional one-year term if mutually agreed by the parties. The pricing will be based on actual external costs incurred by NCR plus a fixed fee.

DESCRIPTION OF CAPITAL STOCK

General

The following is a summary of information concerning our capital stock. The summaries and descriptions below do not purport to be complete statements of the relevant provisions of our amended and restated certificate of incorporation or of our amended and restated by-laws. The summary is qualified in its entirety by reference to these documents, which you must read for complete information on our capital stock. Our amended and restated certificate of incorporation and by-laws are included as exhibits to our registration statement on Form 10.

Distributions of Securities

In the past three years, Teradata has not sold any securities, including sales of reacquired securities, new issues, securities issued in exchange for property, services, or other securities, and new securities resulting from the modification of outstanding securities, that were not registered under the Securities Act of 1933, as amended.

Common Stock

Immediately following the distribution, our authorized capital stock will consist of 500,000,000 shares of common stock, par value $0.01 per share and 100,000,000 shares of preferred stock, par value $0.01 per share.

Shares Outstanding. Immediately following the distribution, we expect that approximately [•] million shares of our common stock will be issued and outstanding based upon approximately [•] shares of NCR common stock outstanding as of [•], and assuming no exercise of NCR options and applying the distribution ratio of one share of our common stock for each share of NCR common stock held as of the record date.

Dividends. Subject to prior dividend rights of the holders of any preferred shares, holders of shares of our common stock are entitled to receive dividends when, as and if declared by our Board of Directors out of funds legally available for that purpose. Teradata does not expect to pay a regular cash dividend.

Voting Rights. Each share of common stock is entitled to one vote on all matters submitted to a vote of stockholders. In an uncontested election for Board members, the Board members are elected by the affirmative vote of a majority of shares present in person or by proxy and entitled to vote. In a contested election, the Board is elected by a plurality of shares present in person or by proxy and entitled to vote.

Holders of shares of our common stock do not have cumulative voting rights. In other words, a holder of a single share of common stock cannot cast more than one vote for each position to be filled on our Board. A consequence of not having cumulative voting rights is that the holders of a majority of the shares of common stock entitled to vote in the election of directors can elect all directors standing for election, which means that the holders of the remaining shares will not be able to elect any directors.

Certain supermajority vote requirements apply to stockholder voting, as discussed further below.

Other Rights. In the event of any liquidation, dissolution or winding up of our company, after the satisfaction in full of the liquidation preferences of holders of any preferred shares, holders of shares of our common stock are entitled to ratable distribution of the remaining assets available for distribution to stockholders. The shares of our common stock are not subject to redemption by operation of a sinking fund or otherwise. Holders of shares of our common stock are not entitled to pre-emptive rights.

Fully Paid. The issued and outstanding shares of our common stock are fully paid and non-assessable. This means the full purchase price for the outstanding shares of our common stock has been paid and the holders of such shares will not be assessed any additional amounts for such shares. Any additional shares of common stock that we may issue in the future will also be fully paid and non-assessable.

Preferred Stock

We are authorized to issue up to 100,000,000 shares of preferred stock, par value $0.01 per share. Our Board, without further action by the holders of our common stock, may issue shares of our preferred stock. Our Board is vested with the authority to fix by resolution the designations, preferences and relative, participating, optional or other special rights, and such qualifications, limitations or restrictions thereof, including, without limitation, redemption rights, dividend rights, liquidation preferences and conversion or exchange rights of any class or series of preferred stock, and to fix the number of classes or series of preferred stock, the number of shares constituting any such class or series and the voting powers for each class or series.

The authority possessed by our Board to issue preferred stock could potentially be used to discourage attempts by third parties to obtain control of our company through a merger, tender offer, proxy contest or otherwise by making such attempts more difficult or more costly. Our Board may issue preferred stock with voting rights or conversion rights that, if exercised, could adversely affect the voting power of the holders of common stock. There are no current agreements or understandings with respect to the issuance of preferred stock and our Board has no present intention to issue any shares of preferred stock.

Restrictions on Payment of Dividends

We are incorporated in Delaware and are governed by Delaware law. Delaware law allows a corporation to pay dividends only out of surplus, as determined under Delaware law. Teradata does not expect to pay a regular cash dividend.

Anti-takeover Effects of Our Certificate of Incorporation, By-laws and Delaware Law

Some provisions of our amended and restated certificate of incorporation and by-laws and of Delaware law could make the following more difficult:

- acquisition of Teradata by means of a tender offer or unsolicited merger proposal;
- acquisition of Teradata by means of a proxy contest or otherwise; or
- removal of Teradata's incumbent officers and directors.

These provisions, which are summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. The provisions summarized below are designed to encourage persons seeking to acquire control of us to first negotiate with our Board. We believe that the benefits of increased protection give us the potential ability to negotiate with the proponent of an unsolicited proposal to acquire or restructure us and outweigh the disadvantages of discouraging those proposals because negotiation of the proposals could result in an improvement of their terms.

Board Classification

Our amended and restated certificate of incorporation and by-laws provide that our Board is divided into three classes. Our initial Board of Directors is expected to consist of six members. The term of the first class of directors expires at our 2008 annual meeting of stockholders, the term of the second class of directors expires at our 2009 annual meeting of stockholders and the term of the third class of directors expires at our 2010 annual meeting of stockholders. At each of our annual meetings of stockholders, the successors of the class of directors whose term expires at that meeting of stockholders will be elected for a three-year term, one class being elected each year by our stockholders.

Size of Board and Vacancies; Removal

Our amended and restated certificate of incorporation and by-laws provide that the number of members of the Board shall be fixed exclusively by a resolution adopted by the affirmative vote of a majority of the entire

Board, subject to the rights of the holders of preferred stock, if any. Subject to the terms of any one or more classes or series of preferred stock, any vacancy on the Board that results from an increase in the number of directors may be filled by a majority of the Board then in office, provided that a quorum is present, and any other vacancy occurring on the Board may be filled by a majority of the Board then in office, even if less than a quorum, or by a sole remaining director. Subject to the rights, if any, of the holders of shares of preferred stock, any director or the entire Board of Directors may only be removed from office for cause by the affirmative vote of the holders of at least eighty percent (80%) of the voting power of the Company's then outstanding capital stock entitled to vote generally in the election of directors.

Elimination of Stockholder Action by Written Consent

Our amended and restated certificate of incorporation and by-laws expressly eliminate the right of our stockholders to act by written consent. Stockholder action must take place at the annual or a special meeting of our stockholders.

Stockholder Meetings

Under our amended and restated certificate of incorporation and by-laws, only our Chairman of the Board or our Chief Executive Officer may call special meetings of our stockholders.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our amended and restated by-laws establish advance notice procedures with respect to stockholder proposals and nomination of candidates for election as directors other than nominations made by or at the direction of our Board or a committee of our Board.

Delaware Anti-takeover Law

Upon the distribution, we will be subject to Section 203 of the Delaware General Corporation Law, ("DGCL"), an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date such person becomes an interested stockholder, unless the business combination or the transaction in which such person becomes an interested stockholder is approved in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person that, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by our Board, and the anti-takeover effect includes discouraging attempts that might result in a premium over the market price for the shares of our common stock.

Supermajority Voting

Our amended and restated certificate of incorporation provides that amendments to provisions in the amended and restated certificate of incorporation relating to specified matters, including the general powers of the Board, the number, classes and tenure of directors, filling vacancies on the Board, removal of directors, limitation of liability of directors, indemnification of directors and officers, special meetings of stockholders, stockholder action by written consent, and the supermajority amendment provision of the amended and restated certificate of incorporation will require the affirmative vote of the holders of at least 80% of the voting power of the shares entitled to vote generally in the election of directors.

Our amended and restated certificate of incorporation and by-laws provide that amendments to the by-laws may be made by either the affirmative vote of at least a majority of the entire Board or by the affirmative vote of

holders of at least two-thirds of outstanding shares of voting power of shares entitled to vote at an election of directors, except that unless approved by a majority of the entire Board, the affirmative vote of holders of at least 80% of the voting power of shares entitled to vote at an election of directors is required to amend provisions of the amended and restated by-laws relating to specified matters, including special meetings of stockholders, stockholder action by written consent, organization and conduct of stockholder meetings, advance notice requirements for business to be transacted at stockholder meetings, nomination of directors, the number, classes and tenure of directors, filling vacancies on the Board, resignations and removals of directors, indemnification of officers, directors and others, and the supermajority amendment provision of the amended and restated by-laws.

In addition, our amended and restated certificate of incorporation and by-laws provide that subject to the rights, if any, of the holders of shares of preferred stock, any director or the entire Board of Directors may only be removed from office for cause by the affirmative vote of the holders of at least 80% of the voting power of the Company's then outstanding capital stock entitled to vote generally in the election of directors.

No Cumulative Voting

Our amended and restated certificate of incorporation and by-laws do not provide for cumulative voting in the election of directors.

Undesignated Preferred Stock

The authorization in our amended and restated certificate of incorporation of undesignated preferred stock makes it possible for our Board to issue our preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. The provision in our amended and restated certificate of incorporation authorizing such preferred stock may have the effect of deferring hostile takeovers or delaying changes of control of our management.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be Mellon Investors Services, LLC.

NYSE Listing

We have applied to list our shares of common stock on the New York Stock Exchange. We expect that our shares will trade under the ticker symbol "TDC."

Limitation on Liability of Directors and Indemnification of Directors and Officers

Section 145 of the DGCL provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, in which such person is made a party by reason of the fact that the person is or was a director, officer, employee or agent of the corporation (other than an action by or in the right of the corporation—a "derivative action"), if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification only extends to expenses (including attorneys' fees) incurred in connection with the defense or settlement of such action, and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's by-laws, disinterested director vote, stockholder vote, agreement or otherwise.

Our amended and restated certificate of incorporation provides that no director shall be liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation on liability is not permitted under the DGCL, as now in effect or as amended. Currently, Section 102(b)(7) of the DGCL requires that liability be imposed for the following:

- any breach of the director's duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or which involved intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL; and
- any transaction from which the director derived an improper personal benefit.

Our amended and restated certificate of incorporation and by-laws provide that, to the fullest extent authorized or permitted by the DGCL, as now in effect or as amended, we will indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that such person, or a person of whom he or she is the legal representative, is or was our director or officer, or by reason of the fact that our director or officer is or was serving, at our request, as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by us. Any amendment of this provision will not reduce our indemnification obligations relating to actions taken before an amendment.

We intend to obtain policies that insure our directors and officers and those of our subsidiaries against certain liabilities they may incur in their capacity as directors and officers. Under these policies, the insurer, on our behalf, may also pay amounts for which we have granted indemnification to the directors or officers.

DESCRIPTION OF MATERIAL INDEBTEDNESS

We expect to enter into a customary revolving credit facility with available borrowing capacity of approximately $300 million, although we have not yet obtained a financing commitment for that facility.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form 10 with the SEC with respect to the shares of our common stock that NCR stockholders will receive in the distribution. This information statement is a part of that registration statement and, as allowed by SEC rules, does not include all of the information you can find in the registration statement or the exhibits to the registration statement. For additional information relating to our company and the distribution, reference is made to the registration statement and the exhibits to the registration statement. Statements contained in this information statement as to the contents of any contract or document referred to are not necessarily complete and in each instance, if the contract or document is filed as an exhibit to the registration statement, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each such statement is qualified in all respects by reference to the applicable document.

After the distribution, we will file annual, quarterly and special reports, proxy statements and other information with the SEC. We intend to furnish our stockholders with annual reports containing consolidated financial statements audited by an independent registered public accounting firm. The registration statement is, and any of these future filings with the SEC will be, available to the public over the Internet on the SEC's website at http://www.sec.gov. You may read and copy any filed document at the SEC's public reference rooms in Washington, D.C. at 100 F Street, N.E., Washington, D.C. 20549, at the SEC's regional offices in New York at 233 Broadway, New York, New York 10279, and in Chicago at Citicorp Center, 500 W. Madison Street, Suite 1400, Chicago, Illinois 60661. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms.

We maintain an Internet site at http://www.teradata.com. Our website and the information contained on that site, or connected to that site, are not incorporated into this information statement or the registration statement on Form 10.

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*** As described in the Risk Factors and elsewhere in the information statement, these financial statements should not be relied upon as an indication of Teradata's future financial performance or expense structure.**

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of NCR Corporation:

In our opinion, the financial statements listed in the accompanying index present fairly, in all material respects, the financial position of the Teradata Data Warehousing Business of NCR Corporation (the "Company") at December 31, 2006 and 2005, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2006, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Dayton, Ohio
May 10, 2007

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Teradata Data Warehousing Business of NCR Corporation

Statements of Income

(In millions, except per share amounts)

	For the six months ended June 30		For the years ended December 31		
	2007 (unaudited)	2006 (unaudited)	2006	2005	2004
Revenue					
Product revenue	$ 399	$ 373	$ 820	$ 786	$ 728
Service revenue	385	346	740	681	621
Total revenue	784	719	1,560	1,467	1,349
Operating expenses					
Cost of products	142	129	292	286	287
Cost of services	226	201	429	386	354
Selling, general and administrative expenses	211	191	410	391	391
Research and development expenses	57	60	117	120	118
Total operating expenses	636	581	1,248	1,183	1,150
Income before income taxes	148	138	312	284	199
Income tax expense	62	51	114	78	61
Net income	$ 86	$ 87	$ 198	$ 206	$ 138
Pro forma net income per common share (Unaudited)					
Basic	$ 0.48	$ 0.48	$ 1.10	$ 1.15	$ 0.77
Diluted	$ 0.47	$ 0.48	$ 1.09	$ 1.14	$ 0.76
Pro forma weighted average common shares outstanding (Unaudited)					
Basic	179.7	179.7	179.7	179.7	179.7
Diluted	181.1	181.1	181.1	181.1	181.1

The accompanying notes are an integral part of the financial statements.

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Teradata Data Warehousing Business of NCR Corporation

Balance Sheets
(In millions)

	As of June 30 2007 (unaudited)	As of December 31 2006	As of December 31 2005
Assets			
Current assets			
Cash and cash equivalents	$ —	$ —	$ —
Accounts receivable, net	378	392	350
Inventories, net	35	36	29
Other current assets	79	84	65
Total current assets	492	512	444
Property, plant and equipment, net	69	64	60
Capitalized software, net	52	51	45
Goodwill	89	90	81
Deferred income taxes	242	261	263
Other assets	49	31	18
Total assets	$ 993	$1,009	$ 911
Liabilities and parent company equity			
Current liabilities			
Accounts payable	$ 62	$ 67	$ 63
Payroll and benefits liabilities	66	78	81
Deferred service revenue and customer deposits	244	194	180
Other current liabilities	49	54	46
Total current liabilities	421	393	370
Income tax accruals	24	19	23
Other liabilities	—	—	1
Total liabilities	445	412	394
Commitments and contingencies (Note 10)			
Parent company equity			
Parent company investment	528	579	502
Accumulated other comprehensive income	20	18	15
Total parent company equity	548	597	517
Total liabilities and parent company equity	$ 993	$1,009	$ 911

The accompanying notes are an integral part of the financial statements.

Teradata Data Warehousing Business of NCR Corporation

Statements of Cash Flows
(In millions)

	For the six months ended June 30		For the years ended December 31		
	2007 (unaudited)	2006 (unaudited)	2006	2005	2004
Operating activities					
Net income	$ 86	$ 87	$ 198	$ 206	$ 138
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	33	27	55	55	48
Stock-based compensation expense	7	5	9	1	1
Deferred income taxes	25	(4)	(10)	(18)	(38)
Non-cash income tax adjustment	—	—	—	(33)	(14)
Other adjustments to income, net	—	—	—	—	(3)
Changes in assets and liabilities:					
Receivables	14	23	(42)	(16)	(30)
Inventories	1	3	(7)	(5)	5
Current payables and accrued expenses	(17)	(28)	1	(2)	36
Deferred service revenue and customer deposits	51	25	15	10	32
Other assets and liabilities	(5)	(5)	—	(6)	6
Net cash provided by operating activities	195	133	219	192	181
Investing activities					
Expenditures for property, plant and equipment	(15)	(10)	(20)	(18)	(14)
Proceeds from sales of property, plant and equipment	—	—	—	—	1
Additions to capitalized software	(31)	(20)	(48)	(37)	(44)
Other investing activities, net	(5)	(15)	(21)	(8)	—
Net cash used in investing activities	(51)	(45)	(89)	(63)	(57)
Financing activities					
Transfers to Parent, net	(144)	(88)	(130)	(129)	(124)
Net cash used in financing activities	(144)	(88)	(130)	(129)	(124)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	—	—
Increase in cash and cash equivalents	—	—	—	—	—
Cash and cash equivalents at beginning of year	—	—	—	—	—
Cash and cash equivalents at end of year	$ —	$ —	$ —	$ —	$ —

The accompanying notes are an integral part of the financial statements.

Teradata Data Warehousing Business of NCR Corporation

Statements of Changes in Parent Company Equity
(In millions)

	Parent Company Investment	Accumulated Other Comprehensive Income (Loss)	Total Parent Company Equity	Comprehensive Income
December 31, 2003	**$ 409**	**$ 15**	**$ 424**	
Employee stock compensation plans	1	—	1	
Net income	138	—	138	$ 138
Currency translation adjustments	—	5	5	5
Comprehensive income				$ 143
Net transfers to parent	(124)	—	(124)	
December 31, 2004	**424**	**20**	**444**	
Employee stock compensation plans	1	—	1	
Net income	206	—	206	$ 206
Currency translation adjustments	—	(5)	(5)	(5)
Comprehensive income				$ 201
Net transfers to parent	(129)	—	(129)	
December 31, 2005	**502**	**15**	**517**	
Employee stock compensation plans	9	—	9	
Net income	198	—	198	$ 198
Currency translation adjustments	—	3	3	3
Comprehensive income				$ 201
Net transfers to parent	(130)	—	(130)	
December 31, 2006	**579**	**18**	**597**	
Employee stock compensation plans (unaudited)	7	—	7	
Net income (unaudited)	86	—	86	$ 86
Currency translation adjustments (unaudited)	—	2	2	2
Comprehensive income (unaudited)				$ 88
Net transfers to parent (unaudited)	(144)	—	(144)	
June 30, 2007 (unaudited)	**$ 528**	**$ 20**	**$ 548**	

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS
OF THE TERADATA DATA WAREHOUSING BUSINESS OF NCR CORPORATION

Note 1 Description of Business, Separation, Basis of Presentation and Significant Accounting Policies

The Teradata Data Warehousing business of NCR Corporation ("Teradata" or "the Company") provides enterprise data warehousing solutions for customers worldwide that combine hardware, software, including the Teradata database and tools, data mining and analytical applications, and related consulting and support services.

The Separation. On January 5, 2007, the Board of Directors of NCR Corporation ("NCR") preliminarily approved the separation of NCR into two independent publicly traded companies through the spin-off of 100% of Teradata to holders of shares of NCR stock. Teradata provides solutions worldwide that are designed specifically to enable its customers to build, expand and enhance their relationships with customers by facilitating transactions and transforming data from transactions into useful business information. To effect the separation, Teradata Corporation, a Delaware corporation, was formed on March 27, 2007 as a wholly-owned subsidiary of NCR. Prior to the separation, the assets and liabilities of Teradata will be transferred to Teradata Corporation. NCR intends to accomplish the separation through a distribution of Teradata Corporation shares to NCR stockholders that is tax-free for U.S. federal income tax purposes. Following the distribution, NCR's stockholders will own 100% of the equity in both companies. The separation will not require a vote by NCR stockholders.

Basis of Presentation. The financial statements presented herein include the assets, liabilities, operating results and cash flows of the Teradata business. These financial statements have been prepared on a carve-out basis using NCR's historical bases in the assets and liabilities and the historical results of operations of Teradata. Changes in parent company equity represent NCR's net investment in Teradata, after giving effect to the net income of Teradata plus net cash transfers to and from NCR.

The historical financial statements include allocations of certain NCR corporate expenses including treasury, accounting, tax, legal, internal audit, human resources, severance, pension, public and investor relations, general management, real estate, shared information technology systems, procurement and other statutory functions such as board of directors and other centrally managed employee benefit arrangements that benefit the Teradata business. These costs include the costs of salaries, benefits and other related costs. The Company was allocated $54 million in the first six months of 2007, $62 million in the first six months of 2006, $122 million in 2006, $139 million in 2005 and $163 million in 2004 of general corporate overhead expenses incurred by NCR.

Management believes the assumptions and methodologies underlying the allocation of general corporate overhead expenses from NCR are reasonable. However, such expenses may not be indicative of the actual level of expense that would have been incurred by the Company if it had operated as an independent, publicly traded company or of the costs expected to be incurred in the future. As such, the financial information herein may not necessarily reflect the financial position, results of operations, and cash flows of the Company in the future or what it would have been had the Company been an independent, publicly traded company during the periods presented. Refer to Note 5 for further information regarding allocated expenses.

Unaudited Interim Financial Information. The accompanying unaudited financial statements as of June 30, 2007 and for the six months ended June 30, 2007 and 2006 have been prepared in accordance with accounting principles generally accepted in the United States (otherwise referred to as GAAP) and with the instructions to Form 10-Q and Article 10 of Regulation S-X. The unaudited financial statements as of June 30, 2007 and for the six month periods ended June 30, 2007 and 2006 have been prepared on the same basis as the financial statements as of December 31, 2006 and 2005 and for each of the three years in the period ended December 31, 2006 included herein, and in the opinion of management, reflect all adjustments, consisting of normal and recurring accruals (except as described below), considered necessary to present fairly the Company's financial position as of June 30, 2007 and the results of its operations and its cash flows for the six month periods

ended June 30, 2007 and 2006. The results of operations for the six months ended June 30, 2007 are not necessarily indicative of the results that may be expected for the year ending December 31, 2007 or for any other period.

For the six months ending June 30, 2007, Teradata recorded an adjustment to increase income tax expense by $7 million relating to immaterial errors originating in prior years. The adjustment is the result of an understatement of income tax expense in the years 2001 through 2006 and the first quarter of 2007 relating to the accounting for income taxes on intercompany profit. Because this error was not material to any of the prior years' financial statements, and the impact of correcting this error in the current year is not expected to be material to the full year 2007 financial statements, Teradata has recorded the correction of this error in the six months ending June 30, 2007 financial statements.

Use of Estimates. The preparation of financial statements in conformity 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 revenues and expenses during the period reported. Actual results could differ from those estimates.

Revenue Recognition. Teradata's solution offerings typically include hardware, software, software subscriptions, maintenance support services and other professional consulting services. Teradata records revenue when it is realized, or realizable, and earned. Teradata considers these requirements met when: (a) persuasive evidence of an arrangement exists; (b) the products or services have been delivered to the customer; (c) the sales price is fixed or determinable and free of contingencies or significant uncertainties; and (d) collectibility is reasonably assured. Teradata reports revenue net of any taxes assessed by governmental authorities that are imposed on and concurrent with specific revenue-producing transactions. Teradata delivers its solutions primarily through direct sales channels, as well as alliances with system integrators, other independent software vendors and value-added resellers.

Substantially all of Teradata's solutions contain software that is more than incidental to the hardware and services. The typical solution requires no significant production, modification or customization of the software or hardware and the software is not essential to the functionality of the hardware. Revenue related to software and software related elements are recognized under Statement of Position 97-2, *Software Revenue Recognition* . Revenue for hardware and related installation services is recognized under Staff Accounting Bulletin No. 104, *Revenue Recognition* . For software and software related elements, Teradata allocates revenue to each element based upon its fair value as determined by vendor specific objective evidence ("VSOE"). VSOE of fair value is based upon the normal pricing and discounting practices for those products and services when sold separately. These elements often involve delivery or performance at different periods of time. Revenue for software is generally recognized upon delivery with the hardware. Revenue for software subscriptions, which provide for unspecified upgrades or enhancements on a when-and-if-available basis, is recognized straight-line over the term of the subscription arrangement. Revenue for maintenance support services is also recognized on a straight-line basis over the term of the service contract. Revenue for other professional consulting services is recognized as services are provided. In certain instances, customer acceptance is required prior to the passage of title and risk of loss of the delivered products. In such cases, no revenue is recognized until the customer acceptance is obtained. Delivery and acceptance generally occur in the same reporting period.

For arrangements involving multiple deliverables, where the deliverables include software and non-software products and services, Teradata applies the provisions of Emerging Issues Task Force Issue No. 00-21, *Revenue Arrangements with Multiple Deliverables* , to separate the deliverables and allocate the total arrangement consideration. Accordingly, Teradata evaluates each deliverable to determine whether it represents a separate unit of accounting based on the following criteria: (a) whether the delivered item has value to the customer on a stand-alone basis; (b) whether there is objective and reliable evidence of the fair value of the undelivered items; and (c) if the contract includes a general right of return relative to the delivered item, delivery or performance of the undelivered items is considered probable and substantially in the control of Teradata. If objective and reliable evidence of fair value exists for all units of accounting in the arrangement, revenue is allocated to each unit of

accounting based on relative fair values. Each unit of accounting is then accounted for under the applicable revenue recognition guidance. In situations where there is objective and reliable evidence of fair value for all undelivered elements, but not for delivered elements, the residual method is used to allocate the arrangements consideration. Under the residual method, the fair value of the undelivered elements is deferred and the remaining portion of the arrangement fee is allocated to the delivered elements and is recognized as revenue.

Cash Management. NCR uses a centralized approach to cash management and financing of operations. No separate cash accounts for the Teradata business are maintained and NCR funds the Company's operating and investing activities as needed. Transfers of available cash both to and from NCR's cash management system are reflected in the consolidated financial statements as a component of parent company investment.

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

Inventories. Inventories are stated at the lower of cost or market, using the average cost method. Excess and obsolete reserves are established based on forecasted usage, orders, technological obsolescence and inventory aging.

Long-Lived Assets.

Property, Plant and Equipment . Property, plant and equipment, leasehold improvements and rental equipment are stated at cost less accumulated depreciation. Depreciation is computed over the estimated useful lives of the related assets primarily on a straight-line basis. Machinery and other equipment are depreciated over 3 to 20 years and buildings over 25 to 45 years. Leasehold improvements are depreciated over the life of the lease or the asset, whichever is shorter.

Capitalized Software . Certain direct development costs associated with internal-use software are capitalized within other assets and are amortized over the estimated useful lives of the resulting software. Teradata typically amortizes capitalized internal-use software on a straight-line basis over four years beginning when the asset is substantially ready for use.

Costs incurred for the development of software that will be sold, leased or otherwise marketed are capitalized when technological feasibility has been established under Financial Accounting Standard No. 86 ("SFAS 86"), *Accounting for the Costs of Computer Software to be Sold, Leased or Marketed* . Technological feasibility is established when all planning, designing, coding and testing activities that are necessary to establish the product can be produced to meet its detailed design specifications. In the absence of a detailed program design, a working model is used to establish technological feasibility. These costs are included within capitalized software and are amortized over the estimated useful lives of the resulting software. The Company typically amortizes capitalized software on a sum-of-the-years' digits basis over three years beginning when the product is available for general release, which materially approximates the ratio that current gross revenues for a product bear to the total of current and anticipated future gross revenues for that product. Costs capitalized include direct labor and related overhead costs. Costs incurred prior to technological feasibility and after general release are expensed as incurred. The following table identifies the activity relating to capitalized software:

In millions	June 30, 2007 (unaudited)	December 31, 2006	2005	2004
Beginning balance at January 1	**$ 51**	$ 45	$ 46	$ 44
Capitalized	**20**	40	34	36
Amortization	**(19)**	(34)	(35)	(34)
Ending balance	**$ 52**	$ 51	$ 45	$ 46

Goodwill and Other Intangible Assets . Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired. Goodwill amounts are not amortized, but rather are tested for impairment at least annually. Intangible assets that are not considered to have an indefinite useful life are amortized over their useful lives, which range from 5 to 10 years. The carrying amount of these assets is reviewed whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of these assets is measured by comparison of the carrying amount of the asset to the future undiscounted cash flows the asset is expected to generate. If the asset is considered to be impaired, the amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset. The Company did not recognize any goodwill or intangible asset impairment charges in 2006, 2005 or 2004.

Valuation of Long-Lived Assets. Long-lived assets such as property, plant and equipment and capitalized software are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss would be recognized when estimated future undiscounted cash flows expected to result from the use of the asset and its eventual disposition are less than the carrying amount.

Warranty. Provisions for product warranties are recorded in the period in which the related revenue is recognized. The Company accrues warranty reserves using percentages of revenue to reflect the Company's historical average warranty claims.

Research and Development Costs. Research and development costs are expensed as incurred, in accordance with Statement of Financial Accounting Standards No. 2, *Accounting for Research and Development Costs* . Research and development costs primarily include payroll and headcount-related costs, contractor fees, facilities costs, infrastructure costs, and administrative expenses directly related to research and development support.

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

Pension, Post-retirement and Post-employment Benefits. Teradata employees are eligible to participate in pension, post-retirement and post-employment benefit plans sponsored by NCR in many of the countries where the Company does business. As Teradata participated in NCR's plans, it accounted for its pension and post-employment benefit costs under the multiemployer plan approach, and has recognized the pension and post-employment costs allocated to it by NCR as expense, with a corresponding contribution in parent company investment. The pension and post-employment benefits costs are allocated to Teradata based on the projected benefit obligation associated with Teradata specific employees and other NCR employees who provided support services to Teradata. Post-retirement benefit costs allocated to Teradata were immaterial in each of the three years ended December 31, 2006, and for each of the (unaudited) six month periods ended June 30, 2007 and 2006.

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

Income Taxes. Teradata's operating results historically have been included in NCR's consolidated U.S. and state income tax returns and in tax returns of certain NCR foreign subsidiaries. The provision for income taxes in these financial statements has been determined on a separate-return basis. Deferred tax assets and liabilities are

recognized for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts.

Stock Compensation. Stock-based compensation represents the costs related to NCR share-based awards granted to employees of Teradata. The Company measures stock-based compensation cost at grant date, based on the estimated fair value of the award and recognizes the cost on a straight-line basis (net of estimated forfeitures) over the employee requisite service period. Please refer to Note 7 of Notes to Financial Statements for more information on Teradata's stock compensation plans.

Parent Company Investment. Parent company investment on the Balance Sheets represents NCR's historical investment of capital into the Company, the Company's accumulated net earnings after taxes, and the net effect of transactions with and allocations from NCR.

Pro Forma Earnings Per Share (Unaudited). The calculation of unaudited pro forma basic net income per share and shares outstanding is based on the number of shares of NCR common stock outstanding as of June 30, 2007 adjusted for the distribution ratio of one share of Teradata common stock for every share of NCR common stock. The calculation of unaudited pro forma diluted net income per share and shares outstanding for the periods presented is based on the number of diluted shares of common stock outstanding as of June 30, 2007 that are held by Teradata employees, adjusted for the estimated ratio of Teradata's fair market price at the time of the spin. The ratio of Teradata's fair market price at the time of the spin factors in the number of stock-based awards equitably adjusted to preserve the intrinsic value of the award as of immediately prior to the spin-off. This calculation may not be indicative of the dilutive effect that will actually result from the replacement of NCR stock-based awards held by Teradata's employees and employees of NCR or the grant of new stock-based awards. The number of dilutive shares of Teradata's common stock that will result from NCR stock options, restricted stock awards and restricted stock units held by Teradata's employees will not be determined until immediately after the spin-off.

The components of pro forma basic and diluted earnings per share (unaudited) are as follows for all periods:

In millions	
Pro forma weighted average outstanding shares of common stock (unaudited)	**179.7**
Dilutive effect of employee stock options and restricted stock (unaudited)	**1.4**
Pro forma common stock and common stock equivalents (unaudited)	**181.1**

Recently Issued Accounting Pronouncements

FASB Interpretation No. 48. In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 (FIN 48), Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109. FIN 48 clarifies the accounting for uncertainty in income taxes by prescribing thresholds and attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, and disclosure. The Company adopted the provisions of FIN 48 on January 1, 2007. See Note 6 for further discussion of the adoption of FIN 48.

Emerging Issues Task Force ("EITF") Issue No. 06-3. In June 2006, the EITF ratified the consensus on EITF Issue No. 06-3 ("EITF 06-03"), *How Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement (That Is, Gross versus Net Presentation)* . EITF 06-03 concluded that the presentation of taxes assessed by a governmental authority that is directly imposed on a revenue-producing transaction between a seller and a customer, such as sales, use, value-added and certain excise taxes is an accounting policy decision that should be disclosed in a company's financial statements. In addition, companies that record such taxes on a gross basis should disclose the amounts of those taxes in interim and annual financial statements for each period for which an income statement is presented if those amounts are significant. EITF 06-03 is effective for interim and annual reporting periods beginning after December 15, 2006.

The Company early adopted EITF 06-03 during the quarter ended December 31, 2006. The adoption of EITF 06-03 did not have an impact on our financial condition or results of operations as the Company historically had, and will continue to record these taxes on a net basis.

Statement of Financial Accounting Standards No. 157. In September 2006, the FASB issued SFAS No. 157 ("SFAS 157"), *Fair Value Measurements* . This statement defines fair value, establishes a framework for measuring fair value in GAAP and expands disclosures about fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The Company is currently evaluating the impact of adopting SFAS 157 on our financial condition and results of operations.

Statement of Financial Accounting Standards No. 159. In February 2007, the FASB issued SFAS No. 159 ("SFAS 159"), *The Fair Value Option for Financial Assets and Financial Liabilities—Including an Amendment of FASB Statement No. 115* . This statement permits entities to choose to measure many financial instruments and certain other items at fair value. The fair value option may be elected on an instrument-by-instrument basis, with few exceptions. SFAS 159 also establishes presentation and disclosure requirements to facilitate comparisons between companies that choose different measurement attributes for similar assets and liabilities. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The Company is currently evaluating the impact of adopting SFAS 159 on our financial condition and results of operations.

Note 2 Supplemental Financial Information (in millions)

	June 30, 2007 (unaudited)	December 31, 2006	December 31, 2005
Accounts receivable			
Trade	**$ 379**	$ 394	$ 355
Other	**3**	3	2
Accounts receivable, gross	**382**	397	357
Less: allowance for doubtful accounts	**4**	5	7
Total accounts receivable, net	**$ 378**	$ 392	$ 350
Inventories			
Finished goods, net	**$ 16**	$ 18	$ 13
Service parts, net	**19**	18	16
Total inventories, net	**$ 35**	$ 36	$ 29
Other current assets			
Current deferred tax assets	**$ 69**	$ 75	$ 63
Other	**10**	9	2
Total other current assets	**$ 79**	$ 84	$ 65
Property, plant and equipment			
Land and improvements	**$ 8**	$ 8	$ 8
Buildings and improvements	**52**	50	50
Machinery and other equipment	**161**	160	159
Property, plant and equipment, gross	**221**	218	217
Less: accumulated depreciation	**152**	154	157
Total property, plant and equipment, net	**$ 69**	$ 64	$ 60

Note 3 Business Combinations

The Company completed four acquisitions of businesses or assets in 2006 and 2005 for a total cost of approximately $23 million. A description of each strategic acquisition, all of which were paid in cash, is as follows:

2006

- Acquisition of the business assets of SeeCommerce on February 22, 2006 to enhance the Company's existing demand and supply chain analytic applications portfolio.
- Source code license of i2 Technologies US, Inc. intellectual property, as well as the permitted hiring of certain i2 employees, on June 28, 2006, to serve as the foundation for the Company's master data management and product information management solutions.

2005

- Acquisition of the business assets of InfoWise Solutions, Inc. on March 23, 2005 to enhance the Company's business intelligence platform by providing users with a personalized view of key performance indicators, alerts and content.
- Acquisition of DecisionPoint Applications, Inc. on November 30, 2005 to add to the Company's data warehouse offering by integrating data from financial and non-financial sources in near real-time.

Goodwill recognized in these transactions amounted to $9 million in 2006 and $4 million in 2005, and the amounts are expected to be fully deductible for tax purposes. The total amount for purchased intangible assets was $6 million in 2006 and $3 million in 2005. The weighted-average amortization period is 5 years for the purchased intangible assets, which consist entirely of intellectual property associated with software.

The operating results of these businesses have been included with Teradata's results as of the respective closing dates of the acquisitions. The pro forma disclosures required under FASB Statement No. 141, *Business Combinations* , are not being provided because the impact of the transactions is not material. The purchase prices of these businesses, reported under Other Investing Activities in the Statements of Cash Flows, have been allocated to the estimated fair value of net tangible and intangible assets acquired, with any excess recorded as goodwill.

Note 4 Goodwill and Other Intangible Assets

The following table identifies the activity relating to goodwill by operating segment:

	Balance December 31, 2005	Additions	Balance December 31, 2006
		In millions	
Goodwill			
Americas	$ 49	$ 7	**$ 56**
EMEA	9	2	**11**
APJ	23	—	**23**
Total goodwill	$ 81	$ 9	**$ 90**

The increase in goodwill since December 31, 2005 was primarily due to the acquisitions described in Note 3 above. There were no material changes in the balance of goodwill as of June 30, 2007.

Teradata's identifiable intangible assets, reported under Other Assets in the balance sheets, were specifically identified when acquired, and are deemed to have finite lives. The gross carrying amount and accumulated amortization for Teradata's identifiable intangible assets were as follows:

In millions	Original amortization life (in years)	June 30, 2007 Gross carrying amount	June 30, 2007 Accumulated amortization	December 31, 2006 Gross carrying amount	December 31, 2006 Accumulated amortization	December 31, 2005 Gross carrying amount	December 31, 2005 Accumulated amortization
		(unaudited)					
Identifiable intangible assets							
Patents	10	**$ —**	**$ —**	**$ —**	**$ —**	$ 14	$ (13)
Intellectual property	5 -10	**21**	**(4)**	**15**	**(2)**	7	(1)
Total identifiable intangible assets		**$ 21**	**$ (4)**	**$ 15**	**$ (2)**	$ 21	$ (14)

The increase in intellectual property since December 31, 2006 was primarily due to the purchase of software related to new industry solutions. The increase in intellectual property from December 31, 2005 to December 31, 2006 was primarily due to the acquisitions described in Note 3 above. The decrease in patents since December 31, 2005 was due to a patent becoming fully amortized during 2006.

The aggregate amortization expense (actual and estimated) for identifiable intangible assets for the following periods is:

In millions	Six months ended June 30, 2007	For the year ended (estimated) 2007	2008	2009	2010	2011
Amortization expense	**$ 2**	$ 3	$ 4	$ 4	$ 4	$ 2

Note 5 Transactions with NCR

Teradata's costs and expenses include allocations from NCR for centralized treasury, tax, accounting, legal, internal audit, human resources, severance, pension, public and investor relations, general management, real estate, shared information technology systems, procurement and other statutory functions such as board of directors and centrally managed benefit arrangements. These allocations have been determined on bases that NCR and Teradata considered to be a reasonable reflection of the utilization of services provided or the benefits received by Teradata. The allocation methods include ones based on revenue, headcount, square footage, transaction processing costs and others considered as a reasonable method in relation to the costs being allocated. See Note 8 for further discussion of pension and post-employment benefit costs. Allocated costs included in the statements of income were as follows:

In millions	For the six months ended 2007	2006	For the years ended 2006	2005	2004
	(unaudited)				
Cost of products and services	**$ 18**	$ 20	$ 39	$ 41	$ 45
Selling, general and administrative expenses	**32**	34	69	83	98
Research and development expenses	**4**	8	14	15	20
Total allocated operating expenses	**$ 54**	$ 62	$122	$139	$163

For purposes of governing certain ongoing relationships between Teradata and NCR at and after the separation and to provide for an orderly transition, Teradata and NCR have entered or will enter into various agreements. The terms of the agreements described below that will be in effect following the separations have not yet been finalized. There may be material changes prior to the separation from NCR. Brief descriptions of each agreement follow.

Separation and Distribution Agreement. The Separation and Distribution Agreement will set forth Teradata's agreement with NCR regarding the principal transactions necessary to separate us from NCR. It will also set forth other agreements that govern certain aspects of relationships with NCR after the completion of the separation plan. The parties intend to enter into the Separation and Distribution Agreement before the distribution of shares to NCR stockholders. Upon our separation form NCR, the Separation and Distribution Agreement will be effective as between Teradata and NCR with respect to the obligations owed by Teradata to NCR and the obligations owed by NCR to Teradata.

Intellectual Property Agreements. Teradata and the other businesses of NCR use patents, trademarks, copyrights and other types of intellectual property. As part of the separation, such intellectual property will be allocated to NCR or Teradata. In some cases, the intellectual property will be cross-licensed by NCR and Teradata after the spin-off. NCR and Teradata will enter into a Trademark License Agreement, a Trademark Assignment, a Patent Assignment, a Patent License Agreement, a Technology Agreement, a limited Exclusive Patent License, a Third Party Licenses Agreement (license agreement for NCR Applications), and a Domain Name Assignment.

Tax Sharing Agreement. The Tax Sharing Agreement will govern the respective rights, responsibilities, and obligations of NCR and Teradata after the Separation, with respect to tax liabilities and benefits, tax attributes, tax contests and other tax matters regarding income taxes, other taxes and related tax returns. In general, it is expected that NCR will be responsible for all taxes reported on any separate tax return of NCR (i.e., one that includes NCR or one of its subsidiaries but does not include Teradata or one of its subsidiaries), and will be responsible for all taxes reported on any joint return (i.e., one that includes NCR or one of its subsidiaries, on the one hand, and Teradata or one of its subsidiaries, on the other hand), and Teradata will be responsible for all taxes reported on any separate tax return of Teradata (i.e., one that includes Teradata or one of its subsidiaries but does not include NCR or one of its subsidiaries).

Interim Services and Systems Replication Agreement. NCR and Teradata will enter into a Interim Services and Systems Replication Agreement, which will provide for the provision of certain transitional services by Teradata and its subsidiaries to NCR and its subsidiaries, and vice versa. The services may include the provision of administrative and other services identified by the parties. The Interim Services and Systems Replication Agreement will provide for a term of up to 18 months, which may be extended for an additional six months by mutual agreement of the parties. The pricing will be based on actual costs incurred by the party rendering the services plus a fixed percentage.

Employee Benefits Agreement. Prior to the spin-off, NCR and Teradata will enter into an Employee Benefits Agreement, which will address certain employee compensation, benefit and labor-related matters. In general, Teradata will be responsible for all obligations and liabilities relating to current and former employees of Teradata and their dependents and beneficiaries and NCR will be responsible for all obligations and liabilities relating to its current and former employees, even if such former employees performed services in the past for the Teradata business, and their dependents and beneficiaries. The most significant exception to these general terms is that with respect to the U.S. Pension Plan and non-qualified pension plans, and to the extent legal and/or practicable under the laws of non-U.S. jurisdictions, all assets and liabilities relating to any defined benefit pension plans, whether relating to Teradata or NCR employees, will be retained by NCR. If such treatment is not permitted in non-U.S. jurisdictions, Teradata will assume the assets and liabilities with respect to the pension plans relating to Teradata employees in the non-U.S. jurisdictions.

Real Estate Arrangements. At approximately 80 locations globally, real estate is presently used by both the Teradata business and the other businesses of NCR, and it is intended that, at least for some period, those properties will continue to be used by both companies after the spin-off. Some of the shared properties are presently owned by NCR or a subsidiary and others are leased from third parties. In almost all cases, NCR or its subsidiary will retain ownership of the owned properties and retain the leasehold from the third party in the case of the leased properties. A portion of each owned property will be leased to Teradata or its subsidiary, and a portion of each leased property will be subleased to Teradata or its subsidiary. In the case of owned properties, the lease to Teradata or its subsidiary will reflect a fair-market-value rent and a term in almost all cases not in excess of five years.

Master Agreement for Enterprise Data Warehousing Sales and Support. NCR and Teradata will enter into a commercial ongoing Master Agreement for the purchase by NCR of enterprise data warehouse hardware, software licenses, deliverables licenses and services from Teradata. Under this agreement, Teradata will provide maintenance and support services and coverage in support of NCR's enterprise data warehouse (which includes Teradata hardware, the Teradata operating system and the Teradata database software, along with certain related utilities, tools, applications and deliverables) and certain other applications used by NCR on the Teradata database platform, when NCR and Teradata enter into particular orders for such under the Master Agreement.

Other Commercial Agreements. NCR and Teradata will enter into certain other commercial agreements, each of which will reflect arm's length, fair market value pricing, terms and conditions. These commercial agreements will include a Network Support Agreement, Service Provider Agreements and a Distributor Agreement.

Note 6 Income Taxes

For the years ended December 31, income before income taxes consisted of the following:

	2006	2005	2004
		In millions	
Income before income taxes			
United States	**$224**	$187	$ 93
Foreign	**88**	97	106
Total income before income taxes	**$312**	$284	$199

For the years ended December 31, income tax expense consisted of the following:

	2006	2005	2004
		In millions	
Income tax expense (benefit)			
Current			
Federal	**$ 80**	$ 55	$ 59
State and local	**13**	13	12
Foreign	**31**	28	28
Deferred			
Federal	**(10)**	(23)	(40)
State and local	**(2)**	(4)	(7)
Foreign	**2**	9	9
Total income tax expense	**$114**	$ 78	$ 61

The following table presents the principal components of the difference between the effective tax rate and the U.S. federal statutory income tax rate for the years ended December 31:

	2006	2005	2004
		In millions	
Income tax expense at the U.S. federal tax rate of 35%	**$109**	$ 99	$ 70
Foreign income tax differential	**2**	9	2
State and local income taxes	**11**	9	5
U.S. permanent book/tax differences	**(9)**	(1)	(4)
Tax audit settlements	**—**	(33)	(14)
Other, net	**1**	(5)	2
Total income tax expense	**$114**	$ 78	$ 61

Teradata's tax provisions include a provision for income taxes in certain tax jurisdictions where its operations are profitable, but reflect only a portion of the tax benefits related to certain foreign operations' tax losses due to the uncertainty of the ultimate realization of future benefits from these losses. The 2005 income tax provision includes $33 million of benefits as a result of NCR's resolution of prior year tax audits. During 2005, NCR settled the tax audit for years 1997-1999 with the appellate level of the IRS resulting in a tax benefit of $14 million. Also in 2005, NCR settled the tax audit for years 2000-2002 with the examination level of the IRS resulting in a tax benefit of $19 million. The initial income tax accruals were established based upon the nature of uncertain tax positions in the federal return, and accruals for the related interest were compounded each year. The accruals were established by specifically identifying risk items within the tax return and then assessing the likelihood of the items being challenged or overturned. The tax accruals were necessary due to uncertainty regarding the ultimate sustainability of tax return deductions taken for areas that are prone to tax controversy and are complex areas of tax law. The 2004 income tax provision includes $14 million of benefits as a result of NCR's settlement of tax audit issues relating to the periods when NCR was a subsidiary of AT&T. Teradata's benefits from NCR's settlement of the tax audits described above was based on the specific identification of settled tax matters directly attributable to Teradata's income before taxes, plus a reasonable ratable allocation of settled matters that were related to tax matters and filing positions attributable to both Teradata and NCR.

Deferred income tax assets and liabilities included in the balance sheets at December 31 were as follows:

	2006	2005
	In millions	
Deferred income tax assets		
Reserves and allowances	**$ 30**	$ 20
Tax loss and credit carryforwards	**90**	84
Capitalized research and development	**212**	213
Other	**47**	44
Total deferred income tax assets	**379**	361
Valuation allowance	**(43)**	(35)
Net deferred income tax assets	**336**	326

Teradata recorded valuation allowances related to certain deferred income tax assets due to the uncertainty of the ultimate realization of future benefits from those assets. The valuation allowances cover deferred tax assets, primarily tax loss carryforwards, in tax jurisdictions where there is uncertainty as to the ultimate realization of a benefit from those tax losses. As of December 31, 2006, Teradata had U.S. federal and foreign tax loss carryforwards of approximately $256 million.

Teradata did not provide for U.S. federal income taxes or foreign withholding taxes on approximately $155 million in 2006 of undistributed earnings of its foreign subsidiaries because such earnings are intended to be reinvested indefinitely.

Adoption of FIN 48 (unaudited)

In June 2006, the FASB issued FASB Interpretation No. 48 ("FIN 48"), *Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109* . FIN 48 clarifies the accounting for uncertainty in income taxes by prescribing thresholds and attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, and disclosure. Under FIN 48, Teradata may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon settlement.

As part of NCR, Teradata adopted the provisions of FIN 48 on January 1, 2007. The adoption of FIN 48 did not impact Teradata's results of operations or net assets. The liability for income taxes associated with uncertain tax positions at January 1, 2007 was $20 million. This liability can be reduced by $5 million for offsetting tax benefits associated with potential transfer pricing adjustments across different tax jurisdictions. This net unrecognized tax benefit of $15 million would favorably impact the effective tax rate, if recognized. The $5 million for offsetting tax benefits was previously recorded in income tax reserves. Upon the adoption of FIN 48, this amount was reclassified to other assets.

Teradata recognizes accrued interest and penalties associated with uncertain tax positions as part of the tax provision, which is consistent with the recognition of these items in prior reporting periods. As of January 1, 2007, Teradata had $4 million of accrued interest and penalties.

NCR is subject to income taxes in the U.S. (federal and state) and numerous foreign jurisdictions. NCR has effectively settled all U.S. federal tax audits through 2002; however, the U.S. federal statute of limitations remains open for 2000 and onward. NCR is currently under examination by the IRS for 2003—2005. NCR expects that the IRS will complete the examination of 2003 and 2004 and issue its examination report during 2007. The examination report should include all proposed adjustments for tax years 2003 and 2004. Upon receipt of the report, NCR will have 30 days to review and either agree with the adjustments or issue a formal protest.

Foreign and U.S. state jurisdictions have statutes of limitations generally ranging from 3 to 5 years. NCR is currently under examination by foreign tax authorities in major jurisdictions including Canada (1997-2004), France (1997-2003), Germany (2001-2004), Japan (2000-2005), Netherlands (2000-2003), and the United Kingdom (1994-2006). NCR is also currently under examination in various U.S. state jurisdictions.

Prior to its spin-off from AT&T in 1996, NCR filed certain consolidated or combined federal and state tax returns with AT&T. These returns are subject to a tax sharing agreement governing the allocation and apportionment of the uncertain federal and state tax benefits and liabilities. Teradata's net liability for income taxes associated with uncertain tax positions includes items subject to the tax sharing agreement with AT&T.

Note 7 Employee Stock Compensation Plans

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123 (revised 2004) ("SFAS 123R"), *Share-Based Payment* . NCR adopted the provisions of SFAS 123R as of January 1, 2006 using the modified prospective transition method, which does not require restatement of prior-year results. SFAS 123R requires that all share-based payments to employees, including grants of stock options, be recognized as compensation expense in the financial statements based on their fair value.

SFAS 123R resulted in a change in the method of measuring and recognizing the fair value of NCR stock options granted to employees engaged in Teradata's business and estimating forfeitures for all unvested awards.

Additionally, prior to the adoption of SFAS 123R, NCR used the nominal vesting period approach for retirement-eligible employees, including those engaged in Teradata's business. Using this approach, compensation cost for share-based awards granted prior to 2006 was recognized over the stated vesting period for retirement-eligible employees. As a result of adopting SFAS 123R, NCR changed its method for recognizing compensation expense for new share-based awards granted to retirement-eligible employees. Compensation expense is now recognized over the period from the date of grant to the date retirement eligibility is achieved, if retirement eligibility is expected to occur during the nominal vesting period (non-substantive vesting period approach). Had the non-substantive vesting period approach been applied to awards granted prior to 2006, incremental compensation expense would have been immaterial for 2006, 2005 (pro forma) and 2004 (pro forma).

As of December 31, 2006, Teradata's primary types of share-based compensation were NCR stock options and restricted stock (discussed below in this Note) granted to employees. Teradata recorded stock-based compensation expense, the components of which are further described below for the years ended December 31 as follows:

	2006	2005	2004
		In millions	
Stock options	$ 5	$ —	$ —
Restricted stock	4	1	1
Total stock-based compensation (pre-tax)	9	1	1
Tax benefit	(3)	—	—
Total stock-based compensation, net of tax	$ 6	$ 1	$ 1

As a result of the adoption of SFAS 123R by NCR, Teradata recognized $5 million ($3 million after-tax) of expense related to stock options in 2006. Overall, total stock-based compensation expense, which includes expense related to stock options and restricted stock, increased $8 million ($5 million after-tax) for 2006 as compared to 2005. Compensation cost capitalized as part of inventory and fixed assets as of December 31, 2006 was immaterial.

Stock-based compensation expense for 2006 was computed using the fair value of NCR's options as calculated using the Black-Scholes option-pricing model. The weighted average fair value of NCR's options granted to employees was $15.67 per share in 2006, and was estimated based on the following weighted average assumptions:

	2006
Dividend yield	—
Risk-free interest rate	4.58%
Expected volatility	34.9%
Expected holding period (years)	5.3

Expected volatility incorporates a blend of both historical volatility of NCR's stock over a period equal to the expected term of the options and implied volatility from traded options on NCR's stock, as management believes this is more representative of prospective trends. NCR uses historical data to estimate option exercise and employee termination within the valuation model. The expected holding period represents the period of time that options are expected to be outstanding. The risk-free interest rate for periods within the contractual life of the option is based on the five-year U.S. Treasury yield curve in effect at the time of grant.

NCR had previously accounted for stock-based employee compensation using the intrinsic value-based method in accordance with Accounting Principles Board Opinion No. 25 ("APB No. 25"), which required compensation expense for options to be recognized when the market price of NCR stock exceeded the exercise price on the date of grant. In addition, no compensation expense was recorded for purchases under the NCR

Employee Stock Purchase Plan ("ESPP") in accordance with APB No. 25. If Teradata had recognized stock option-based compensation expense based on the fair value of stock option grants and employee stock purchases under the ESPP, net income for the years ended December 31 would have been as follows:

	2005	2004
	In millions	
Net income	$206	$138
Stock-based employee compensation expense included in reported net income (pre-tax)	1	1
Tax benefit of stock-based employee compensation included in reported net income	—	—
Subtotal: Add to net income	1	1
Total stock-based employee compensation expense determined under fair value-based method for awards (pre-tax)	8	9
Tax benefit of stock-based employee compensation determined under fair value-based method for awards	(2)	(2)
Subtotal: Deduct from net income	6	7
Pro forma net income	$201	$132

The pro forma net income for 2005 and 2004 were computed using the fair value of NCR options as calculated using the Black-Scholes option-pricing model. The weighted average fair value for NCR options granted to NCR employees engaged in Teradata's business was $15.56 per share in 2005 and $9.74 per share in 2004 and was estimated based on the following weighted average assumptions:

	2005	2004
Dividend yield	—	—
Risk-free interest rate	4.00%	2.95%
Expected volatility	35.5%	45.0%
Expected holding period (years)	5.5	5.0

Stock Options

As of December 31, 2006, all stock options held by NCR employees engaged in Teradata's business were granted under NCR's stock plans. Prior to approval by NCR's stockholders on April 26, 2006 of the NCR 2006 Stock Incentive Plan ("SIP"), the NCR Management Stock Plan ("MSP") was the principal vehicle through which equity grants were made to such Teradata employees. The MSP provided for the grant of several different forms of stock-based benefits, including stock options to purchase shares of NCR common stock. Stock options under the MSP were generally granted at the fair market value of the common stock at the date of grant, had a ten-year term and vested within four years of the grant date. Grants that were issued before 1998 generally had a four-year vesting period, grants from 1998 through 2003 had a three-year vesting period, and grants issued in 2004 and after generally had a four-year vesting period. As a result of approval of the SIP by NCR's stockholders, NCR discontinued the MSP, except that awards previously granted and outstanding under the MSP remain outstanding. The SIP is now the principal vehicle through which equity grants are made to NCR's employees and directors.

The SIP provides for the grant of several different forms of stock-based compensation, including stock options to purchase shares of NCR common stock. The Compensation and Human Resource Committee of NCR's Board of Directors has discretion to determine the material terms and conditions of option awards under the SIP, provided that (i) the exercise price must be no less than the fair market value of NCR common stock (as defined as the SIP or otherwise determined by the NCR Compensation and Human Resource Committee) on the date of grant, (ii) the term must be no longer than ten years, and (iii) in no event shall the normal vesting

schedule provide for vesting in less than one year. Other terms and conditions of an award of stock options will be determined by NCR's Compensation and Human Resource Committee as set forth in the agreement relating to that award. NCR's Compensation and Human Resource Committee has authority to administer the SIP, except that the Committee on Directors and Governance of NCR's Board of Directors will administer the SIP with respect to non-employee members of the Board of Directors.

The following table summarizes NCR's stock option activity for awards granted to NCR employees engaged in Teradata's business for the year ended December 31, 2006:

Shares in thousands	Shares Under Option	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at January 1, 2006	3,040	$ 20.26		
Granted	403	$ 39.34		
Exercised	(975)	$ 18.17		
Canceled	(77)	$ 24.31		
Forfeited	(1)	$ 38.97		
Outstanding at December 31, 2006	2,390	$ 24.11	5.82	$ 45
Fully vested and expected to vest at December 31, 2006	2,300	$ 24.09	5.79	$ 43
Exercisable at December 31, 2006	1,715	$ 19.35	4.64	$ 40

The total intrinsic value of options exercised was $21 million in 2006, $32 million in 2005 and $21 million in 2004. The tax benefit realized from these exercises was $6 million in 2006, $10 million in 2005 and $6 million in 2004. As of December 31, 2006, there was $8 million of total unrecognized compensation cost related to unvested stock option grants to NCR employees engaged in Teradata's business. That cost is expected to be recognized over a weighted-average period of 2.3 years.

Restricted Stock and Restricted Stock Units

As of December 31, 2006, all restricted stock awards held by NCR employees engaged in Teradata's business were granted under NCR's stock plans. The MSP provided for the issuance of restricted stock to certain employees as a form of long-term compensation, retention, promotion or other special circumstances. NCR's restricted stock grants under the MSP were categorized as having service-based or performance-based vesting. The service-based shares typically vest over a three- to four-year period beginning on the date of grant. These grants are not subject to future performance measures. The cost of these awards, determined to be the fair market value of NCR's shares at the date of grant, is expensed ratably over the period the restrictions lapse. For substantially all restricted stock grants, at the date of grant, the recipient has all rights of a stockholder, subject to certain restrictions on transferability and a risk of forfeiture. Performance-based grants are subject to future performance measurements, which included NCR's achievement of Cumulative Net Operating Profit (as defined in the MSP) over a three-year period and return on capital over a three-year period. All performance-based shares will become vested at the end of three years provided that the employee is continuously employed by NCR and the applicable performance measures are met. Performance-based grants must be earned, based on performance, before the actual number of shares to be awarded is known. NCR considers the likelihood of meeting the performance criteria based upon management's estimates and analysis of future earnings. As a result of approval of the SIP by NCR's stockholders, NCR discontinued the MSP, except that awards previously granted and outstanding under the MSP remain outstanding.

The SIP also provides for the issuance of restricted stock, as well as restricted stock units. Performance goals may be established by NCR's Compensation and Human Resource Committee in connection with the grant of restricted stock or restricted stock units. Any grant of restricted stock or restricted stock units will be subject to

a vesting period of at least three years, except that a one-year term of service may be required if vesting is conditioned upon achievement of performance goals. At the date of grant, a recipient of restricted stock has all the rights of a stockholder subject to certain restrictions on transferability and a risk of forfeiture. A recipient of restricted stock units does not have the rights of a stockholder but is subject to restrictions on transferability and risk of forfeiture. Other terms and conditions applicable to any award of restricted stock or restricted stock units will be determined by NCR's Compensation and Human Resource Committee and set forth in the agreement relating to that award.

The following table reports NCR's restricted stock activity for awards granted to NCR employees engaged in Teradata's business during the year ended December 31, 2006:

Shares in thousands	Number of Shares	Weighted-Average Grant Date Fair Value per Share
Unvested shares at January 1, 2006	358	$ 28.16
Shares granted	226	$ 39.50
Shares vested and distributed	(64)	$ 13.28
Shares forfeited	(16)	$ 32.70
Unvested shares at December 31, 2006	504	$ 35.15

The total intrinsic value of NCR shares vested and distributed to NCR employees engaged in Teradata's business was $3 million in 2006, $1 million in 2005 and $2 million in 2004. As of December 31, 2006, there was $12 million of unrecognized compensation cost related to unvested restricted stock grants to such employees. The unrecognized compensation cost is expected to be recognized over a remaining weighted-average period of 1.8 years.

The following table represents the composition of restricted stock grants in 2006:

Shares in thousands	Number of Shares	Weighted-Average Grant Date Fair Value
Service-based shares	126	$ 40.24
Performance-based shares	100	$ 38.56
Total stock grants	226	$ 39.50

Other Share-based Plans

The NCR ESPP enables eligible employees to purchase NCR's common stock at a discount to the average of the highest and lowest sale prices on the last trading day of each month. In 2006, the ESPP discount was reduced from 15% to 5% of the average market price. As a result, this plan is considered non-compensatory in accordance with SFAS 123R. Employees may authorize payroll deductions of up to 10% of eligible compensation for common stock purchases. The amount of NCR shares purchased by NCR employees engaged in Teradata's business was not material in 2006, 2005 and 2004.

Impact of Separation

Prior to the distribution, the Teradata Board of Directors is expected to adopt, with approval of Teradata's sole stockholder, the establishment of stock incentive plans providing for future awards to Teradata employees.

Options, performance shares, performance options, restricted stock, and restricted stock units will be treated as follows at the spin-off: (1) each option and other stock-based award based on shares of NCR common stock

that is held by an employee of NCR will, at the spin-off, be substituted for an option or award based on shares of NCR common stock with the number of shares and, in the case of a stock option, the exercise price being equitably adjusted to preserve the intrinsic value of the award or option as of immediately prior to the spin-off; (2) each option and other stock-based award based on shares of NCR common stock that is held by an employee of Teradata will, at the spin-off, be substituted for an option or award based on shares of Teradata common stock with the number of shares and, in the case of a stock option, the exercise price being equitably adjusted to preserve the intrinsic value of the award or option as of immediately prior to the spin-off; (3) each option based on shares of NCR common stock that is held by a retiree of NCR will, at the spin-off, be substituted for an option based on shares of NCR common stock and an option based on shares of Teradata common stock with the number of shares and the exercise price being equitably adjusted to preserve the intrinsic value of the option as of immediately prior to the spin-off and (4) each option and other stock-based award based on shares of NCR common stock that is held by a non-employee director of NCR will, at the spin-off be substituted for an option or award based on shares of NCR common stock and an option or award based on shares of Teradata common stock with the number of shares and, in the case of a stock option, exercise price being equitably adjusted to preserve the intrinsic value of the option or award as of immediately prior to the spin-off. For purposes of the paragraph, the term “intrinsic value” means the in-the-money value of the option (that is, the excess of the fair market value of the award over the aggregate exercise price thereof, in each case, at the applicable time). For any award described above that is subject to performance vesting conditions under a 2006-2008 performance cycle, to reflect estimated performance through the date on which the spin-off occurs: (1) two thirds of the number of shares subject to the award will vest as soon as practicable following the spin-off; (2) for performance shares only and, not only performance option, a new one-year, time based award will be made subsequent to the time of the spin-off for a number of shares that reflects the degree to which NCR exceeded the performance targets applicable to the vested two thirds of the award as of immediately before the spin-off, based on performance measured through the spin-off; and (3) the remaining one third of the number of shares subject to the award will be subject to a new one-year performance goal, except that, in the case of performance shares only, the number of shares subject to the award will be adjusted to reflect the degree to which NCR met the performance targets applicable to the award as of immediately before the spin-off, based on performance measured through the spin-off. For any performance share award described above that is subject to performance vesting conditions under a 2007-2009 performance cycle, the performance shares will be substituted with substantially identical awards based on new performance metrics applicable to each company. The performance period will begin at the time of the spin-off and will end on December 31, 2009.

Note 8 Employee Benefit Plans

Pension, Post-retirement, and Post-employment Plans. NCR employees engaged in Teradata’s business are eligible to participate in pension, post-retirement and post-employment benefit plans sponsored by NCR in many of the countries where the Company does business. As Teradata participated in NCR’s plans, it accounted for its pension and post-employment benefit costs under the multiemployer plan approach, and has recognized the pension and post-employment costs allocated to it by NCR as expense, with a corresponding contribution in parent company investment. Pension and post-employment benefit costs are allocated to Teradata based on the projected benefit obligation associated with Teradata specific employees and other NCR employees who provided support services to Teradata. Post-retirement benefit costs allocated to Teradata were immaterial for each of the three years ended December 31, 2006 and for the six months ended June 30, 2007 and 2006 (unaudited). Pension and post-employment costs were as follows:

In millions	For the six months ended June 30,		For the years ended December 31,		
	2007	2006	2006	2005	2004
	(unaudited)				
U.S. pension costs	$ —	$ 7	$14	$13	$15
International pension costs	4	4	9	9	7
Total pension costs	$ 4	$ 11	$23	$22	$22
Post-employment costs	$ 8	$ 8	$16	$17	$19

Savings Plans. U.S. employees and many international employees engaged in Teradata's business participate in defined contribution savings plans sponsored by NCR. These plans generally provide either a specified percent of pay or a matching contribution on participating employees' voluntary elections. NCR's matching contributions typically are subject to a maximum percentage or level of compensation. Employee contributions can be made pre-tax, after-tax or a combination thereof. Expenses from defined contribution savings plans were allocated to Teradata on an employee-by-employee basis. Teradata's expense related to U.S. and international savings plans was $12 million in 2006, $9 million in 2005 and $11 million in 2004.

Note 9 Financial Instruments

In the normal course of business, NCR enters into various financial instruments, including derivative financial instruments. Teradata's exposures to these financial instruments have been netted with those of other NCR businesses and accounted for on a combined basis as described below. A portion of the gains and losses related to foreign exchange contracts has been allocated to Teradata based on the proportion of its foreign currency exposures to NCR's total foreign currency exposures. The gains or losses are included in cash flows from operating activities in the Statements of Cash Flows.

Cash Flow Hedges. NCR primarily uses foreign exchange forward contracts to reduce the exposure to changes in currency exchange rates, primarily as it relates to inventory purchases by marketing units and inventory sales by manufacturing units. The majority of the contracts were to exchange Euros, British Pounds and Japanese Yen, and generally mature within 15 months. Foreign exchange contracts used as a part of NCR's risk management strategy, which are designated at inception as highly effective cash flow hedges, are measured for effectiveness both at inception and on an ongoing basis. For foreign exchange contracts designated as highly effective cash flow hedges, the gains or losses are deferred in other comprehensive income and recognized in the determination of income as adjustments of carrying amounts when the underlying hedged transaction is realized, canceled or otherwise terminated.

Fair Value Hedges. For derivative instruments designated as fair value hedges, the effective portion of the hedge is recorded as an offset to the change in the fair value of the hedged item, and the ineffective portion of the hedge, if any, is recorded in the income statement. There was no impact in earnings due to these hedges during the years ended December 31, 2006, 2005 and 2004.

Concentration of Credit Risk. Teradata sells the majority of its products through its direct sales force. No single customer accounted for 10% or more of accounts receivable at December 31, 2005 and 2006. Credit risk with respect to accounts receivable is generally diversified due to the large dispersion across many different industries and geographies. Exposure to credit risk is managed through credit approvals, credit limits and monitoring procedures. Teradata's business often involves large transactions with customers, and if one or more of those customers were to default in its obligations under applicable contractual arrangements, Teradata could be exposed to potentially significant losses. However, management believes that the reserves for potential losses are adequate.

Note 10 Commitments and Contingencies

In the normal course of business, Teradata is subject to various regulations, proceedings, lawsuits, claims and other matters. Teradata believes the amounts provided in its financial statements, as prescribed by GAAP, are adequate in light of the probable and estimable liabilities. However, there can be no assurances that the actual amounts required to satisfy alleged liabilities from various lawsuits, claims, legal proceedings and other matters, and to comply with applicable laws and regulations, will not exceed the amounts reflected in Teradata's financial statements or will not have a material adverse effect on its results of operations, financial condition or cash flows. Any costs that may be incurred in excess of those amounts provided as of June 30, 2007 cannot currently be reasonably determined.

Guarantees and Product Warranties. Guarantees associated with Teradata's business activities are reviewed for appropriateness and impact to the Company's financial statements. Periodically, Teradata's

customers enter into various leasing arrangements coordinated by Teradata with a leasing partner. In some instances, Teradata guarantees the leasing partner a minimum value at the end of the lease term on the leased equipment or guarantees lease payments between the customer and the leasing partner. As of June 30, 2007, the maximum future payment obligation of this guaranteed value and the associated liability balance was $6 million (unaudited).

Teradata 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 historic factors such as labor rates, average repair time, travel time, number of service calls per machine and cost of replacement parts. Each business unit consummating a sale recognizes the total customer revenue and records the associated warranty liability using pre-established warranty percentages for that product class. 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 following table identifies the activity relating to the warranty reserve:

	For the six months ended June 30,		For the years ended December 31,		
In millions	2007	2006	2006	2005	2004
	(unaudited)				
Warranty reserve liability					
Beginning balance at January 1	**$ 8**	$ 7	**$ 7**	$ 7	$ 5
Accruals for warranties issued	**6**	5	**12**	11	11
Settlements (in cash or in kind)	**(8)**	(5)	**(11)**	(11)	(9)
Balance at end of period	**$ 6**	$ 7	**$ 8**	$ 7	$ 7

In addition, Teradata provides its customers with certain indemnification rights. In general, Teradata agrees to indemnify the customer if a third party asserts patent or other infringement on the part of the customer for its use of Teradata's products. From time to time, Teradata also enters into agreements in connection with its acquisition and divesture 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 Teradata'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. Historically, payments made by the Company under these types of agreements have not had a material effect on Teradata's financial condition, results of operations or cash flows.

Purchase Commitments. Teradata has purchase commitments for materials, supplies, services, and property, plant and equipment as part of the normal course of business. As of December 31, 2006, the amount of these commitments was approximately $67 million.

Leases. Teradata conducts certain of its sales operations using leased facilities, the initial lease terms of which vary in length. Many of the leases contain renewal options and escalation clauses that are not material to the overall lease portfolio. Future minimum lease payments, in millions, under non-cancelable leases as of December 31, 2006, for the following fiscal years were:

	2007	2008	2009	2010	2011	Thereafter
	In millions					
Minimum lease obligations	$ 2	$ 2	$ 2	$ 2	$ 1	$ 2

Total rental expense for operating leases was $2 million in 2006, $3 million in 2005 and $3 million in 2004.

Note 11 Segment, Other Supplemental Information and Concentrations

Teradata is managed along the following geographic regions, which are also the Company's operating segments: (1) the North America and Latin Americas ("Americas") region, (2) the Europe, Middle East and Africa ("EMEA") region and (3) the Asia Pacific and Japan ("APJ") region. Management evaluates the performance of its segments based on revenue and segment margin, and does not include segment assets for management reporting purposes. Segment margin excludes certain corporate-related costs consistent with the manner by which management evaluates segment operating performance. This presentation is useful to investors because it allows analysis and comparability of operating trends. Teradata management does not use corporate-level selling, general and administrative, or research and development expenses to measure the segment and evaluate segment performance.

The following table presents segment revenue and segment gross margin for Teradata for the six months ended June 30:

In millions	2007 (unaudited)	% of revenue	2006 (unaudited)	% of revenue
Revenue				
Americas	**$453**	**58%**	$442	61%
EMEA	**186**	**24%**	156	22%
APJ	**145**	**18%**	121	17%
Consolidated revenue	**784**	**100%**	719	100%
Segment gross margin				
Americas	**259**	**57%**	262	59%
EMEA	**85**	**46%**	73	47%
APJ	**72**	**50%**	55	45%
Subtotal—segment gross margin	**416**	**53%**	390	54%
Reconciling amounts [1]	**—**		(1)	
Total gross margin	**416**	**53%**	389	54%
Selling, general and administrative expenses	**211**	**27%**	191	27%
Research and development expenses	**57**	**7%**	60	8%
Total income from operations	**$148**	**19%**	**$138**	19%

(1) Includes corporate-related costs that management does not use to make decisions regarding the segments and to assess the financial performance.

The following table presents revenue by product and services revenue for Teradata for the six months ended June 30:

In millions	2007 (unaudited)	2006 (unaudited)
Products [1]	**$399**	$373
Professional and installation-related services	**210**	181
Total solution	**609**	554
Support Services	**175**	165
Total revenue	**$784**	$719

(1) Our data warehousing hardware and software products are often sold and delivered together in the form of a "node" of capacity as an integrated technology solution. Accordingly, it is impracticable to provide the revenue from various types of hardware and software products.

The following table presents segment revenue and segment gross margin for Teradata for the years ended December 31:

In millions	2006	% of revenue	2005	% of revenue	2004	% of revenue
Revenue						
Americas [1]	**$ 933**	**60%**	$ 861	59%	$ 757	56%
EMEA	**360**	**23%**	340	23%	329	24%
APJ	**267**	**17%**	266	18%	263	20%
Consolidated revenue	**1,560**	**100%**	1,467	100%	1,349	100%
Segment gross margin						
Americas	**555**	**59%**	507	59%	429	57%
EMEA	**168**	**47%**	165	49%	164	50%
APJ	**126**	**47%**	130	49%	125	48%
Subtotal—segment gross margin	**849**	**54%**	802	55%	718	53%
Reconciling amounts [2]	**(10)**		(7)		(10)	
Total gross margin	**839**	**54%**	795	54%	708	52%
Selling, general and administrative expenses	**410**	**26%**	391	27%	391	29%
Research and development expenses	**117**	**8%**	120	8%	118	9%
Total income from operations	**$ 312**	**20%**	**$ 284**	19%	**$ 199**	15%

[1] The Americas region includes revenue from the United States of $862 million in 2006, $803 million in 2005 and $713 million in 2004.

[2] Includes corporate-related costs that management does not use to make decisions regarding the segments and to assess the financial performance.

The following table presents revenue by product and services revenue for Teradata for the years ended December 31:

In millions	2006	2005	2004
Products [1]	**$ 820**	$ 786	$ 728
Professional and installation-related services	**404**	368	329
Total solution	**1,224**	1,154	1,057
Support services	**336**	313	292
Total revenue	**$1,560**	$1,467	$1,349

[1] Our data warehousing hardware and software products are often sold and delivered together in the form of a “node” of capacity as an integrated technology solution. Accordingly, it is impracticable to provide the revenue from various types of hardware and software products.

The following table presents property, plant and equipment by geographic area at December 31:

In millions	2006	2005
United States	**$59**	$55
Americas (excluding United States)	**1**	1
EMEA	**1**	1
APJ	**3**	3
Property, plant and equipment, net	**$64**	$60

Concentrations. No single customer accounts for more than 10% of Teradata's revenue. As of December 31, 2006, Teradata is not aware of any significant concentration of business transacted with a particular customer that could, if suddenly eliminated, have a material adverse effect on Teradata's operations. Teradata also lacks a concentration of available sources of labor, services, licenses or other rights that could, if suddenly eliminated, have a material adverse effect on its operations.

A number of Teradata's products, systems and solutions rely primarily on specific suppliers for microprocessors and other component products, operating systems, commercial software and other central components. There can be no assurances that any sudden impact to the availability or cost of these technologies would not have a material adverse effect on Teradata's operations.

Note 12 Quarterly Information (unaudited)

In millions, except per share amounts	First	Second	Third	Fourth
2006				
Total revenues	**$323**	**$ 396**	**$375**	**$ 466**
Gross margin	**$180**	**$ 209**	**$199**	**$ 251**
Operating income	**$ 58**	**$ 80**	**$ 68**	**$ 106**
Net income	**$ 37**	**$ 50**	**$ 43**	**$ 68**
2005				
Total revenues	$347	$ 357	$358	$ 405
Gross margin	$184	$ 192	$195	$ 224
Operating income	$ 66	$ 69	$ 66	$ 83
Net income	$ 40	$ 56	$ 56	$ 54

Note 13 Events Occurring Subsequent to the Date of the report of Independent Registered Public Accounting Firm

Teradata is subject to governmental investigations and requests for information from time to time. Presently, the United States Department of Justice is conducting an investigation regarding the propriety of the Company's arrangements or understandings with others in connection with certain federal contracts. The investigation arises in connection with civil litigation in federal district court filed under the qui tam provisions of the civil False Claims Act against a number of information technology companies, including the Company. The complaints against the Company remain under seal. The Company is conducting its own internal investigation focusing on the propriety of certain transactions under four federal programs under which Teradata was a contractor as well as the adequacy of pricing disclosures to the government under certain of the Company's federal contracts. The Company has shared evidence of questionable conduct that the Company has uncovered with the Justice Department and intends to continue to cooperate with the Justice Department in its investigation. The Company has recorded a reserve of approximately $1 million related to the current best estimate of potential liability relating to this matter.

The Company believes the amounts provided in its financial statements, as prescribed by GAAP, are adequate in light of the probable and estimable liabilities. However, there can be no assurances that the actual amounts required to satisfy alleged liabilities from the matter described above and other matters, and to comply with applicable laws and regulations, will not exceed the amounts reflected in the Company's financial statements or will not have a material adverse effect on its results of operations, financial condition or cash flows. Any costs that may be incurred in excess of those amounts provided as of June 30, 2007 cannot currently be reasonably determined.

In contemplation of the separation of Teradata from NCR, the Company submitted a private letter ruling request to the Internal Revenue Service (IRS) concerning Teradata Corporation's ability to continue to amortize (and deduct) certain research and development costs that had been capitalized by NCR for tax purposes under

Section 59(e) of the Internal Revenue Code subsequent to the transfer of the related intellectual property to Teradata Corporation. On August 9, 2007, the Company was notified that the IRS would likely issue an adverse ruling on the Company's request. The potential adverse ruling only concerns the amortization of capitalized research and development after the intellectual property is transferred to Teradata Corporation and, therefore, has no impact on the historic accounting for deferred income taxes by NCR or the historic financial statements of the Teradata Data Warehousing Business of NCR as reflected in the accompanying financial statements. Deferred tax assets relating to capitalized research and development costs was approximately $196 million at June 30, 2007 and $212 million at December 31, 2006. Upon separation, the amount of the deferred tax asset for capitalized research and development costs attributable to Teradata Corporation is expected to be approximately $150 million.

The Company plans to challenge the IRS determination. The Company is also exploring other potential tax planning strategies that may allow for the realization of some, or all, of the related deferred tax asset at some future date. There can be no assurance that any such challenge or strategies will be effective. Based on the information currently available, realization of the deferred tax assets in the future relating to capitalized research and development by Teradata Corporation is not considered to be more likely than not. As a result, the Company expects to record a valuation allowance charge to income tax expense of approximately $150 million in the quarter of separation. Additionally, if the Company is unable to reach a favorable resolution of this matter with the IRS, Teradata Corporation may not be able to fully realize the cash flow benefits related to this deferred tax asset.

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Teradata Data Warehousing Business of NCR Corporation

Schedule II—Valuation and Qualifying Accounts

(In millions)

Column A Description	Column B Balance at Beginning of Period	Column C Additions Charged to Costs & Expenses	Column C Additions Charged to Other Accounts	Column D Deductions	Column E Balance at End of Period
Year Ended December 31, 2006					
Allowance for doubtful accounts	$ 7	$ —	$ —	$ 2	$ 5
Deferred tax asset valuation allowance	$ 35	$ 8	$ —	$ —	$ 43
Inventory excess and obsolete reserves	$ 16	$ 7	$ —	$ 5	$ 18
Year Ended December 31, 2005					
Allowance for doubtful accounts	$ 6	$ 1	$ —	$ —	$ 7
Deferred tax asset valuation allowance	$ 36	$ —	$ —	$ 1	$ 35
Inventory excess and obsolete reserves	$ 16	$ 6	$ —	$ 6	$ 16
Year Ended December 31, 2004					
Allowance for doubtful accounts	$ 5	$ 1	$ —	$ —	$ 6
Deferred tax asset valuation allowance	$ 25	$ 11	$ —	$ —	$ 36
Inventory excess and obsolete reserves	$ 16	$ 6	$ —	$ 6	$ 16