

Neonode Inc.  
Form SC 13G/A  
January 03, 2019

**THE UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 13G**

Under the Securities Exchange Act of 1934

**(Amendment No. 1)\***

**Neonode Inc.**

(Name of Issuer)

Common Stock, par value, \$0.001 per share

(Title of Class of Securities)

64051M709

(CUSIP Number)

December 28, 2018

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule 13G is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 64051M709

(1) Name of reporting person:

Peter Lindell

(2) Check the appropriate box if a member of a group (see instructions)

(a)

(b)

(3) SEC use only

(4) Citizenship or place of organization:

Sweden

Number of shares beneficially owned by each reporting person with

(5) Sole voting power: 0

(6) Shared voting power: 1,651,623\*

(7) Sole dispositive power: 0

(8) Shared dispositive power: 1,651,623\*

(9) Aggregate amount beneficially owned by each reporting person: 1,651,623\*

(10) Check if the aggregate amount in row (9) excludes certain shares (see instructions):

(11) Percent of class represented by amount in row (9): 18.5%

(12) Type of reporting person (see instructions): IN

\* The shares are owned directly by Cidro Forvaltning AB, an entity beneficially owned by Mr. Lindell. Includes warrants exercisable for 116,667 shares.

Item 1(a). Name Of issuer: Neonode Inc.

Item 1(b). Address of issuer's principal executive offices:

Storgatan 23C, 11455, Stockholm, Sweden

Item 2(a). Name of person filing: Peter Lindell

Item 2(b). Address of principal business office or, if none, residence:

Lilla Erstagatan 6, 116 28 Stockholm, Sweden

Item 2(c). Citizenship: Sweden

Item 2(d). Title of Class of Securities: Common Stock, par value \$0.001 per share

Item 2(e). CUSIP No.: 64051M709

Item 3.

Not Applicable.

Item 4. Ownership

(a) Amount beneficially owned: 1,651,623\*

(b) Percent of class: 18.5%

(c) Number of shares as to which the person has:

(i) sole power to vote or to direct the vote: 0

(ii) shared power to vote or to direct the vote: 1,651,623\*

(iii) sole power to dispose or to direct the disposition of: 0

(iv) shared power to dispose or to direct the disposition of: 1,651,623\*

\* The shares are owned directly by Cidro Forvaltning AB, an entity beneficially owned by Mr. Lindell. Includes warrants exercisable for 116,667 shares.

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following .

Item 6. Ownership of More Than Five Percent on Behalf of Another Person

Not Applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person

Not Applicable.

Item 8. Identification and Classification of Members of the Group

Not Applicable.

Item 9. Notice of Dissolution of Group

Not Applicable.

Item 10. Certification

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By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect, other than activities solely in connection with a nomination under §240.14a-11.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

January 2, 2019

By: /s/ Peter Lindell  
Name: Peter Lindell

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (See 18 U.S.C. 1001)

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/TD>

3,835 96,259 10/24/2007

5,113 128,336 10/1/2007

2,089 52,434 10/1/2007 5,207 23.93 10/1/2017

3/1/2007 40,135 21.27 3/1/2017



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**Options Vesting Table**

<b>Grant Date</b>	<b>Vesting Schedule</b>
10/24/2007	Vest if specified performance conditions are satisfied, as approved by the Committee
10/1/2007	Four-year vesting: 25% annually
6/1/2007	Four-year vesting: 25% annually
5/1/2007	Four-year vesting: 25% annually
3/1/2007	Four-year vesting: 25% annually
5/29/2006	Four-year vesting: 25% annually
3/1/2006	Four-year vesting: 25% annually
2/13/2006	Four-year vesting: 25% annually
8/8/2005 (Performance-Based)	Partial vesting based on conversion methodology (Original award was to vest if specified performance conditions were satisfied, as approved by the Committee. Due to the Spin-Off, a portion vested in 2007 and the remainder was replaced by Mr. Nuti's 10/24/07 performance-based option grant).
8/8/2005 (Time-Based)	Four-year vesting: 25% annually
3/1/2005	Four-year vesting: 25% annually
3/1/2004	Three-year vesting: 33% annually
8/4/2003	Three-year vesting: 33% annually
1/26/2001	Three-year vesting: 33% annually
1/4/1999	Three-year vesting: 33% annually

**Time-Based Restricted Stock / Unit Vesting Table**

<b>Grant Date</b>	<b>Vesting Schedule</b>
10/24/2007	Vest in full on 12/31/2008
10/1/2007	Three-year cliff vesting: 100%
6/1/2007	Three-year cliff vesting: 100%
5/1/2007	Three-year cliff vesting: 100%
3/1/2007	Three-year cliff vesting: 100%

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9/5/2005	Three-year cliff vesting: 100%
8/8/2005	Four-year vesting: 25% annually
3/1/2005	Four-year vesting: 25% annually
2/1/2005	Three-year cliff vesting: 100%

**Performance-Based Restricted Stock / Unit Vesting Table**

<b>Grant Date</b>	<b>Vesting Schedule</b>
10/24/2007	Vest if specified performance conditions are satisfied, as approved by the Committee
10/1/2007	Vest if specified performance conditions are satisfied, as approved by the Committee
3/1/2007	Vest if specified performance conditions are satisfied, as approved by the Committee

**2007 Option Exercises and Stock Vested Table**

The table that follows shows each Named Executive Officer's option exercises and restricted stock vestings during 2007. All shares exercised or vested prior to the Spin-Off have been converted in the table above using the NCR conversion ratio in order to present comparable data.

<b>Name</b>	<b>Option Awards</b>		<b>Stock Awards</b>	
	<b>Number of Shares Acquired on Exercise</b>	<b>Value Realized on Exercise (\$)</b>	<b>Number of Shares Acquired on Vesting</b>	<b>Value Realized on Vesting (\$)</b>
<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>
Nuti, William			141,681	3,544,323
Bocian, Peter	92,749	1,159,315	4,358	92,675
Fishman, Robert			861	22,110
Collins, Malcolm			45,829	1,176,889
Lieb, Peter			27,364	702,708
Wallace, Christine			19,003	476,187
Koehler, Michael			4,054	86,217

**Pension Benefits**

The table below this discussion summarizes the present value of accrued benefits for all pension plans for which our Named Executive Officers are eligible.

Starting in 2004, we began transitioning our U.S. retirement program from a defined benefit to a defined contribution structure. 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 the Named Executive Officers. Freezing the plans means that, while participants retain the pension benefits already accrued, no additional contributions will be made by the Company after the effective date of the freeze. At the same time, we increased our matching contribution to our Section 401(k) savings plan. The changes to the defined benefit pension plans and the enhancement to the Section 401(k) plans were designed to provide a valued benefit to our employees while balancing our need to manage costs, be more competitive and optimize stockholder value.

Messrs. Bocian, Koehler and Fishman and Ms. Wallace are the only Named Executive Officers eligible for benefits under our defined benefit pension plans. Because Messrs. Nuti and Lieb joined NCR after the plans had been closed to new participants, they are not eligible for benefits under our defined benefit pension plans.

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Mr. Collins is employed in the U.K., and participates in the U.K. Defined Contribution Pension, which is a defined contribution plan. He is not a participant in the U.K. pension plan, which was closed to participants in 2004, prior to him joining NCR.

*NCR Pension Plan*

The NCR Pension Plan is a non-contributory, qualified pension plan that previously covered all NCR employees based in the U.S. The NCR Pension Plan pays a monthly pension benefit and a PensionPlus benefit, each of which vests after the earlier of three 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 1.3 percent and 1.7 percent, 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 percent (three percent 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, as long as the participant remains an employee of NCR. See Note 9 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2007, 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.

*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 the benefits vest after the earlier of five years of service or attaining age 65. However, if the participant terminates from NCR prior to reaching age 55, the entire benefit is forfeited. See Note 9 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2007, 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. Messrs. Bocian and Koehler and Ms. Wallace are participants in the Excess Plan, although Mr. Bocian forfeited his Excess Plan Benefits upon his termination.

*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. Messrs. Bocian and Koehler and Ms. Wallace are participants in the Officer Plan.

The Officer Plan pays monthly benefits in an amount equal to 2.5 percent 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 the Company's Annual Report on Form 10-K for the year ended December 31, 2007, 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.



**2007 Pension Benefits Table**

<b>Name</b>	<b>Plan Name</b>	<b>Number of Years Credited Service (#)</b>	<b>Present Value of Accumulated Benefit (\$)</b>
Nuti, William <sup>(1)</sup>	N/A	N/A	N/A
Bocian, Peter <sup>(2)</sup>	NCR Pension Plan	24	341,898
	Officer Plan	4.9	157,046
	Excess Plan	24	92,792
Fishman, Robert	NCR Pension Plan	13.6	115,193
Collins, Malcolm <sup>(1)(3)</sup>	N/A	N/A	N/A
Lieb, Peter <sup>(1)</sup>	N/A	N/A	N/A
Wallace, Christine <sup>(2)</sup>	NCR Pension Plan	27.2	473,502
	Officer Plan	11.1	375,338
	Excess Plan	27.2	204,189
Koehler, Michael <sup>(2)</sup>	NCR Pension Plan	31.3	527,341
	Officer Plan	12.2	435,938
	Excess Plan	31.3	334,427

(1) Messrs. Nuti and Lieb are not participants in, nor eligible with respect to, any of the Company's pension plans because all of the plans were closed to new participants prior to their respective employment dates.

(2) Pursuant to the terms of the Officer Plan, Messrs. Bocian and Koehler and Ms. Wallace have each been credited with fewer years of service under the Officer Plan than his or her years of service with the Company because they did not become eligible for Officer Plan participation until the attainment of executive status.

(3) Mr. Collins participates in a defined contribution plan in the U.K.

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**POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL**

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The tables below show the amount of compensation that would have been paid, and/or benefits that would have been provided to each of the Named Executive Officers in the event of termination of such executive's employment as of December 31, 2007. 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 Benefits in Sections II.F.4, II.F.5 and II.F.6, respectively, of the *Compensation Discussion and Analysis* for a description of such items.

The plans and agreements discussed in Change in Control Arrangements and Severance Benefits 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 are based upon a tier level and conditioned upon such participant's execution of a restrictive covenant and release agreement that includes, among other items, an eighteen-month non-competition, non-solicitation and confidentiality provision.

The Change in Control Severance Plan provides for the following benefits upon the satisfaction of the double-trigger described in Section II.F.5 of this *Compensation Discussion and Analysis* related to the change in control of the Company:

A payment equal to 300 percent of the executive's annual base salary and targeted bonus opportunity under the Management Incentive Plan for Tier I, and 200 percent of the executive's annual base salary and targeted bonus opportunity under the Management Incentive Plan for Tier II;

A payment equal to a pro rata portion of the current year's target bonus opportunity under the Management Incentive Plan, based on the number of days in the year prior to the date of termination;

Accelerated vesting of all performance-based and time-based restricted stock, stock units and options;

Medical and dental benefits and life insurance coverage for the executive and his or her dependents at the same level he or she received during his or her employment for a period of three years for Tier I and two years for Tier II;

Outplacement assistance for a period of one year; and

An excise tax gross-up, if applicable.

In the case of severance agreements, it is generally our practice to negotiate the terms of such agreements, when needed, with each of our most senior executives, including our Named Executive Officers. Such negotiated agreements typically include non-competition, non-solicitation and confidentiality provisions. A description of the U.S. and U.K. reduction-in-force plans and the severance arrangement with Mr. Nuti, each of which was previously referenced in Severance Benefits in the *Compensation Discussion and Analysis*, is provided below.

The U.S. Reduction-in-Force Plan provides our 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 Company-subsidized



medical coverage for them and their dependents for up to 26 weeks. Finally, the plan gives us the discretion to increase the number of weeks of separation pay that an employee receives. It is generally our practice to negotiate such terms with each of our most senior executives, including our Named Executive Officers.

Our U.K. Reduction-in-Force Plan is statutorily prescribed and provides our U.K. employees with a half of a week of pay per year of service for service provided during the time the employee was between 18 and 21 years old, plus one week of pay per year of service for service provided during the time the employee was between 22 and 40 years old, plus one and a half weeks of pay per year of service for service provided during the time the employee was more than 40 years old, up to a total limit of 30 weeks of pay with a weekly pay limit in 2007 of £310. Our U.K. plan includes, in addition to the statutorily prescribed component, a discretionary severance benefit that allows the Company to provide an additional severance benefit of two weeks of pay per year of service up to a maximum of 23 years of service. Like the U.S. plan, the U.K. plan permits us to exercise our discretion to adjust Mr. Collins' separation pay if we consider it appropriate.

We entered into a letter agreement dated as of July 29, 2005 with Mr. Nuti when he became our CEO. The compensation and benefits to be provided pursuant to the terms of the letter agreement are conditioned upon Mr. Nuti's compliance with an eighteen-month non-competition and non-solicitation provision, and a confidentiality provision. The terms of the arrangement, which were determined through the negotiation process, provide that in the event we terminate his employment (other than for cause) or if he were to voluntarily terminate employment for good reason, he would receive:

A payment equal to 150 percent of his annual base salary;

A payment equal to 150 percent of his targeted bonus opportunity under the Management Incentive Plan;

A payment equal to a pro rata portion of the applicable award payout under the Management Incentive Plan for the year in which the severance occurs; and

Medical benefits for himself and his dependents, equal to the level he received during his employment, for a period of 18 months.

#### ***Death and Disability Benefits***

Benefits provided to Named Executive Officers under the termination scenarios of death or disability depend on the individual level of benefits chosen by the Named Executive Officer during the 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 percent of base salary for life insurance, 100 percent of base salary for two to eighteen weeks depending on years of service and 66.67 percent of base salary for the remainder of a 26-week period for short-term disability coverage, and 50 percent of base salary for the duration of an employee's long-term disability for long-term disability coverage. Each employee has the option of choosing a higher level of coverage at his or her own expense.

*Treatment of Equity upon Termination*

Under the Stock Incentive Plan, the vesting treatment of equity awards differs based on the form of equity and the termination reason as outlined below for awards granted in 2006 and 2007. The vesting treatment described below is conditioned upon the participant's compliance with a non-competition and non-solicitation provision of a minimum of twelve month's duration, as well as a confidentiality provision.

Situation	Restricted Stock or Stock Units	Performance-Based Restricted Stock or Stock Units	Stock Options
<b>Death and Long-term Disability ( LTD ) for awards granted in 2006</b>	Award vests in full upon the date of death or LTD.	A pro rata portion of the award, calculated as of the date of death or LTD, 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 as follows: For the one-year period following the date of death or LTD, regardless of the expiration date. If the death or LTD occurs on or after age 55, until the earlier of the three year period or after death or LTD and the expiration date, but in no event earlier than one year following the date of death or disability.
<b>Death and Long-term Disability ( LTD ) for awards granted in 2007</b>	Award vests in full upon the date of death or LTD.	A pro rata portion of the award, calculated as of the date of death or LTD, 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 as follows: If death or LTD occurs before age of 55, until the later of the one-year anniversary of the death or LTD and the Expiration Date. If death or LTD occurs on or after age 55, this Option may be exercised until the later of the third anniversary of the date of death or LTD and the Expiration Date.
<b>Retirement</b>	Pro rata portion will become fully vested as of date of retirement.	A pro rata portion of the award, 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.
<b>Termination due to Reduction in Force ( RIF )</b>	Pro rata portion will become fully vested as of date of RIF.	A pro rata portion of the award, 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 59 days after termination or the expiration date.
<b>Voluntary Resignation</b>	Award is forfeited.	Award is forfeited.	Unvested awards are forfeited. Vested awards expire the earlier of 59 days after termination or the expiration date.

Situation	Restricted Stock or Stock Units	Performance-Based Restricted Stock or Stock Units	Stock Options
<b>Involuntary Termination for Cause</b>	Award is forfeited.	Award is forfeited.	Award is forfeited.
<b>Change in Control ( CIC ) for awards granted in 2006</b>	If Company assumes, and termination occurs (other than for cause or disability) within 24 months of CIC, award vests in full upon termination. If Company does not assume, award vests in full immediately prior to CIC.	If Company assumes, and termination occurs (other than for cause or disability) within 24 months of CIC, award vests in full upon termination. If Company does not assume, award vests in full immediately prior to CIC.	<p>If Company assumes, vesting continues as scheduled and options are exercisable as set by the grant agreement. If Company assumes and termination occurs (other than for cause or voluntary termination for good reason) within 24 months after CIC, award vests in full and are exercisable the later of last date on which it would be exercisable in the absence of CIC or the first anniversary of the termination, but in no case no later than natural expiration.</p> <p>If Company does not assume, award vests in full immediately prior to CIC and exercise periods are not specified.</p>

Situation	Restricted Stock or Stock Units	Performance-Based Restricted Stock or Stock Units	Stock Options
<b>Change in Control ( CIC ) for awards granted in 2007</b>	<p>If Company assumes and termination (other than for cause or disability, and, in the case of employees who are subject to the NCR CIC Plan and/or Severance Plan, for good reason) occurs within 24 months of CIC, award vests in full upon termination of employment.</p>	<p>If Company assumes and CIC occurs on or prior to the first anniversary of the grant, award vests in full at the end of the performance period at target. If Company assumes and CIC occurs after the first anniversary of the grant, award vests in full at the end of the performance period (without regard to performance after the CIC or pro-ration) based on actual performance through the end of the calendar year immediately prior to CIC.</p>	<p>If Company assumes, vesting continues as scheduled and are exercisable as set by the grant agreement. If Company assumes and termination occurs (voluntary or involuntary other than for cause or disability) within 24 months of CIC, award vests in full and are exercisable the earlier of the natural expiration or the first anniversary of the termination date.</p>
	<p>If Company does not assume, award vests in full immediately prior to CIC.</p>	<p>If Company does not assume and CIC occurs on or prior to the first anniversary of the grant, award vests in full prior to the CIC at target. If Company does not assume and CIC occurs after the first anniversary of the grant, award vests in full immediately prior to the CIC (without regard to performance after the CIC or pro-ration) based on actual performance through the end of the calendar year immediately prior to CIC. If Company assumes and termination occurs (involuntary or voluntary other than for cause or disability) within 24 months after CIC award vests according to the above provisions, as applicable, immediately upon date of termination.</p>	<p>If Company does not assume, award vests in full immediately prior to CIC and exercise periods are not specified.</p>

There are grants outstanding and unvested under the Management Stock Plan from the years 2005, 2004 and 2003. The vesting treatment upon termination differs based on the vehicle and the termination reason as outlined below. The vesting treatment described below is conditioned upon the participant's compliance with a non-competition and non-solicitation provision of a minimum of eighteen months duration, as well as a confidentiality provision.

Situation	Restricted Stock	Performance-Based	
		Restricted Stock	Stock Options
<b>Death and Long-term Disability</b>	Award vests in full upon date of death or LTD.	N/A	Award vests in full upon the date of death or LTD and are exercisable for the ten-year life of the grant.
<b>Retirement</b>	Award is forfeited.	N/A	Award vests in full. Award may be exercised for the ten-year life of the grant.
<b>Termination due to Reduction in Force</b>	Award is forfeited.	N/A	Unvested awards are forfeited. Vested awards expire the earlier of one day prior to 60 days post termination or the expiration date.
<b>Voluntary Resignation</b>	Award is forfeited.	N/A	Unvested awards are forfeited. Vested awards expire the earlier of one day prior to 60 days post termination or the expiration date.
<b>Involuntary Termination for Cause</b>	Award is forfeited.	N/A	Unvested awards are forfeited. Vested awards expire the earlier of one day prior to 60 days post termination or the expiration date.
<b>Change-in- Control</b>	Award is forfeited.	N/A	Awards vest in full upon the date of CIC. Term is determined by the succeeding company.

**2007 Potential Payments Upon Termination and Change in Control Table**

The table that follows shows the estimated amounts each Named Executive Officer would have received upon the occurrence of the events listed in the table.

	<u>Change in Control / Severance</u>	<u>Reduction-in-Force (5),(6)</u>	<u>Death</u>	<u>Disability</u>	<u>Voluntary Resignation</u>
<b>Nuti, William</b>					
Cash	\$ 6,000,000	\$ 3,000,000	N/A	N/A	N/A
Prorata Bonus	2,368,432	2,368,432	2,368,432	2,368,432	N/A
Stock Option <sup>(1)</sup>	8,637,620	2,440,400	8,637,620	8,637,620	N/A
Restricted Stock & Performance-Based Shares <sup>(1)</sup>	7,902,760	884,731	884,731	884,731	N/A
Welfare Benefits	40,377	14,345	N/A	N/A	N/A
Excise Tax Gross-Up <sup>(1),(2),(3),(4)</sup>	7,669,133	N/A	N/A	N/A	N/A
Outplacement	10,000	10,000	N/A	N/A	N/A
Life Insurance <sup>(7)</sup>	N/A	N/A	1,200,000	N/A	N/A
Disability Payments <sup>(8)</sup>	N/A	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>\$ 32,628,322</b>	<b>\$ 8,717,908</b>	<b>\$ 13,090,783</b>	<b>\$ 11,890,783</b>	<b>\$</b>
<b>Bocian, Peter</b>					
Cash	N/A	N/A	N/A	N/A	N/A
Prorata Bonus	N/A	N/A	N/A	N/A	N/A
Stock Option	N/A	N/A	N/A	N/A	N/A
Restricted Stock & Performance-Based Shares	N/A	N/A	N/A	N/A	N/A
Welfare Benefits	N/A	N/A	N/A	N/A	N/A
Excise Tax Gross-Up	N/A	N/A	N/A	N/A	N/A
Outplacement	N/A	N/A	N/A	N/A	N/A
Life Insurance	N/A	N/A	N/A	N/A	N/A
Disability Payments	N/A	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Fishman, Robert</b>					
Cash	\$ 1,260,000	\$ 120,000	N/A	N/A	N/A
Prorata Bonus	270,318	270,318	270,318	270,318	N/A
Stock Option	80,142	N/A	80,142	80,142	N/A
Restricted Stock & Performance-Based Shares	271,281	26,969	26,969	26,969	N/A
Welfare Benefits	35,894	4,554	N/A	N/A	N/A
Excise Tax Gross-Up	804,353	N/A	N/A	N/A	N/A
Outplacement	10,000	10,000	N/A	N/A	N/A
Life Insurance	N/A	N/A	1,200,000	N/A	N/A
Disability Payments	N/A	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>\$ 2,731,988</b>	<b>\$ 431,841</b>	<b>\$ 1,577,429</b>	<b>\$ 377,429</b>	<b>\$</b>
<b>Collins, Malcolm</b>					
Cash	\$ 2,771,627	\$ 263,965	N/A	N/A	N/A
Prorata Bonus	575,489	575,489	575,489	575,489	N/A
Stock Option	958,208	N/A	958,208	958,208	N/A
Restricted Stock & Performance-Based Shares	1,720,856	131,539	131,539	131,539	N/A
Welfare Benefits	7,664	889	N/A	N/A	N/A
Excise Tax Gross-Up	1,998,408	N/A	N/A	N/A	N/A
Outplacement	10,000	10,000	N/A	N/A	N/A
Life Insurance	N/A	N/A	1,200,000	N/A	N/A

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Disability Payments	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>TOTAL</b>	<b>\$ 8,042,252</b>	<b>\$ 981,882</b>	<b>\$ 2,865,236</b>	<b>\$ 1,665,236</b>	<b>\$</b>



	<u>Change in Control / Severance</u>	<u>Reduction-in-Force (5),(6)</u>	<u>Death</u>	<u>Disability</u>	<u>Voluntary Resignation</u>
<b>Lieb, Peter</b>					
Cash	\$ 1,296,000	\$ 202,500	N/A	N/A	N/A
Prorata Bonus	373,029	373,029	373,029	373,029	N/A
Stock Option	691,333		691,333	691,333	
Restricted Stock & Performance-Based Shares	1,199,805	112,609	112,609	112,609	N/A
Welfare Benefits	2,680		N/A	N/A	N/A
Excise Tax Gross-Up	1,094,524	N/A	N/A	N/A	N/A
Outplacement	10,000	10,000	N/A	N/A	N/A
Life Insurance	N/A	N/A	1,200,000	N/A	N/A
Disability Payments	N/A	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>\$ 4,667,371</b>	<b>\$ 698,138</b>	<b>\$ 2,376,971</b>	<b>\$ 1,176,971</b>	<b>\$</b>
<b>Wallace, Christine</b>					
Cash	\$ 1,995,000	\$ 190,000	N/A	N/A	N/A
Prorata Bonus	515,841	515,841	515,841	515,841	N/A
Stock Option	504,230		504,230	504,230	
Restricted Stock & Performance-Based Shares	1,590,499	116,967	116,967	116,967	N/A
Welfare Benefits	37,558	4,554	N/A	N/A	N/A
Excise Tax Gross-Up	1,188,919	N/A	N/A	N/A	N/A
Outplacement	10,000	10,000	N/A	N/A	N/A
Life Insurance	N/A	N/A	1,200,000	N/A	N/A
Disability Payments	N/A	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>\$ 5,842,047</b>	<b>\$ 837,362</b>	<b>\$ 2,337,038</b>	<b>\$ 1,137,038</b>	<b>\$</b>
<b>Koehler, Michael<sup>(9)</sup></b>					
Cash	N/A	N/A	N/A	N/A	N/A
Prorata Bonus	N/A	N/A	N/A	N/A	N/A
Stock Option	N/A	N/A	N/A	N/A	N/A
Restricted Stock & Performance-Based Shares	N/A	N/A	N/A	N/A	N/A
Welfare Benefits	N/A	N/A	N/A	N/A	N/A
Excise Tax Gross-Up	N/A	N/A	N/A	N/A	N/A
Outplacement	N/A	N/A	N/A	N/A	N/A
Life Insurance	N/A	N/A	N/A	N/A	N/A
Disability Payments	N/A	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

(1) Equity valuations assume closing price of NCR stock on December 31, 2007 of \$25.10.

(2) 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 32.24%
- (b) Dividend Yield 0%
- (c) Risk Free Rate 4.48%

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(d) Option Term expected option term of 5.0 years less elapsed time since option grant or one year (depending on stock plan in effect at grant)

(3) 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 4.61%

(b) Mid Term 4.91%

(c) Long Term 5.60%

- (4) The excise tax gross up is calculated using a 20 percent excise tax rate and a 40 percent individual income tax rate.
- (5) Cash severance payment is subject to individual negotiation. The amount provided is an estimate.
- (6) The payments reported in these columns include only unvested awards. Vested equity is reported in the Outstanding Equity Awards at Fiscal Year-End Table. Equity would accelerate upon termination for good reason as well.
- (7) Proceeds would be payable by a third-party insurer.
- (8) Named Executive Officers in the U.S. are provided with core disability payments as discussed under **Death and Disability Benefits** on page 52. Messrs. Nuti, Fishman, Lieb and Koehler and Ms. Wallace each opted for core coverage for 2007. Mr. Collins would have received GBP 112,600 (approximately \$227,797) per year as long-term disability benefits.
- (9) Mr. Koehler earned nine months of his award payable under the Management Incentive Plan during the time he was employed with NCR. In addition, his equity was converted to awards based on Teradata common stock.

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**DIRECTOR COMPENSATION**

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Pursuant to authority granted to it by NCR's Board of Directors, the Committee on Directors and Governance (the Directors Committee) adopted the NCR Director Compensation Program effective as of April 24, 2007. The 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. Mr. Nuti does not receive remuneration for his service as Chairman of the Board of NCR.

***Annual Retainer***

Prior to the Spin-Off (the period from January 1, 2007 to September 30, 2007), under the Director Compensation Programs in effect in 2007, each non-employee member of NCR's Board received an annual retainer of \$75,000. The Chairman of the Board (Mr. Ringler) received an additional retainer of \$165,000, and each director serving on the Audit Committee received an additional retainer of \$5,000. The Chair of the Committee on Directors and Governance (Mr. Prahalad) received an additional retainer of \$9,000, and the Chairs of the Audit Committee (Mr. Boykin) and Compensation and Human Resource Committee (Ms. Levinson) each received an additional retainer of \$12,000. All retainers were paid on a prorated basis.

Following the Spin-Off, effective as of October 1, 2007, the following changes occurred. Messrs. Ringler, Stavropolous and Lund ceased to serve on the Board of Directors of NCR in order to serve on the Board of Directors of Teradata Corporation. Mr. Nuti was elected as Chairman of the Board and received no additional remuneration for his service in such capacity. Ms. Levinson was elected Independent Lead Director of the Board and received an additional annual retainer of \$75,000 for such service. All other director compensation-related matters were unchanged following the Spin-Off.

Prior to January 1 of each year, a 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. Beginning in 2007, deferral elections for NCR common stock for retainers made in 2007 and after will be paid out only in cash unless the director elects in writing, delivered to the Company no later than 60 days prior to the date of distribution (or the date of the first distribution, if made in installments), that all or any designated portion of the deferred stock account be paid in shares of NCR common stock.

***Initial Equity Grant***

The Director Compensation Program provides that upon initial election to the 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.

***Annual Equity Grant***

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The 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 or restricted stock units and options to purchase a number of shares of NCR common stock, the value of which is determined by the 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 that otherwise would be received upon vesting of restricted stock units.

Pursuant to the Director Compensation Program, on the date of NCR's 2007 annual meeting each non-employee director received an annual equity award valued at \$62,500, which was granted in the form of 1,305 restricted

stock units. Mr. Boykin, and former directors Messrs. Lund and Ringler, each elected to defer his receipt of the shares represented by the restricted stock units until the date upon which he ceases to serve as a director of NCR and/or Teradata Corporation. Each non-employee director also received an additional annual equity award valued at \$62,500, which was granted in the form of options to purchase 3,252 shares of NCR's common stock. The exercise price of for these options at the time of grant was \$49.80, which was the closing price on the effective date of grant. The exercise price of these options was adjusted in connection with the Spin-Off using the same methodology applied in all other adjustments related to the Spin-Off.

**2007 Director Compensation Table**

The table below shows information on 2007 compensation for our non-employee directors. There were no amounts reportable under non-equity incentive plan compensation, change in pension value and nonqualified deferred compensation earnings or other compensation in 2007.

Name (a)	Fees Earned or Paid in Cash (\$)(b) (5),(6)	Stock Awards (\$) (c) (8),(9),(10)	Option Awards (\$) (d) (11),(12)	Total (\$) (h)
Ringler, James; Former Chairman <sup>(1)</sup>	180,000	47,497	18,457	245,954
Levinson, Linda Fayne; Independent Lead Director <sup>(1),(2)</sup>	52,875 <sup>(7)</sup>	105,002	18,457	123,459
Boykin, Edward (Pete) <sup>(3)</sup>	<sup>(7)</sup>	142,562	18,457	161,019
Frissora, Mark	75,000	61,432	18,457	154,889
Daichendt, Gary	<sup>(7)</sup>	163,160	18,457	181,617
Lund, Victor	60,000	47,497	18,457	125,954
Prahalad, C.K. <sup>(4)</sup>	<sup>(7)</sup>	145,529	18,457	163,986
Stavropoulos, William	56,250	53,077	18,457	127,784

(1) Mr. Ringler served as Chairman of the Board of Directors until October 1, 2007 at which time Mr. Nuti was named Chairman of the Board of Directors with Ms. Levinson serving as Independent Lead Director. Mr. Ringler left NCR's Board of Directors to serve as Chairman of the Board of Directors for Teradata Corporation.

(2) Ms. Levinson serves as Chair of the Compensation and Human Resource Committee. Additionally, she has served as Independent Lead Director since October 1, 2007. In connection with Ms. Levinson's new role as Independent Lead Director she received an additional \$75,000 retainer per year beginning October 1, 2007. Ms. Levinson was appointed to serve as a member of the Committee on Directors and Governance in 2008, but she did not serve on this Committee or receive any compensation related to service for this Committee in 2007.

(3) Mr. Boykin serves as Chair of the Audit Committee.

(4) Mr. Prahalad serves as Chair of the Committee on Directors and Governance.

(5) Amounts reported in this column represent the annual retainers and meeting fees earned by the directors in 2007 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 or her 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 2007 in accordance with FAS 123R with respect to such stock is reflected in the stock awards column (column (c)).

(6) The Board of Directors adopted a new Director Compensation Program, effective April 24, 2007.

(7) Messrs. Boykin, Daichendt and Prahalad elected to receive the following Cash Retainers earned in 2007 in the form of an equivalent number of shares: Mr. Boykin, \$92,000; Mr. Daichendt, \$80,000; and Mr. Prahalad, \$89,000. Ms. Levinson elected to receive her Cash Retainers equally divided between cash and an equivalent number of shares, such that she received \$52,875 in the form of cash and \$52,875 in the form of shares. 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.



(8) The amounts reported in this column include the dollar amount recognized for financial statement reporting purposes in 2007 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, 2007, 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 in 2007 was \$62,500 which equated to 1,305 Restricted Stock Units.

(9) The amounts reported in this column also include the dollar amount recognized for financial statement reporting purposes in 2007 in accordance with FAS 123R with respect to Ms. Levinson and Messrs. Boykin, Daichendt and Prahalad who have elected to receive their Cash Retainers in the form of shares, as described in footnote 7 above. 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, 2007, 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 30, 2007 is \$10,878 for Ms. Levinson, \$23,002 for Mr. Boykin, \$22,283 for Mr. Prahalad and \$20,031 for Mr. Daichendt. The grant date fair value for Cash Retainers paid in stock on June 29, 2007 is \$10,876 for Ms. Levinson, \$23,013 for Mr. Boykin, \$20,018 for Mr. Daichendt and \$22,277 for Mr. Prahalad. The grant date fair value for Cash Retainers paid in stock on September 7, 2007 is \$10,900 for Ms. Levinson, \$23,022 for Mr. Boykin, \$20,041 for Mr. Daichendt and \$22,289 for Mr. Prahalad. The grant date fair value for Cash Retainers paid in stock on December 29, 2006 are \$10,917 for Ms. Levinson, \$23,032 for Mr. Boykin, \$20,035 for Mr. Daichendt and \$22,261 for Mr. Prahalad.

(10) Each non-employee director had 653 Restricted Stock Units unvested and outstanding as of December 31, 2007. Mr. Boykin, and former directors Messrs. Ringler and Lund, elected to defer their receipt of shares that would otherwise be issuable in respect of restricted stock units until they vest.

(11) The amounts reported in this column is the dollar amount recognized for financial statement reporting purposes in 2007 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 the Company's Annual Report on Form 10-K for the year ended December 31, 2007, 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 in 2007 was \$62,500 and equated to 3,252 options to purchase NCR common stock.

(12) The Option Awards outstanding as of December 31, 2007 for each of the non-employee directors who served in 2007 are as follows: Mr. Ringler, 71,586; Mr. Boykin, 42,976; Mr. Frissora, 22,976; Mr. Daichendt, 6,976; Ms. Levinson, 81,022; Mr. Lund, 30,976; and Mr. Prahalad, 81,022; and Mr. Stavropoulos, 68,976.



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**EQUITY COMPENSATION PLAN INFORMATION**


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The table below shows information regarding awards outstanding and shares available for issuance under our Management Stock Plan that was in effect until April 25, 2006 and our Stock Incentive Plan that was adopted April 26, 2006.

<u>Plan category</u>	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights</u>	<u>Weighted average exercise price of outstanding options, warrants and rights</u>	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column a)</u>
	(a)	(b)	(c)
Equity compensation plans approved by security holders :			
Management Stock Plan(1)	7,146,443	\$ 12.80	0
Stock Incentive Plan(2)	3,443,712(3)	\$ 21.43	19,715,324
Equity compensation plans not approved by security holders:	N/A	N/A	N/A
<b>Total</b>	<b>10,590,155</b>	<b>\$ 15.61</b>	<b>19,715,324</b>

(1) The NCR Management Stock Plan was adopted with stockholder approval, effective January 1, 1997. The plan contained an evergreen provision, pursuant to which the number of shares authorized under the plan was increased by 4% of the outstanding shares on the first day of the year for each year during the ten-year term of the plan without the need for additional Board or stockholder approval. There were no shares authorized under the plan as of December 31, 2007. The NCR Management Stock Plan was terminated as of April 26, 2006, upon the stockholders' approval of the Stock Incentive Plan; however, such termination did not affect awards previously granted and outstanding under the NCR Management Stock Plan.

(2) The Stock Incentive Plan was adopted with stockholder approval, effective April 26, 2006.

(3) Includes a total of 954,562 performance-based restricted stock units that were outstanding under the Stock Incentive Plan as of December 31, 2007.

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**RELATED PERSON TRANSACTIONS**

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Our Committee on Directors and Governance is responsible for determining whether any conflicts of interest exist and the review and approval of each related party transaction. In January 2007 the Board of Directors formalized in writing a Related Person Transactions Policy.

This policy provides for approval or ratification of each related person transaction in accordance with the procedures and policies discussed below (i) by the Company'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 the Company unless the consummation of such transaction is expressly subject to ratification.

If the Company 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 the Company shall take all reasonable actions to attempt to terminate the Company'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 the Company 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 the Company as would be available in comparable transactions with or involving unaffiliated third parties.

The Company previously considered and authorized a related party transaction involving Kimberly Bocian who was an employee of the Company until April 2007 and the wife of Peter Bocian, NCR's former Senior Vice President and Chief Financial Officer. Ms. Bocian received total cash payments of approximately \$108,841 during 2007. In addition, on March 1, 2007, Ms. Bocian received an award of 4,299 options to purchase shares of NCR stock and an award of 1,727 performance-based restricted stock units. However, both of these awards were forfeited upon her departure.

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**FEES PAID TO INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**


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The following table presents the approximate fees for professional audit services rendered by the Company's independent registered public accounting firm, PricewaterhouseCoopers LLP ( PwC ), for the audit of the Company's financial statements for fiscal years 2007 and 2006, as well as the approximate worldwide fees billed for other services rendered by PwC in such years:

Service	2007	2006
Audit Fees <sup>(1)</sup>	\$ 8,831,300	\$ 7,779,400
Audit-Related Fees <sup>(2)</sup>	\$ 400,800	\$ 333,800
<i>Subtotal</i>	\$ 9,232,100	\$ 8,113,200
Tax Fees <sup>(3)</sup>	\$ 1,092,900	\$ 1,318,000
All Other Fees <sup>(4)</sup>	\$ 13,700	\$ 15,800
<i>Subtotal</i>	\$ 1,106,600	\$ 1,333,800
<b>Total Fees</b>	<b>\$ 10,338,700</b>	<b>\$ 9,447,000</b>

(1) Includes fees required for the review and examination of NCR's consolidated financial statements, the audit of internal controls over financial reporting, quarterly reviews of interim financial statements, statutory audits, and consultations by management as to the accounting or disclosure treatment of transactions or events and the actual or potential impact of final or proposed rules, standards or interpretations by regulatory and standard setting bodies. Also includes attestation services and review services associated with the Company's filings with the SEC. The 2007 audit fees also include \$1.9 million for services rendered for the audit of the historical financial statements of NCR's Teradata Data Warehousing business, which was undertaken in connection with the spin-off of Teradata. In addition, this amount includes fees incurred for professional services rendered for the review of the interim financial statements included in Teradata's filings with the SEC.

(2) Includes fees related to financial audits of employee benefit plans and services related to the filing of securities reports for one of the Company's international subsidiaries.

(3) Generally includes tax compliance, tax advice, tax planning and expatriate services. In 2007 and 2006 respectively, fees for tax services include:

(a) \$37,000 and \$27,300 for tax compliance including the preparation, review and filing of tax returns;

(b) \$143,400 and \$184,100 for Internal Revenue Service consultation and tax audit assistance;

(c) \$22,600 and \$40,500 for local country statutory financial statement services incidental to the preparation of local country tax returns and a foreign tax consultation among other things; and

(d) \$889,900 and \$1,066,100 for expatriate services including tax return preparation, tax equalization calculations, tax consultancy, and related international assignment administration services.

(4) Includes fees for all other work performed by PwC that does not meet the above category descriptions. In 2007, of these fees: approximately 22% related to licensing of proprietary software, approximately 15% related to audits pertaining to a foundation and a dormant organization, and approximately 63% related to an excise tax refund interest calculation review. In 2006, of these fees: approximately 33% related to planning, advisory and tax services in connection with the liquidation of previously-acquired corporate entities after their operational integration into the Company; approximately 19% related to licensing of proprietary software; approximately 5% related to non-audit work regarding a compensation analysis performed by the Company; approximately 30% of these fees related to assistance with SEC filings for new stock plans; and approximately 13% of these fees related to audits pertaining to a foundation and a dormant organization.

The Audit Committee has adopted policies and procedures regarding its pre-approval of the audit, audit-related, tax and all other non-audit services to be provided by the Company's independent registered public accounting firm or its affiliates to NCR or its consolidated subsidiaries (the Pre-Approval Policy). This policy is designed



to assure that the provision of such services does not impair the independence of the Company's independent registered public accounting firm. Under the Pre-Approval Policy, at the beginning of each fiscal year, the Audit Committee will review the services proposed by management and the Company's independent registered public accounting firm to be provided during that year. The Audit Committee will then provide its pre-approval based on the limitations set forth in the Pre-Approval Policy. These limitations included the following:

In no case should NCR or its consolidated subsidiaries retain the Company's independent registered public accounting firm or its affiliates to provide management consulting services or any non-audit services that are not permitted under applicable laws and regulations, including, without limitation, the Sarbanes-Oxley Act of 2002 and the SEC's related rules and regulations.

Unless a type of service to be provided by the independent registered public accounting firm has received general pre-approval, it will require specific pre-approval by the Audit Committee. Any other non-audit services and tax consulting services will require specific pre-approvals by the Audit Committee and a determination that such services would not impair the independence of the Company's independent registered public accounting firm. Specific pre-approvals by the Audit Committee will also be required for any material changes or additions to the pre-approved services.

The Audit Committee recommends that the ratio of total tax and all other non-audit services to total audit and audit-related services procured by the Company in a fiscal year be less than 1 to 1.

The Audit Committee will not permit the exclusive retention of NCR's independent registered public accounting firm in connection with a transaction initially recommended by the independent auditors, the purpose of which may be tax avoidance and the tax treatment of which is not supported in applicable tax law.

Pre-approval fee levels for all services to be provided by the independent registered public accounting firm will be established annually by the Audit Committee, and updated on a quarterly basis by the Audit Committee at its regularly scheduled meetings. Any proposed services significantly exceeding these levels will require separate pre-approval by the Audit Committee.

The Corporate Controller will report to the Audit Committee on a quarterly basis regarding the status of all pre-approved audit, audit-related, tax and all other non-audit services provided by the Company's independent registered public accounting firm or its affiliates to NCR or its consolidated subsidiaries.

Back-up documentation will be provided to the Audit Committee by management and/or the independent registered public accounting firm when requesting pre-approval of services by the Company's independent registered public accounting firm. At the request of the Audit Committee, additional detailed documentation regarding the specific services will be provided.

Requests or applications to provide services that require separate approval by the Audit Committee will be submitted to the Audit Committee by the Chief Financial Officer, with the support of the independent registered public accounting firm, and must include a joint statement as to whether, in the view of management and the independent registered public accounting firm, the request or application is consistent with the SEC's rules on auditor independence.

Under the Pre-Approval Policy, the Audit Committee has delegated to its Chair limited authority to grant pre-approvals for audit, audit-related, tax and other non-audit services in the event that immediate approval of a service is needed. The Chair shall report any pre-approval decisions to the Audit Committee at its next scheduled meeting for its review and approval. The Audit Committee has not delegated to management its responsibilities to pre-approve services performed by the independent registered public accounting firm.

The audit, non-audit, tax and all other non-audit services provided by PwC to the Company, and the fees charged for such services, are actively monitored by the Audit Committee as set forth in the Pre-Approval Policy on a quarterly basis to maintain the appropriate level of objectivity and independence in the firm's audit work for NCR. Part of the Audit Committee's ongoing monitoring includes a review of any de minimis

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exceptions as provided in the applicable SEC rules for non-audit services that were not pre-approved by the Audit Committee. In 2007 and 2006, of those total amounts reported above, all activities were pre-approved by the Audit Committee prior to commencement, thus no de minimis activity was reported.

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**BOARD AUDIT COMMITTEE REPORT**

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The Audit Committee consists of three directors, each of whom is independent as determined by the Board of Directors under the standards set forth in the Board's Corporate Governance Guidelines, which are based on the requirements of the listing standards of the New York Stock Exchange ( NYSE ) and the applicable rules of the U.S. Securities and Exchange Commission ( SEC ). In accordance with NYSE rules, all members are financially literate. In addition, one of its members is an audit committee financial expert as defined under applicable SEC rules. A brief description of the responsibilities of the Audit Committee is set forth above under the caption Committees of the Board. The Audit Committee acts under a charter adopted by the Board of Directors, which is periodically reviewed and revised as appropriate. The Audit Committee charter was revised and approved by the Board of Directors in October 2007, and is available on the Company's corporate governance website at [http://www.ncr.com/corpgovernance/corpgov\\_board\\_charters.htm](http://www.ncr.com/corpgovernance/corpgov_board_charters.htm).

In general, NCR's management is responsible for the preparation, presentation and integrity of the Company's financial statements, accounting and financial reporting principles, internal controls, and procedures designed to ensure compliance with accounting standards, applicable laws, and regulations. PricewaterhouseCoopers, NCR's independent registered public accounting firm, is responsible for performing an independent audit of the Company's consolidated financial statements and expressing an opinion on the conformity of those financial statements with generally accepted accounting principles, as well as an independent audit of the Company's internal control over financial reporting.

In the course of fulfilling its oversight responsibilities, the Audit Committee has reviewed and discussed with NCR management the Company's audited financial statements for fiscal year 2007, as well as its quarterly public earnings releases and its quarterly reports on Form 10-Q, and, together with the Board, has reviewed and discussed the Company's annual report on Form 10-K and proxy statement. In addition, the Audit Committee met with management frequently during the year to consider the adequacy of the Company's internal control over financial reporting and spent considerable time and effort overseeing the Company's compliance efforts in connection with Section 404 of the Sarbanes-Oxley Act of 2002. The Audit Committee also discussed with NCR's senior management and independent registered public accounting firm the process used for certifications by the Company's Chief Executive and Chief Financial Officers for certain of the Company's filings with the SEC, as well as the clarity and completeness of the Company's financial disclosures. Further, the Audit Committee discussed with PricewaterhouseCoopers, the Company's independent registered public accounting firm, the matters required to be discussed by SAS 61 (Codification of Statements on Auditing Standards). The Audit Committee also has received the written disclosures and the letter from PricewaterhouseCoopers required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, and has discussed with PricewaterhouseCoopers its independence. In connection with its discussions concerning the independence of its independent registered public accounting firm, the Audit Committee adopted its annual policy requiring that the Audit Committee pre-approve all audit, audit-related, tax and other non-audit services provided by the Company's independent registered public accounting firm or its affiliates to NCR or its consolidated subsidiaries. The committee also reviewed its procedures for processing and addressing complaints regarding accounting, internal controls, or auditing matters, and the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters. Finally, the Audit Committee has reviewed NCR's critical accounting policies and alternative policies with management and the Company's independent registered public accounting firm to determine that both are in agreement that the policies currently being used are appropriate.

The Audit Committee met in executive session at its regular meetings periodically throughout the year with both PricewaterhouseCoopers and the internal auditors. It also met privately on occasion with the Chief Financial Officer and Corporate Controller of the Company, each of whom has unrestricted access to the committee.

Based on the reviews and the discussions referred to above, the Audit Committee recommended to the Board that the Company's audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 for filing with the SEC.

Dated: February 26, 2008

*The Audit Committee:*

Edward P. Boykin, Chair

Gary Daichendt

C.K. Prahalad



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**DIRECTORS PROPOSAL TO RATIFY THE APPOINTMENT OF  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2008**

**(Item 2 on Proxy Card)**

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The Board's Audit Committee, which is composed entirely of independent directors, appointed PricewaterhouseCoopers LLP (PricewaterhouseCoopers) as the Company's independent registered public accounting firm for 2008 to audit NCR's consolidated financial statements. The Board has approved this selection and, as a matter of good corporate governance, is asking you to ratify this appointment.

Based on its Pre-Approval Policy (as defined above on page 65) and applicable SEC rules and guidance, the Audit Committee has considered whether the provision of the tax and other non-audit services described above under the caption Fees Paid to Independent Registered Public Accounting Firm was compatible with maintaining PricewaterhouseCoopers' independence and concluded that it was.

PricewaterhouseCoopers has been the Company's independent registered public accounting firm for many years and is a leader in providing audit services to the high-technology industry. The Board believes that PricewaterhouseCoopers is well qualified to serve as NCR's independent registered public accounting firm given its experience, global presence with offices or affiliates in or near most locations where NCR does business, and quality audit work in serving the Company. PricewaterhouseCoopers rotates its audit partners assigned to audit NCR at least once every five years and the Audit Committee has placed restrictions on the Company's ability to hire any employees or former employees of PricewaterhouseCoopers or its affiliates.

PricewaterhouseCoopers representatives will be at the annual meeting to answer questions, and they may also make any statement they wish at the meeting.

**The Board and Audit Committee recommend that you vote FOR this proposal.** If the stockholders do not approve this proposal, the Audit Committee and the Board of Directors will reconsider the appointment, but may decide to maintain its appointment of PricewaterhouseCoopers. Proxies solicited by the Board of Directors will be voted FOR this proposal, unless you specify otherwise in your proxy.

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**OTHER MATTERS**

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The Board of Directors does not know of any matters that will be brought before the annual meeting other than those listed in the notice of meeting. If any other matters are properly introduced at the meeting for consideration, including consideration of a motion to adjourn the meeting to another time or place, the individuals named on the enclosed form of proxy will have authority to vote on such matters in their discretion.

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**ADDITIONAL INFORMATION**

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***Cost of Proxy Solicitation***

We will pay the expenses of soliciting proxies in connection with the annual meeting. Proxies may be solicited on our behalf through the mail, in person, by telephone, electronic transmission, or facsimile transmission. We have hired Georgeson Shareholder Communications Inc., to assist in the solicitation of proxies, at an estimated cost of \$16,000, plus reimbursement of reasonable out-of-pocket expenses. In accordance with the SEC and the NYSE rules, NCR will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their expenses of sending proxies and proxy materials to the beneficial owners of NCR common stock.

***Procedures for Stockholder Proposals and Nominations***

Under NCR's Bylaws, nominations for election of directors at an annual meeting may be made only by (1) the Board of Directors or a committee of the Board, or (2) a stockholder entitled to vote who has delivered notice to the Company no earlier than 150 days nor later than 5:00 p.m., Eastern Time, 120 days before the first anniversary of the date of the mailing of the notice for the preceding year's annual meeting.

Our Bylaws also provide that other business may not be brought before an annual meeting unless it is (1) specified in the notice of meeting (which includes stockholder proposals that the Company is required to include in its proxy statement under SEC Rule 14a-8), (2) brought before the meeting by or at the direction of the Board, or (3) brought by a stockholder entitled to vote who has delivered notice to the Company (containing certain information specified in the Bylaws) no earlier than 150 days nor later than 5:00 p.m., Eastern Time, 120 days before the first anniversary of the date of the mailing of the notice for the preceding year's annual meeting. In addition, you must comply with SEC Rule 14a-8 to have your proposal included in the Company's proxy statement.

A copy of the full text of the Company's Bylaws may be obtained upon written request to the Corporate Secretary at the address provided on page 12 of this proxy statement.

***Stockholder Proposals for 2009 Annual Meeting***

Stockholders interested in presenting a proposal for consideration at NCR's annual meeting of stockholders in 2009 must follow the procedures found in SEC Rule 14a-8 and the Company's Bylaws. To be eligible for possible inclusion in the Company's 2009 proxy materials, all qualified

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proposals must be received by NCR's Corporate Secretary no earlier than October 12, 2008, nor later than 5:00 p.m., Eastern Time, on November 11, 2008.

The above notice and proxy statement are sent by order of the Board of Directors.

Peter M. Lieb

*Senior Vice President,*

*General Counsel and Secretary*

Dated: March 11, 2008

Detach Here

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**2008 ANNUAL STOCKHOLDERS MEETING**

**RESERVATION REQUEST FORM**

If you plan to attend the 2008 Annual Stockholders Meeting of NCR Corporation, please complete the following information and return to Peter M. Lieb, Senior Vice President, General Counsel and Secretary, NCR Corporation, 1700 South Patterson Blvd., Dayton, Ohio 45479.

Your name and address:

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Number of shares of NCR

common stock you hold:

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If the shares listed above are not registered in your name, identify the name of the registered stockholder below *and include evidence that you beneficially own the shares.*

Registered stockholder:

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(name of your bank, broker, or other nominee)

**THIS IS NOT A PROXY CARD**

**1700 S. PATTERSON BOULEVARD**

**DAYTON, OH 45479**

**Your Internet or telephone authorization authorizes the named proxies to vote the shares in the same manner as if you marked, signed and returned your proxy card.**

**AUTHORIZE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time on April 22, 2008. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**AUTHORIZE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time on April 22, 2008. Have your proxy card in hand when you call and follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to NCR Corporation, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

**ELECTRONIC DELIVERY OF FUTURE STOCKHOLDER COMMUNICATIONS**

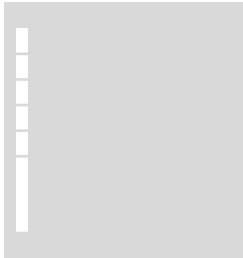
If you would like to reduce the costs incurred by NCR in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to authorize your vote using the Internet and, when prompted, indicate that you agree to receive or access stockholder communications electronically in future years.

KEEP THIS PORTION FOR YOUR RECORDS

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:  
NCRCP1

DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**



**NCR CORPORATION  
NCR S BOARD OF DIRECTORS RECOMMENDS A  
VOTE FOR PROPOSALS 1 and 2.**

- 1. Election of Directors.  
Class C Nominees:
- 01) Mark P. Frissora
- 02) C.K. Prahalad

**For All**   **Withhold All**   **For All Except**

To withhold authority to vote for any individual nominee(s), mark **For All Except** and write the number(s) of the nominee(s) on the line below.

..   ..   ..

**Vote On Proposal**

**For   Against   Abstain**

- 2. Ratification of the appointment of independent registered public accounting firm for 2008.

..   ..   ..

For address changes and/or comments, please check this box and write them on the back where indicated.

..

**Note:** If you attend the meeting and decide to vote by ballot, your ballot will supersede this proxy. If signing for a corporation or partnership or as an agent, attorney or fiduciary, indicate the capacity in which you are signing.

Signature [PLEASE SIGN WITHIN BOX]

Date

Signature (Joint Owners)

Date

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## Annual Meeting of Stockholders

**NCR's Annual Meeting of Stockholders will be held at 9:00 a.m. on April 23, 2008 at NCR's World Headquarters Auditorium, 1700 S. Patterson Boulevard, Dayton, Ohio 45479. Please see your proxy statement for instructions should you wish to attend the meeting.**

**Important notice regarding internet availability of proxy materials for the Annual Meeting:**

The Notice of 2008 Annual Meeting of Stockholders and Proxy Statement, and 2007 Annual Report, are available at [www.proxyvote.com](http://www.proxyvote.com).

q FOLD AND DETACH HERE q

### NCR CORPORATION

#### Proxy/Voting Instruction Card

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

**FOR NCR'S ANNUAL MEETING OF STOCKHOLDERS ON APRIL 23, 2008**

The undersigned stockholder of NCR Corporation, a Maryland corporation ( "NCR" or the "Company" ), hereby appoints William Nuti, Peter Lieb and Anthony Massetti, and each of them, proxies, with the powers the undersigned would possess if personally present, and with full power of substitution, to vote all shares of common stock of NCR that the undersigned is entitled to vote at NCR's Annual Meeting of Stockholders to be held in Dayton, Ohio, on April 23, 2008, and at any postponement or adjournment thereof, upon any matter that may properly come before the meeting, or any postponement or adjournment thereof, including the matters described in the accompanying proxy statement. This proxy also provides voting instructions to the trustee of the NCR Savings Plan and to the trustees and administrators of other plans, with regard to shares of NCR common stock the undersigned may hold under such plans for which the undersigned is entitled to vote at said meeting to the extent permitted by such plans and their trustees and administrators. The undersigned hereby acknowledges receipt of the Notice of the Annual Meeting of Stockholders and of the accompanying Proxy Statement, the terms of each of which are incorporated by reference, and revokes any proxy heretofore given with respect to such meeting.

**THE PROXIES OR THE TRUSTEES AND ADMINISTRATORS OF THE PLANS, AS THE CASE MAY BE, WILL VOTE THE SHARES IN ACCORDANCE WITH THE DIRECTIONS ON THIS CARD. IF YOU DO NOT INDICATE YOUR CHOICES ON THIS CARD, THE**

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PROXIES WILL VOTE THE SHARES FOR EACH OF THE NOMINEES FOR DIRECTORS, FOR EACH OF THE OTHER PROPOSALS DESCRIBED IN THE PROXY STATEMENT AND IN THE DISCRETION OF THE PROXIES ON ANY OTHER MATTER THAT MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF. IF YOU ARE AN NCR SAVINGS PLAN PARTICIPANT OR OTHER PLAN PARTICIPANT ENTITLED TO VOTE AT THE 2008 ANNUAL MEETING OF STOCKHOLDERS AND DO NOT INDICATE YOUR CHOICES ON THIS CARD, THOSE SHARES WILL BE SO VOTED BY THE TRUSTEES OF SUCH PLANS.

Address Changes/Comments: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

**(Continued and to be signed on the reverse side.)**