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

FORM 10-K

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

For the fiscal year ended December 31, 2016

OR

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

For the transition period from _____to _____

Commission File Number 001-33458

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.)**

10000 Innovation Drive

Dayton, Ohio 45342

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (866) 548-8348

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

Title of Each Class	**Name of Each Exchange on which Registered**
Common Stock, $0.01 par value	**New York Stock Exchange**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15 (d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulations S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐

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

The aggregate market value of voting stock held by non-affiliates of the registrant as of June 30, 2016 , was approximately $3.2 billion .

At January 31, 2017 , there were approximately 130.7 million shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III:	Portions of the registrant's Notice of Annual Meeting of Stockholders and Proxy Statement, to be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after registrant's fiscal year end of December 31, 2016 are incorporated herein by reference.

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This report contains trademarks, service marks, and registered marks of Teradata Corporation and its subsidiaries, and other companies, as indicated.

PART I

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 expressions 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:

- our ability to timely and effectively implement our business transformation plan and the execution of our new strategy;
- the rapidly changing and intensely competitive nature of the information technology (“IT”) industry and the analytic data platform business, including the ongoing consolidation activity, threats from new and emerging analytic data technologies and competitors, and pressure on achieving continued price/performance gains for analytic data solutions;
- fluctuations in our operating results, timing of transactions, unanticipated delays or accelerations in our sales cycles and the difficulty of accurately estimating revenues, particularly in light of our strategic shift to more revenue over time and the difficulty predicting the extent to which our customers will choose these deployment options;
- our ability to successfully leverage acquisitions;
- the impact of global economic fluctuations on the markets in general or on the ability of our suppliers and customers to meet their commitments to us, or the timing of purchases by our current and potential customers; and
- risks inherent in operating in foreign countries, including the impact of foreign currency fluctuations, economic, political, legal, regulatory, compliance, cultural and other conditions abroad.

Other factors not identified above, including the risk factors described in the section entitled “Risk Factors” included elsewhere in this Annual Report on Form 10-K (“Annual Report”), 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. 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.

Item 1. BUSINESS

Overview. Teradata Corporation ("we," "us," "Teradata," or the "Company") is a global leader in analytics solutions and services. We empower companies to achieve high-impact business outcomes through analytics at scale, enabled by our technology. We help customers know how and where to use analytics and data to drive business value. We also help customers architect their analytical ecosystem to match technology choices to business needs, and we deploy analytics technology that businesses can scale to meet their growing data analytic needs. Our strategy is to deliver business value by being the best analytical partner to the world’s leading firms across a broad set of industries who have high-priority and complex analytical needs.

Our offerings include analytics solutions, ecosystem architecture consulting and hybrid cloud solutions. These solutions include software and hardware technology components such as data warehousing, big data, and tools for data integration, data discovery, and business intelligence. Our services help companies architect, manage, and

integrate their complex and ever-changing analytic ecosystem, and include technology and data architecture consulting, analytic business consulting, open source consulting, and “as-a-service” offerings in the cloud. Additionally, we offer a comprehensive set of support services. In 2016, we announced our new Teradata Everywhere ™ offering through which we provide our Teradata database software in a production-scale and deployment agnostic manner. As a result, we now offer our customers flexible deployment options on-premises, in a private cloud, in the public cloud, in the cloud at a Teradata data center or as a hybrid combination of these offerings.Teradata operates from numerous locations within the United States ("U.S.") with the primary locations being Dayton, Ohio; Johns Creek (Atlanta), Georgia; and Rancho Bernardo (San Diego), California. In addition, we have sales, services, research and development, and administrative offices located in 45 countries.

For the full year ended December 31, 2016 , we had net income of $125 million and total revenues of $2.322 billion , of which approximately 97% was derived from the data and analytics segment and 3% from the marketing applications segment, which was sold on July 1, 2016. For financial information about these segments and geographic information, see “Note 11—Segment, Other Supplemental Information and Concentrations” in the Notes to Consolidated Financial Statements elsewhere in this Annual Report.

History. Teradata was formed in 1979 as a Delaware corporation, driven by the need for robust computing power to harness the value of aggregated data. In 1984, Teradata established a massively parallel relational database management system that enabled companies to easily scale their data management needs, revolutionizing data analysis for customers. In 1991, AT&T Corp. ("AT&T") acquired NCR Corporation ("NCR") and, later that year, the combined company of AT&T / NCR purchased Teradata.

In 1996, AT&T spun off NCR (including Teradata) to form the independent, publicly-traded NCR. On September 30, 2007, the independent, publicly-traded Teradata Corporation (NYSE: TDC) was created when NCR was effectively separated into two independent, publicly-traded companies through the distribution of 100% of its Teradata data warehousing business to shareholders of NCR.

Since that time, we have increased our investments and focus to be the best analytical partner to the world’s leading firms. We continue to invest to extend our research and development in analytics and analytic consulting.

On July 1, 2016, we completed the sale of our marketing applications business to exclusively focus on our analytics solutions business, in support of our transformation plans.

Industry and Market Opportunity

Our view is that analytics is and will continue to be a management priority for most companies and, in particular, for the majority of our customers. We believe we have a large market opportunity, as Teradata’s strategy encompasses the multi-billion dollar and growing markets of data management, analytic tools and consulting, and packaged analytics, as well as the related consulting and accompanying maintenance services. As organizations work to manage the evolution to increasing digital environments, we believe that they will need help leveraging analytics to deliver high-impact business outcomes. We also believe that companies will need help to implement the right analytic ecosystem architecture, leveraging both commercial and open source technologies. We have tailored Teradata's offerings to meet these needs and to help companies navigate the multitude of ecosystem options, as well as various alternatives for deployment.

We are focused on the 500 largest analytic opportunities globally as we believe that this portion of the market will have the highest growth in the amount of data analytic processing power they consume. We plan to grow revenue in this market segment by expanding our existing customers' analytical ecosystems as well as adding new customers. Overall, we believe that key differentiators for Teradata include the following:

- Proven experience in solving complex analytical problems,
- Real-world expertise deploying ecosystems and analytics, and
- Leading production-scale, deployment agnostic technologies.

Customers. Our new strategy prioritizes our sales focus on business users, as well as technology buyers at leading companies across a broad set of industries, including banking/financial services, communications (including telecommunications, e-business, and media and entertainment), energy, government, insurance and healthcare,

manufacturing, oil and gas, retail, travel and transportation logistics, and utilities. These industries provide a good fit for our analytics solutions and services, as they tend to have the greatest analytic potential, with large and growing data volumes, and expanding sources of data, complex data management requirements, or large and varied groups of users.

The extent to which any given customer contributes to our revenues generally varies significantly from year to year and quarter to quarter. Therefore, a customer with a large order in one quarter is likely to generate additional revenue for Teradata in subsequent periods as we provide support services and additional capacity as their analytical ecosystem evolves and grows to meet their business requirements. For the year ended December 31, 2016, our top ten customers collectively accounted for approximately 15% of our total revenues. Moreover, Teradata's revenue can vary considerably from period to period given the different growth and purchasing patterns of our existing customers' data warehouse systems, discovery platforms and data management platforms as well as the variable timing of new customer orders. Due to the size and complexity of these transactions (purchases), the sales cycle for a new analytic solution is often fairly long (typically more than a year). Historically, our results in any particular quarter have generally been dependent on our ability to generate a relatively small number of large orders for that quarter. However, we are actively converting customers from perpetual to over time pricing models, which will likely create many more smaller, but more frequent transactions, which will likely decrease the overall variability in the timing of our revenue as we transition to new operating expense-based deployment and purchasing options.

Our Strategy

Teradata is focusing on addressing the needs of the analytics future, as we enable organizations to deliver value through analytics. Through our consultative approach, focused on leading with business outcomes, our goal is to serve as a trusted advisor to both the business and technical leaders in our customers' organizations. Our business analytics solutions are ideally suited for the world's largest companies who have the most complex analytics requirements and the need to scale. Teradata's focus is on being "business outcome led, technology enabled", as we deliver business value through analytics, as a trusted advisor to both business buyers and IT buyers. Our strategic approach is to make it easy to buy and grow with Teradata. We believe that this strategic approach will best position us to be our customers' trusted advisor and analytic partner of choice.

Our Solutions

There are three key solutions in our portfolio which support our strategy and which drive consumption of Teradata database software: Hybrid Cloud Solutions, Business Analytics Solutions and Ecosystem Architecture Consulting. In addition, we offer support services to allow customers to maximize availability and better leverage the value of their investments in Teradata solutions.

Hybrid Cloud Solutions

Our Hybrid Cloud Solutions deliver an end-to-end analytical ecosystem across a hybrid cloud architecture. Our offerings provide the ability to manage and access data across all deployment options, including:

- Teradata Software Sold on Public Clouds for the segment in the market that wants to purchase Teradata software and deploy it in the public cloud of their choice.

- Teradata Managed Cloud Solutions for the market segment looking for a fully managed service. Our Managed Cloud solutions make it easy for customers; by allowing them to focus on their business while our skilled data scientists and data management experts manage the customers' analytical ecosystem for them.

- Hybrid Cloud Solutions blending both on-premises and cloud environments. We expect the majority of companies to deploy hybrid cloud architectures.

Our core Teradata database remains a key component within Hybrid Cloud Solutions-it is a critical element in delivering our best-in-class analytics at scale. It provides the foundation for our unique ability to support and manage a wide range of mixed workloads and analytic data functions. Another key component is our Teradata Intelliflex™ Platform, which is our next-generation massively parallel processing ("MPP") architecture. Its fabric-based structure provides multi-dimensional scalability, enabling companies to add processing power and storage

capacity independently to meet their current and changing business requirements. A key technology in Intelliflex is the use of hybrid storage that combines Solid State Drive ("SSD") and Hard Disk Drive ("HDD") technologies to optimize performance while appropriately managing costs. Teradata IntelliFlex brings the agile and flexible growth benefits of our cloud offerings to the on-premises environment for our customers.

Business Analytics Solutions

Through our Business Analytics Solutions, we provide a consultative approach to identify and deliver value to business buyers supported by analytic business consulting, data science, and repeatable intellectual property ("IP"). Our Business Analytics Solutions include:

- Analytic Business Consulting to innovate with our customers on large, complex problems to deliver high-impact business outcomes.

  Our business consultants work with customers to discover insights in high-impact areas where we can deliver positive business outcomes. In some cases, we work with customers in areas where we already have experience and assets to leverage, and can accelerate their time to value through our proven methods, IP, and technologies. In other cases, we work with customers to identify and solve new challenges, while capturing new assets. We utilize our global best practices including Business Value Frameworks and our Rapid Analytic Consulting Engagement ("RACE") agile methodology.

- IP Capture and Management so solutions built for our customers are developed once, and then systematically leveraged , to support future customers . This approach is designed to provide rapid return on investment for customers.

Ecosystem Architecture Consulting

Our Ecosystem Architecture Consulting helps customers build an optimized analytical ecosystem independent of technology, leveraging Teradata, open source and other commercial solutions. Here, our consultants guide chief information officers and their teams in creating the optimal analytical ecosystem for our customers, based on our collective understanding of enterprise-grade scaled analytics, data warehousing, and the open source ecosystem.

Support Services

Our customer services offerings include 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 Teradata solutions. They assist customers 24x7x365 for both on-site and remote support. Our customer services team is highly experienced and provides a single point of contact and delivery for the deployment, support and ongoing management of Teradata solutions around the world.

Partners, Marketing and Distribution Channels

Strategic Partnerships. We seek to leverage our sales and marketing reach by partnering with leading global and regional systems integrators, independent software vendors, Hadoop distributors, and consultants, which we believe complement our analytics data platforms.

- **Alliance Partners** -Strategic partnerships are a key factor in our ability to leverage the value and expand the scope of our analytic solutions in the marketplace. Our partner program is focused on working collaboratively with independent software vendors in several areas, including tools, data and application integration solutions, data mining, analytics, business intelligence, specific analytic and industry solutions. Our goal is to provide choices to our customers with partner offerings that are optimized and certified with our solutions, and fit within the customer’s analytic environment.

- **Systems Integrators** -We also work with a range of systems integrators and consultants that engage in the design, implementation and integration of analytic solutions and analytic applications for our joint clients.

Our strategic partnerships with select global consulting and systems integration firms provide broad industry and technology expertise in the design of business solutions that leverage Teradata technology to enable enterprise analytics. Our strategic global consulting and systems integration partners include Accenture Limited, Capgemini Group, Cognizant Technology Solutions Corporation, Deloitte LLP, International Business Machines Corporation ("IBM"), and Wipro Limited.

Sales and Marketing. We primarily sell and market our solutions and services through a direct sales force, and are aligning our sales teams to best address the 500 largest analytic opportunities globally. We are applying differential resourcing to ensure that our sales and marketing investments are aligned with the customers' long-term value to Teradata. We have approximately 80% of our employees in customer-facing and/or revenue driving roles (including sales, consulting and customer service, and product engineering).

We support our sales force with marketing and training programs which are designed to:

- grow awareness, highlighting our technology leadership and differentiation, and our consulting expertise in the market,
- create demand for our products and services,
- educate the sales force to build skills and knowledge, as well as
- provide a robust set of tools for use by our direct sales force.

We employ a broad range of marketing strategies including programs to inform and educate customers and prospects, the media, industry analysts, academics and other third-party influencers. These strategies include targeted, account-based marketing, our global website, webinars, physical and virtual trade shows and conferences, public and media relations, social media, and an extensive customer reference program.

Sources of Materials. Our hardware components are assembled and configured by Flextronics International Ltd. ("Flextronics"). Our platform line is designed to leverage the components from industry leaders. Our data storage devices and memory components utilize industry-standard technologies, but are selected and configured to work optimally with our software and hardware platform. Flextronics also procures a wide variety of components used in the assembly process on our behalf. Although many of these components are available from multiple sources, Teradata utilizes preferred supplier relationships to better ensure more consistent quality, cost and delivery. Typically, these preferred suppliers maintain alternative processes and/or facilities to ensure business continuity of supply. Given our strategy to outsource product assembly activities to Flextronics and to source certain components from single suppliers, a disruption in production at Flextronics or at a supplier, or a global shortage of components, could impact the timing or profitability of customer shipments.

Competition . We compete in a large and growing market that is attractive to both legacy and new competitors. Our competition includes new analytics services companies, cloud vendors and open source providers, as well as large traditional competitors, such as IBM and Oracle Corporation ("Oracle"). We believe our focus on business outcomes and proven success will enable us to successfully compete and win with the largest analytic opportunities in the market. We believe our proven architecture for both structured and unstructured data, integrated solutions with high-performing and scalable technology, flexible deployment options in the cloud and on-premises, deep and broad consulting and support services capabilities, strong customer relationships, and our successful track record will collectively enable us to continue to compete successfully. We also compete successfully in the marketplace by offering our ecosystem architecture consulting to help customers bring together our leading software, hardware and related services with open source offerings. For more information, see Item 1A, Risk Factors, elsewhere in this Annual Report.

Competitors take different technical and integration approaches to addressing data analytic needs, and therefore they often recommend a different architecture than we do. We believe that our customers recognize the advantages of our technologies and our approach as described above.

Key factors used to evaluate competitors in these markets include: data analytics experience; business outcome delivery; hybrid cloud offerings and experience; customer references; technology leadership; product quality; performance, scalability, availability and manageability; support and consulting services capabilities; management

of technologies in a complex analytical ecosystem; industry knowledge; and total cost of ownership. We believe we have a competitive advantage in providing complete, integrated, and optimized analytic data platforms and analytic services that address customers' business, technical and architecture requirements. Our differentiation is especially strong with customers that have mission critical, complex, large scale environments and requirements.

Many companies participate in adjacent areas of the analytics market, such as enterprise analytic and business intelligence application software. The status of our business relationships with these companies can influence our ability to compete. Our products also complement offerings of some of our competitors, with whom we have formed partnerships to work with their business intelligence and application software businesses. Examples of these companies include both IBM and Oracle, due to their acquisitions of other business intelligence and consulting companies in recent years.

Seasonality. Historically our sales are seasonal, in line with capital spending patterns of our customers, with lower revenue typically in the first quarter and higher revenue generally in the fourth quarter of each calendar 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. Typically, cash provided by operating activities is higher in the first half of the year due to the higher receivable balances at December 31 and the increase in deferred revenue resulting from the timing of annual renewals of our maintenance support agreements. In addition, revenue in the third month of each quarter has historically been significantly higher than in the first and second months. These factors, among others as more fully described in Item 1A, Risk Factors, elsewhere in this Annual Report, make forecasting more difficult and may adversely affect our ability to accurately predict financial results.

Research and Development ("R&D"). We remain focused on designing and developing Hybrid Cloud Solutions that anticipate our customers' evolving technological and delivery needs. As we seek improvements in our products and services, we also consider our customers' current needs as we design our new technology so that new generations of the Teradata database software and platform technology are compatible with prior generations of our technology. We believe our extensive R&D workforce is one of our core strengths. The global R&D team is located in multiple facilities around the world to take advantage of global engineering talent. We anticipate that we will continue to have significant R&D expenditures, which may include complementary strategic acquisitions, in order to help support the flow of innovative, high-quality products, cloud-based offerings, services and applications, which is vital to our leading competitive position. For information regarding the accounting and costs included in R&D activities see "Note 1-Description of Business, Basis of Presentation and Significant Accounting Policies" in the Notes to Consolidated Financial Statements elsewhere in this Annual Report.

Intellectual Property and Technology. The Company owns 702 patents in the U.S. and 38 patents in foreign countries. The foreign patents are generally counterparts of the Company's U.S. patents. Many of the patents that we own are licensed to others, and we are licensed to use certain patents owned by others. While our portfolio of patents and patent applications in aggregate is of significant value to our Company, we do not believe that any particular individual patent is by itself of material importance to our business as a whole.

In addition, the Company owns copyrights and trade secrets in its vast code base which makes up all of the Teradata software products including analytic data platforms and analytic applications. Teradata's software products reflect the investment of hundreds of person-years of development work.

The source code versions of our products are protected as trade secrets and, in all major markets, as unpublished copyright works. We also protect our rights in all of our software products and related intellectual property; however, there can be no assurance that these measures will be successful. The Company owns the Teradata ® and Aster ® trademarks, which are registered in the U.S. and in many foreign countries, as well as other trade names, service marks, and trademarks.

Employees. As of December 31, 2016, we had approximately 10,093 employees globally. We believe that our future success will depend, in part, on our ability to continue to attract, hire and retain skilled and experienced personnel.

Properties and Facilities. Our corporate headquarters is located in Dayton, Ohio, although our Johns Creek (Atlanta), Georgia; and Rancho Bernardo (San Diego), California facilities are also primary locations (within the

U.S.). As of December 31, 2016 , we operated 114 facilities in 45 countries throughout the world. We own our Rancho Bernardo research and development complex, while all of our other facilities are leased.

Executive Officers of the Registrant. The following table and biographies sets forth information as of February 27, 2017 regarding the individuals who are serving as our executive officers.

Name	Age	Position(s)
Victor Lund	69	President and Chief Executive Officer
John Dinning	49	Executive Vice President and Chief Business Officer
Dan Harrington	53	Executive Vice President, Consulting and Support Services
Laura Nyquist	63	General Counsel and Secretary
Oliver Ratzesberger	46	Executive Vice President and Chief Product Officer
Stephen Scheppmann	61	Executive Vice President and Chief Financial Officer
Suzanne Zoumaras	53	Executive Vice President and Chief Human Resource Officer

Victor Lund. Victor Lund has been the President and Chief Executive Officer of Teradata since May 2016 and has served on the Company's Board of Directors since 2007. Mr. Lund also served as chair of its Audit Committee from 2007 until May 2016. Previously, Mr. Lund was the non-executive chairman of the board of DemandTec, Inc., a publicly-held, on-demand applications company, from December 2006 until February 2012. Prior to that, Mr. Lund was non-executive chairman of the board of Mariner Health Care, Inc., a long-term health care services company, from 2002 to 2004, and he was vice chairman of Albertson's, Inc. from 1999 to 2002. He was also chairman of the board of American Stores Company from 1995 until 1999 and its chief executive officer from 1992 until 1999. During his 22-year career with American Stores, Mr. Lund also held many operating executive positions. He also serves as a director of Service Corporation International and has served on a number of publicly-traded company boards, including Del Monte Foods Company and Delta Airlines.

John Dinning. John Dinning is the Company's Executive Vice President and Chief Business Officer with responsibility for leading strategy and marketing for the Company. He has served in this role since July 2016. Prior to that time, during 2016, he led the Company's business transformation strategy and direction as its Chief Transformation Officer, and continues to oversee the action plans to move the organization forward. From 2012 to 2016, he led the Company's data and analytics product management and product marketing functions, adding responsibility for cloud operations in June 2015. In his previous role as Vice President of Corporate Development, from 2007 to 2012, Mr. Dinning was responsible for Teradata's overall corporate strategy and mergers and acquisitions. Prior to that, he was Vice President, Horizontal Solutions and Global Alliances from 2005 to 2007, which included the marketing and business development around Teradata's customer management, finance and performance management, and demand and supply chain solutions, as well as, leadership of Teradata's global alliances organization. Mr. Dinning joined Teradata in 2000 as a result of the acquisition of campaign management start-up Ceres Integration Solutions where he was responsible for marketing, product management, and software quality engineering.

Dan Harrington. Dan Harrington is the Executive Vice President, Consulting and Support Services, and has served as head of Teradata's entire global services organization including both consulting and support services since 2012 with added responsibility for the international sales region on an interim basis from June 2015 until August 2016. Previously, Mr. Harrington served as Executive Vice President, Technology and Support Services of Teradata from 2007 to 2012. He served as Vice President, Customer Services, Teradata Division of NCR, from 2005 until 2007. From 1999 to 2004, he was Vice President, Northern Europe, Teradata Division with responsibility for Europe sales. Mr. Harrington joined NCR in 1985 and held a number of positions of increasing responsibility in the areas of sales, marketing and product management before he joined Teradata.

Laura Nyquist . Laura Nyquist is the General Counsel and Secretary of Teradata and has served in this role since joining Teradata in 2007. From May 2016 until October 2016, Ms. Nyquist also served as the Company's Interim Chief Human Resource Officer. Prior to joining Teradata, Ms. Nyquist held a number of senior management roles at NCR after joining that company in 1986, including Deputy General Counsel and Chief Counsel, Business Counsel

Group from 2006 to 2007, Chief Counsel, Financial Solutions Division from 2004 to 2006, and Vice President, Corporate Affairs, and Secretary to the NCR Board of Directors from 1999 to 2004.

Oliver Ratzesberger. Oliver Ratzesberger serves as the Executive Vice President and Chief Product Officer of Teradata with responsibility for the research and development of the Company's data and analytics solutions. Previously, from June 2015 to August 2016, he was President, Teradata Labs and, from 2013 to June 2015, led the software teams for Teradata Labs. Before joining Teradata in 2013, he served as Vice President, Information Analytics and Innovation at Sears Holdings Corporation from 2011 until 2013. Prior to that, he was at eBay Inc., from 2004 until 2011, where he was responsible for its data warehouse and big data platforms as its Senior Director, Analytics Platform. Before joining eBay, Mr. Ratzesberger worked for startups in software development and information technology, and from 1996 to 2004, he held various positions in data warehousing and professional services for NCR.

Stephen Scheppmann. Stephen Scheppmann has served as Executive Vice President and Chief Financial Officer of Teradata since September 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 2006 until 2007, following the completion of that company's acquisition. From 2000 to 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. From January 2006 until June 2012, Mr. Scheppmann served as a member of the Board of Directors of eResearch Technology, Inc. and as chairman of its Audit Committee from April 2006 until June 2012.

Suzanne Zoumaras. Suzanne Zoumaras is Teradata's Executive Vice President and Chief Human Resource Officer and has served in this role since joining Teradata in October 2016. Ms. Zoumaras is responsible for the company's talent strategies and programs, including recruiting, compensation, benefits, equity programs, engagement and retention, and employee relations. Most recently, from 2015 until its sale in May 2016, she served as Senior Vice President, Global Human Resources at Atmel Corporation, a $1.2 billion, San Jose-based public company and a leader in the design and manufacture of semiconductors at the center of the Internet of Things. Prior to that, from 2007 to 2015, Ms. Zoumaras was the Senior Vice President, Global Human Resources, at Entropic Communications, Inc., a fabless semiconductor company that designs, develops and markets semiconductor solutions.

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.

Information. Teradata makes available through its website, free of charge, its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, and all amendments to such reports, as soon as reasonably practicable after these reports are electronically filed or furnished to the U.S. Securities and Exchange Commission ("SEC") pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"). These reports and other information are also available, free of charge, at www.sec.gov . Alternatively, the public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. Teradata will furnish, without charge to a security holder upon written request, the Notice of Meeting and Proxy Statement for the 2016 Annual Meeting of Stockholders. Teradata will furnish the Code of Conduct and any other exhibit at cost (the Code of Conduct is also available through Teradata's website at http://www.teradata.com/code-of-conduct/). Document requests are available by calling or writing to:

Teradata - Shareholder Relations
10000 Innovation Drive
Dayton, OH 45342
Phone: 937-242-4878
Website: http://www.teradata.com

Item 1A. RISK FACTORS

You should carefully consider each of the following risk factors and all of the other information set forth in this Annual Report. 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.

The failure to realize the anticipated benefits of our business transformation plan and execution of our new strategy - including transition to new business focus areas and delivery models, sales structures, talent management restructuring, and cost rationalization initiatives could adversely impact our business and financial results.

The successful implementation of our business transformation plan to evolve with the market and expand our market opportunity presents significant organizational and infrastructure challenges. As a result, we may not be able to implement and realize the anticipated benefits from our plan. Events and circumstances, such as financial or unforeseen difficulties, delays and unexpected costs, may occur that could result in our not realizing desired outcomes. Any failure to implement the plan in accordance with our expectations could have a material adverse effect on our financial results. Even if the anticipated benefits and savings are substantially realized, there may be consequences, internal control issues, or business impacts that were not expected. Additionally, as a result of our restructuring efforts in connection with our business transformation plan, we may experience a loss of continuity, loss of accumulated knowledge or loss of efficiency during transitional periods. Reorganization and restructuring can require a significant amount of management and other employees' time and focus, which may divert attention from operating activities and growing our business. If we fail to achieve some or all of the expected benefits of these activities, it could have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows.

From time to time, the Company exits businesses or attempts to sell assets that are no longer central to its strategic objectives, such as the marketing applications business which was sold on July 1, 2016. Any such disposition or attempted disposition is subject to risks, including risks related to the terms and timing of such disposition, risks related to obtaining necessary government or regulatory approvals, risks related to retained liabilities not subject to the company’s control, and risks related to the need to provide transition services to the disposed business, which may result in the diversion of resources and focus.

As part of our transformation strategy, the Company will release new offerings and employ new product and services delivery methods, such as software-only, software as a service, and cloud offerings. It is uncertain whether these strategies will prove successful or whether we will be able to develop the necessary business models, infrastructure and systems to support the business. This includes having or hiring the right talent to execute our business strategy. Market acceptance of new product and service offerings will be dependent in part on our ability to include functionality and usability that address customer requirements, and optimally price our products and services to meet customer demand and cover our costs. Our go-to-market strategy also must adjust to customers' changing buying preferences and our new products and delivery options, and there can be no assurance that our new go-to-market plans will adequately and completely address such preferences. New product and services offerings may increase our risk of liability and cause us to incur significant technical, legal or other costs. For example, with our cloud-based offerings, market acceptance is affected by a variety of factors, including information security, reliability, performance, the sufficiency of technological infrastructure to support our products and services in certain geographies, customer concerns with entrusting a third party to store and manage its data and access this data once a contract has expired, and consumer concerns regarding data privacy and the enactment of laws or

regulations that restrict our ability to provide such services to customers. If we are unable to respond to these threats, our business could be harmed.

Economic Pressures and Uncertainty-Our business is affected by the global economies in which we operate and the economic climate of the industries we serve.

Our business and results of operations are affected by international, national and regional economic conditions. In particular, the IT industry in which we operate is susceptible to significant changes in the strength of the economy and the financial health of companies and governmental entities that make capital commitments for new technologies. Since mid-2012, we have seen a shift in the market and in customers' buying patterns, with respect to large capital investments and related services. Accordingly, downturns or uncertainty in the global or regional economies in which we operate or certain economic sectors (such as retail, manufacturing, financial services or government) 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. In addition, decreased or more closely scrutinized capital spending in our customers' businesses and in the industries we also serve may adversely impact our business. Uncertainty about future economic conditions makes it difficult for us to forecast operating results and to make decisions about future investments. Accordingly, global economic and market conditions may cause material impacts on our results of operations, prospects and financial condition. The Company's success in periods of economic uncertainty is also dependent, in part, on our ability to reduce costs in response to changes in demand and other activity.

Competition-The IT industry is intensely competitive and evolving, and competitive pressures could adversely affect our pricing practices or demand for our products and services.

We operate in the intensely competitive IT industry, which is characterized by rapidly changing technology, evolving industry standards and models for consuming and delivering business and IT services, frequent new product introductions, and price and cost reductions. In general, as a participant in the analytic data solutions market, we face:

- Changes in customer IT spending preferences and other shifts in market demands, which drive changes in the Company's competition;
- Continued pressure on price/performance for analytic data platform solutions due to constant technology improvements in processor capacity and speed;
- Changes in pricing, marketing and product strategies, such as potential aggressive price discounting and the use of different pricing models 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 business intelligence analytic functions;
- New and emerging analytic data technologies, competitors, and business models;
- Continued emergence of open source software that often attempts to rival current technology offerings at a much lower cost despite its limited functionality;
- Rapid changes in product delivery models, such as on-premises solutions versus cloud solutions;
- Changing competitive requirements and deliverables in developing and emerging markets; and
- Continuing trend toward consolidation of companies which could adversely affect our ability to compete, including if our key partners merge or partner with our competitors.

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. Our market position depends on our ability to continually improve the price/performance of our solutions, while maintaining efficient operations to sustain our competitive operating margins. We must also maintain the quality of our products and services throughout these shifts in market demand. If we are unable to react quickly when and as needed to improve the value of our product offerings our operating results could be negatively impacted.

Our competitors include certain larger companies, such as IBM and Oracle, which 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 we do, 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 applications, analytic data platforms and business intelligence software. In some cases we may partner with a company in one area of our business and compete with them in another. The status of our business relationships with these companies can influence our ability to compete for analytic data solutions opportunities in such areas. We also expect additional competition from both established and emerging companies. 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 additional revenues or sustain existing revenue levels.

Analytic Data Solutions Market-If the overall analytic data solutions market declines or does not grow, we may sell fewer products and services, and our business may not be able to sustain and/or grow its current level of operations.

As the market trends toward more limited IT spending, there could be fewer customer transactions, or smaller transactions, or customers delaying 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 leveraging the investments they have made in their core data warehousing infrastructures during past years. In addition, reduced prices and improvements in analytic data solutions may increase pressure on our product revenues and margins, as well as on the annuity streams we receive from our maintenance business. If the growth rates for the analytic data solutions market decline for any reason, there could be a decrease in demand for our products and services, which could have a material adverse effect on our financial results.

Renewal Rates and Support Services-If our existing customers fail to renew their support agreements, if customers do not license updated software products on terms favorable to us, or if customers do not renew their subscription license arrangements with us, our revenues could be adversely affected.

We currently derive a significant portion of our overall revenues from maintenance services and unspecified when-and-if-available upgrades, and we depend on our installed customer base for future revenue from maintenance services and upgrades to updated products. The terms of our standard maintenance services and software upgrade 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. Mergers and acquisitions in certain industries that we serve could result in a reduction of the software and hardware 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 maintenance agreements or agree to the same terms when they renew, which could result in our reducing or losing maintenance fees.

If our existing customers fail to renew their maintenance agreements, or if we are unable to generate additional maintenance fees through the license of updated products to existing or new customers, our business and future operating results could be adversely affected.

Replacements of older Teradata systems often result in less hardware maintenance revenue since Teradata's newer hardware is designed to be more powerful, use less energy and require less floor space. As a result, less hardware is needed for the same workload, and therefore less maintenance may be required on the newer generation system. However, it is been common that when a customer replaces an older platform, they often have also expanded the size and scope of their Teradata system, resulting in an increase in maintenance revenue, though not at the same rate of increase as product revenue.

Additionally, Teradata's solution offerings have been expanded to include subscription licenses, hosting arrangements and software as a service, which can change the timing of when revenues are recognized. Additionally, future revenue streams could be adversely affected if customers do not renew their subscription licenses, hosting arrangements or software as a service arrangements.

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 transactions that we expect to close by the end of a quarter are not closed until a later date, our revenue and/or 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 decrease in our stock price. These factors include the risks discussed elsewhere in this section and the following:

- Downturns in our customers' businesses, in the domestic economy or in international economies where our customers do substantial business;
- Changes in demand for our products and services, including changes in growth rates in the analytic data solutions market;
- The size, timing and contractual terms of large orders for our products and services, which may impact in particular our quarterly operating results (either positively or negatively);
- Possible delays in our ability to recognize revenue as the result of contract terms;
- The budgeting cycles of our customers and potential customers;
- Changes in pricing policies resulting from competitive pressures, such as aggressive price discounting by our competitors, new pricing strategies, or other factors;
- Changes in how customers prefer to purchase analytical solutions;
- Our ability to develop and introduce on a timely basis new or enhanced versions of our products and services;
- Changes in the mix of pre-tax earnings attributable to domestic versus international sales;
- Seasonal fluctuations in buying patterns;
- Future acquisitions and divestitures of technologies, products and businesses;
- Unexpected needs for capital expenditures or other unanticipated expenses; and
- Changes in certain assumptions, estimates and judgments of management (which are required in connection with the preparation of the Company's financial statements) that could affect the reported amounts of assets, liabilities, revenues, costs, expenses and the related disclosure of contingent liabilities.

Acquisitions and Alliances-Our ability to successfully integrate acquisitions and effectively manage acquisitions may be an important element of future growth.

We are continually evaluating the most effective ways to extend Teradata's core technology and expand our family of compatible analytic platforms and solutions to address multiple market segments and solution offerings. From time to time, this includes acquisitions, equity investments or joint ventures. Such transactions entail various risks, including risks associated with:

- Assimilating and integrating different business operations, corporate cultures, personnel, infrastructure and technologies or products acquired or licensed;
- Retaining key employees and maintaining relationships with employees, customers, clients or suppliers of the acquired companies,
- Recurring revenue of the acquired company may decline or fail to be renewed;
- The potential for unknown liabilities, as well as undetected internal control, compliance or quality issues within the acquired or combined business or additional costs not anticipated at the time of acquisition;
- 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 or a decline in value of the acquired business and related impairments;
- Funding acquisition activities, whether through the use of existing cash reserves, or through the use of debt, and the related impact on our liquidity and financial condition; and
- Failure to realize all the economic benefits from these acquisitions, equity investments or joint ventures could result in an impairment of goodwill, intangible assets or other assets, which could result in a significant adverse impact to our results of operations.

Our operating results may fluctuate as a result of acquisitions and related integration activities, as well as other strategic growth transactions, and there is a risk that our financial results may be adversely affected.

Changing Tax Rates-A change in our effective tax rate can have a significant adverse impact on our business.

A number of factors may adversely impact our future effective tax rates, such as the jurisdictions in which our profits are determined to be earned and taxed; the resolution of issues arising from tax audits with various tax authorities; changes in the valuation of our deferred tax assets and liabilities; adjustments to estimated taxes upon finalization of various tax returns; changes in available tax credits, especially surrounding tax credits in the U.S. for our research and development activities; and the repatriation of non-U.S. earnings for which we have not previously provided for U.S. taxes. Tax authorities may disagree with certain positions we have taken and assess additional taxes. We regularly assess the likely outcomes of these audits in order to determine the appropriateness of our tax provision, however, there can be no assurance that we will accurately predict the outcomes of these audits, and the actual outcomes of these audits could have a material impact on our net income or financial condition.

Changes in U.S. or international tax laws or tax rulings could materially impact our effective tax rate. For example, there have been proposals from Congress to change U.S. tax laws that would significantly impact how U.S. multinational corporations are taxed on foreign earnings, including limitations on the ability to defer U.S. taxation on earnings outside the U.S. until those earnings are repatriated to the U.S. In addition, unilateral or multi-jurisdictional actions by various tax authorities, including an increase in tax audit activity, to address "base erosion and profit shifting" by multinational companies could also have an adverse impact on our tax liabilities. Although we cannot predict whether or in what form any proposed legislation may pass, if enacted, it could have a material adverse impact on our tax expense and cash flows.

Sales Cycle Variations-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 well as overall macro-economic conditions. 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 periods. Our results in any particular quarter have generally been dependent on the timing of a relatively small number of large transactions.

Due to resulting fluctuations, we believe that quarter-to-quarter comparisons of our revenue, margins, and operating results may not be meaningful, and that these comparisons may not be an accurate indicator of our future performance.

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 expense budgets (including such categories as headcount, real estate, and technology resources) 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 generate 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 could adversely affect our operating results for that quarter and could negatively impact our business in future periods.

Seasonal Variability-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 has historically been significantly 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. Unfavorable shifts in such mix could adversely impact our results of operations and require changes to our business model. Consulting services margins are generally lower than the other elements of our analytic data solutions. In addition, when we use third parties to supplement some consulting services we provide to customers, this generally results in lower margin rates. As a result, increases in consulting services revenues as a percentage of our total revenues may decrease overall margins.

We also realize different average selling prices and margins on different versions of our analytic data platforms, as well as certain components we re-sell as part of our solutions, and the mix of such hardware and software varies from quarter to quarter depending on customer requirements. In addition, changes in the price and performance of our analytic data platforms, particularly for certain hardware components, could negatively impact maintenance and support services revenues. Additionally, as we implement part of our business transformation plan and shift from upfront perpetual licenses to recurring over time models for both on-premises and cloud offerings, our revenue mix may be impacted.

Advancement of Our Solutions-The solutions we sell are advanced, 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 IT industry, we must continually improve, refresh and expand our product and service offerings to include newer features, functionality, delivery options or solutions, and keep pace with price-to-performance gains in the IT industry. 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 analytic data solutions 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 IT infrastructures, or if we are unsuccessful in our efforts to enter into agreements allowing integration of third-party technology with the Teradata database and software platforms. 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 effect on our reputation and business.

Highly Advanced Products-Our products include highly advanced technology, and as we develop new products with greater capacity and performance capabilities, 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 well-designed quality processes, our software and hardware products may contain undetected 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 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. In addition, due to the complexity of many of our offerings, we may not be able to meet customer requirements with respect to consulting services without incurring costs greater than expected levels.

Information Systems and Security-A breach of security, disruption or failure of our information systems or those of our third party providers could adversely impact our business and financial results.

Our operations are dependent on our ability to protect our computer equipment and the information stored in our databases (and the computer equipment and database information of certain suppliers and other third parties) from damage by, among other things, earthquake, fire, natural disaster, cyber-attacks, power loss, telecommunications failures, unauthorized intrusions, malicious or unintended insider actions that cause loss of data or loss of systems, and other events. Despite our contingency planning, 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, financial condition or results of operations.

We generally operate pursuant to a business-to-business model, such that our customers buy or lease hardware systems used in connection with our solutions and the customers deploy and operate those solutions. With respect to these kinds of customer on-premises solutions, the customer, directly or through its selected services providers, manages all aspects of the data controls and security with respect to any confidential, private or otherwise sensitive information stored or processed through these solutions, including any personally identifiable data or information - such as non-public data regarding our customers' employees, customer's customers, consumers, data subjects, individuals' identities, individual financial accounts and health information regulated by the Health Insurance Portability and Accountability Act of 1996. However, some of our services, including our software as a service or cloud offerings, may require us to deploy or operate solutions for our customers, directly or through the use of third

party services providers, either on-premises at customer-selected data center facilities or at third-party-hosted data center facilities selected by us. With respect to these kinds of cloud and non-traditional solution deployments and operations, we and such service providers have increased roles, responsibilities and risk exposures regarding some or all aspects of the data controls and security with respect to any confidential, private or otherwise sensitive information stored or processed through these solutions on our systems or those of selected third-party providers. If unauthorized access to or use of such information or systems occurs, despite data security measures and third party commitments to protect them, our results of operation, reputation, and relationships with our customers could be adversely impacted.

Additionally, experienced computer programmers, Nation State Sponsored Advanced Persistent Code ("NSSAPC") attacks (from countries such as Iran, China and certain European Eastern Bloc countries) and hackers may be able to penetrate our network security or that of our third party providers and misappropriate or compromise our intellectual property or other confidential information or that of our customers, create system disruptions or cause shutdowns. Computer programmers and hackers also may be able to develop and deploy viruses, worms, and other malicious software programs that attack our products or otherwise exploit any security vulnerabilities of our products. We have reason to believe that at least one attempted NSSAPC cyber-attack occurred against our systems in 2012, although we do not believe that it was successful or that there was any adverse impact to the Company in connection with the incident. Despite the fact that our preventative and remediation tools and actions may have mitigated or preempted this attack, we have since taken additional steps designed to further improve the security of our networks and computer systems; however, there can be no assurance that our defensive measures will be adequate to prevent them in the future. Also, like many other companies, our workstations are regularly subject to penetration attempts and malicious threats by hackers and, despite our defensive measures, we may not always be able to detect, mitigate or preempt them all. Breaches of security and disruptions of our information systems have not historically had a material impact on our results of operations and we have no reason to believe that attempts by hackers such as those described above have negatively impacted our IT infrastructure, operations, confidential information or intellectual property. However, there is risk that these types of activities will recur and persist, that one or more of them may be successful in the future, that one or more of them may have been or will be successful but not detected, prevented, remediated or mitigated by us, and the costs to us to eliminate, detect, prevent, remediate, mitigate or alleviate cyber or other security problems, viruses, worms, malicious software programs and security vulnerabilities could be significant, and our efforts to address these problems may not be successful and could adversely impact our future results of operations.

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 adversely affected.

Third-party vendors provide important elements to our solutions; if we do not maintain our relationships with these vendors or if these vendors cease to be going concerns, 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 Flextronics as a key single source contract manufacturer for our hardware systems for the last several years. In addition, we buy silicon computer chips and microprocessors from Intel Corporation, and storage disk systems from NetApp, Inc. 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. Also, disruption in our supply chain or the need to find alternative suppliers could impact the costs and/or timing associated with procuring necessary products, components and services. In either case, our operations could be adversely impacted. Similarly, our suppliers' products and services have certain dependencies with respect to their own supply chain networks, and supply issues among our suppliers' suppliers may also adversely impact our business.

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 at competitive prices, our business could 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 analytic 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 U.S. (such as Iran, China and certain European Eastern Bloc countries who may use NSSAPC to advance their own industries). 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 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 and advance our competitive position, including our initiatives to provide our offerings for cloud environments. However, we may 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 discretionary fixed costs. We believe these new technologies could significantly improve our products and services over the long-term. However, if we have invested inappropriately, our results of operations could be adversely affected.

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.

Open Source Software-The growing market acceptance of open source software and lower cost alternatives present challenges for our industry.

We have developed a version of the Teradata database software to operate on open source and alternative platforms 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.

Open source licenses typically mandate that proprietary software, when combined in specific ways with open source software, becomes 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.

Additionally, there are certain open source software applications in the data analytics market that are being offered free of charge or for a nominal fee. Open source software offerings available in the marketplace such as Hadoop and others, can place additional competitive pressure on Teradata, even though we believe our offerings are unique and add value through software enhancements and services, and we may have difficulty in marketing our products to certain customers against available open source options.

International Operations-Generating substantial revenues from our multinational operations helps us to meet our strategic goals, but poses a number of risks.

In 2016, the percentage of our total revenues from outside of the U.S. was 46%. 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 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 and political unrest (relating to war, terrorist activity or other turmoil) on the economy or markets in general, or on our ability, or that of our suppliers, to meet commitments, which may occur in other countries where we have significant operations;
- 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 consulting services and engineering functions overseas in developing countries;
- 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;
- Tariffs or other restrictions on foreign trade or investment;
- Costs and delays associated with developing products in multiple languages;
- The impact of catastrophic weather or other negative effects of climate change on our facilities, operations and/or workforce, as well as those of our customers, supply chains and distribution channels, throughout the world, particularly those in coastal areas; 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 U.S., 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.

Foreign Currency-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 more than 30 functional currencies. The primary foreign currencies to which we are exposed include the euro, British pound, Japanese yen, the Australian dollar, the Canadian dollar and other Asian and South American currencies. A significant portion of our revenue and operating income is generated outside the U.S., and therefore our financial results may fluctuate due to the effects of such foreign currency fluctuations, which are difficult to predict. For example, in the event that one or more European countries were to replace the euro with another currency, Teradata sales into such countries, or into Europe generally, would likely be adversely affected until stable exchange rates are established. In addition, currency variations can affect margins on sales of our products in countries outside of the U.S. and margins on sales of products that include components obtained from suppliers located outside of the U.S.

Risks Relating to the Referendum of the United Kingdom's Membership of the European Union

On June 23, 2016, the United Kingdom (the "U.K.") held a referendum in which voters approved an exit from the European Union (the "E.U."), commonly referred to as "Brexit". As a result of the referendum, it is expected that the British government will begin negotiating the terms of the U.K.'s future relationship with the E.U. The announcement of Brexit caused significant volatility in global stock markets and currency exchange rate fluctuations that resulted in the strengthening of the U.S. dollar against foreign currencies in which we conduct business. The strengthening of the U.S. dollar relative to other currencies may adversely affect our operating results. The announcement of Brexit may also create global economic uncertainty, which may cause our customers to closely monitor their costs and reduce their spending budgets on our products and services. Any of these effects of Brexit, among others, could adversely affect our business, financial condition, operating results and cash flows.

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. Our failure to hire, retain and replace our key personnel could have a material adverse impact on our business operations.

Internal Controls-Inadequate internal control over financial reporting and accounting practices could lead to errors, which could adversely impact our ability to assure timely and accurate financial reporting.

Internal control over financial reporting, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control objectives will be met. These inherent limitations include 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 resources, and other factors. Consequently, such controls may not prevent or detect misstatements in our reported financial results as required under SEC and New York Stock Exchange ("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. In addition, unforeseen risks may arise in connection with financial reporting systems due to inefficient business processes, business process reengineering projects, or changes in accounting standards.

If management is not successful in maintaining a strong internal control environment, material weaknesses could occur, causing investors to lose confidence in our reported financial information. This could lead to a decline in our stock price, limit our ability to access the capital markets in the future, and require us to incur additional costs to improve our internal control systems and procedures.

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, and other regulatory compliance and general matters. See "Note 8—Commitments and Contingencies" in the Notes to Consolidated Financial Statements elsewhere in this Annual Report. 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. From time to time, we may conduct internal investigations in connection with our efforts to ensure compliance with such laws and regulations, the costs or results of which could impact our financial results. In addition, we may be subject to unexpected costs in connection with new public disclosure or other regulatory requirements that are issued from time to time. Laws and regulations impacting our customers, such as those relating to privacy, data protection and digital marketing, could also impact our future business. Because we do business in the government sector, we are generally subject to audits and investigations which could result in various civil or criminal fines, penalties or administrative sanctions, including debarment from future government business, which could negatively impact the Company's results of operations or financial condition.

In addition, our facilities and operations, including former facilities and former operations for which we may have liabilities, are subject to a wide range of environmental protection laws. There have not been any known actual material effects that compliance with environmental provisions has had upon the capital expenditures, earnings or competitive position of the Company or its subsidiaries, and there are no material estimated capital expenditures for environmental remediation or liabilities planned. However, we do expect to incur some costs in connection with compliance with these matters and 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.

There is active enforcement and ongoing focus by the SEC and other governmental authorities on the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act of 2010 (the "Bribery Act") and similar anti-bribery, anti-corruption laws in other countries. 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 the Company at risk regarding possible violations of such laws, including the FCPA or the Bribery Act.

Management time and resources are spent to understand and comply with changing laws, regulations and standards relating to such matters as corporate governance, accounting principles, public disclosure (including the Sarbanes-Oxley Act of 2002), SEC regulations, Basel III and the rules of the NYSE where our shares are 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, and federal securities laws and regulations, among others, may substantially increase costs to our organization, challenge our ability to timely comply with all of them and could have an impact on our future operating results.

Our indebtedness could adversely affect our financial condition and limit our financial flexibility.

The Company's indebtedness could:

- expose us to interest rate risk since our indebtedness is at variable rates;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to obtain additional financing or refinancing at attractive rates;
- require the dedication of a substantial portion of our cash flow from operations to the payment of principal of, and interest on, our indebtedness, thereby reducing the availability of such cash flow to fund our growth strategy, working capital, capital expenditures, share repurchases and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry; and
- place us at a competitive disadvantage relative to our competitors with less debt.

Further, our outstanding indebtedness is subject to financial and other covenants, which may be affected by changes in economic or business conditions or other events that are beyond our control. If we fail to comply with the covenants under any of our indebtedness, we may be in default under the loan, which may entitle the lenders to accelerate the debt obligations. In order to avoid defaulting on our indebtedness, we may be required to take actions such as reducing or delaying capital expenditures, reducing or eliminating stock repurchases, selling assets, restructuring or refinancing all or part of our existing debt, or seeking additional equity capital, any of which may not be available on terms that are favorable to us, if at all.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

As of December 31, 2016, Teradata operated 114 facilities in 45 countries consisting of approximately 1.5 million square feet throughout the world. Approximately 28% of this square footage is owned and the rest is leased. Within the total facility portfolio, Teradata operates 14 research and development facilities totaling approximately 600 thousand square feet, of which approximately 68% is owned. The remaining approximately 900 thousand square feet of space includes office, repair, warehouse and other miscellaneous sites, and is 100% leased. Teradata believes its facilities are suitable and adequate to meet its current needs. Teradata’s corporate headquarters is located in Dayton, Ohio.

Item 3. LEGAL PROCEEDINGS

Information regarding legal proceedings is included in Item 8 of Part II of this Annual Report as part of “Note 8—Commitments and Contingencies” in the Notes to Consolidated Financial Statements, and is incorporated herein by reference.

Item 4. MINE SAFETY DISCLOSURES

N/A.

PART II

Item 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Teradata common stock trades on the New York Stock Exchange under the symbol "TDC." There were approximately 59,638 registered holders of Teradata common stock as of February 9, 2017. The following table presents the high and low closing per share prices of Teradata common stock traded on the New York Stock Exchange during the calendar quarter indicated.

	Common Stock Closing Market Price	
	High	Low
2016		
Fourth quarter	$ 30.63	$ 26.42
Third quarter	$ 32.62	$ 24.78
Second quarter	$ 29.05	$ 24.40
First quarter	$ 27.48	$ 22.60
2015		
Fourth quarter	$ 30.63	$ 25.58
Third quarter	$ 37.11	$ 27.70
Second quarter	$ 45.89	$ 36.95
First quarter	$ 46.98	$ 41.63

Teradata has not paid cash dividends and does not anticipate the payment of cash dividends to holders of Teradata common stock in the immediate future. The declaration of dividends in the future would be subject to the discretion of Teradata's Board of Directors.

The information under the heading "Equity Compensation Plan Information" in Part III Item 12 of this Annual Report on Form 10-K is also incorporated by reference in this section.

The following graph compares the relative performance of Teradata stock, the Standard & Poor's ("S&P") 500 Stock Index and the S&P Information Technology Index. This graph covers the five-year period from December 31, 2011 to December 31, 2016.

	As of December 31,					
Company/Index	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Teradata Corporation	$ 100	$ 128	$ 94	$ 90	$ 54	$ 56
S&P 500 Index	$ 100	$ 116	$ 154	$ 175	$ 177	$ 198
S&P Information Technology Index	$ 100	$ 115	$ 147	$ 177	$ 188	$ 214

In each case, assumes a $100 investment on December 31, 2011, and reinvestment of all dividends, if any.

Purchases of Equity Securities by the Issuer and Affiliated Purchases

For the year ended December 31, 2016 , the Company executed purchases of approximately 3 million shares of its common stock at an average price per share of $24.25 under the two share repurchase programs authorized by our Board of Directors in 2008. The first program (the "dilution offset program") authorizes the Company to repurchase Teradata common stock to the extent of cash received from the exercise of stock options and under the Teradata Employee Stock Purchase Plan ("ESPP") to offset dilution from shares issued pursuant to these plans. On February 6, 2012, the board approved a new $300 million share repurchase authorization to replace a prior $300 million authorization under the Company's second share repurchase program (the "general share repurchase program"), that was to expire on February 10, 2012. Since February 2012, Teradata's Board of Directors has approved, in $300 million increments, additional share repurchase authorizations for a total of $2.0 billion under the Company's general share repurchase program on each of the following dates: December 10, 2012, October 14, 2013, May 5, 2014, December 18, 2014, and May 4, 2015. An additional share repurchase authorization of $500 million was approved by the board in August 20, 2015. As of December 31, 2016 , the Company had $512 million of authorization remaining to repurchase outstanding shares of Teradata common stock under the general share repurchase program. Share repurchases made by the Company are reported on a trade date basis.

In addition to the share repurchase programs, Section 16 officers occasionally transfer vested shares of restricted stock to the Company at the current market price to cover their withholding taxes. For the year ended December 31, 2016 , the total of these purchases was 30,411 shares at an average price of $25.74 per share.

The following table provides information relating to the Company's repurchase of common stock for the year ended December 31, 2016 :

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Dilution Offset Program	Total Number of Shares Purchased as Part of Publicly Announced General Share Repurchase Program	Maximum Dollar Value that May Yet Be Purchased Under the Dilution Offset Program	Maximum Dollar Value that May Yet Be Purchased Under the General Share Repurchase Program
First quarter total	**2,003,600**	**$ 23.38**	**103,600**	**1,900,000**	**$ 9,929,458**	**$ 528,496,830**
Second quarter total	**600,000**	**$ 24.80**	**600,000**	**—**	**$ 4,171,541**	**$ 528,496,830**
Third quarter total	**307,978**	**$ 24.89**	**150,000**	**157,978**	**$ 9,490,535**	**$ 524,554,570**
October 2016	—	$ —	—	—	$ 10,588,745	**$ 524,554,570**
November 2016	187,100	$ 26.97	—	187,100	$ 11,516,583	$ 519,508,404
December 2016	300,000	$ 26.61	—	300,000	$ 12,682,315	$ 511,525,804
Fourth quarter total	**487,100**	**$ 26.75**	**—**	**487,100**	**$ 12,682,315**	**$ 511,525,804**
2016 Full year total	**3,398,678**	**$ 24.25**	**853,600**	**2,545,078**	**$ 12,682,315**	**$ 511,525,804**

Item 6. SELECTED FINANCIAL DATA

	For the Years Ended December 31				
In millions, except per share and employee amounts	**2016 (1)**	**2015 (2)**	**2014**	**2013**	**2012**
Revenue	$ 2,322	$ 2,530	$ 2,732	$ 2,692	$ 2,665
Income (loss) from operations	$ 232	$ (195)	$ 503	$ 532	$ 580
Other (expense) income, net	$ (11)	$ 51	$ (9)	$ (24)	$ (2)
Income tax expense	$ 96	$ 70	$ 127	$ 131	$ 159
Net income (loss)	$ 125	$ (214)	$ 367	$ 377	$ 419
Net income (loss) per common share					
Basic	$ 0.96	$ (1.53)	$ 2.36	$ 2.31	$ 2.49
Diluted	$ 0.95	$ (1.53)	$ 2.33	$ 2.27	$ 2.44
	At December 31				
	2016	**2015**	**2014**	**2013**	**2012**
Total assets	$ 2,413	$ 2,527	$ 3,132	$ 3,096	$ 3,066
Debt, including current portion	$ 570	$ 780	$ 468	$ 274	$ 289
Total stockholders' equity	$ 971	$ 849	$ 1,707	$ 1,857	$ 1,779
Number of employees	10,093	11,300	11,500	10,800	10,200

(1) Includes $76 million ($70 million after-tax) for impairment of goodwill and acquired intangi bles
(2) Includes $478 million ($457 million after-tax) for impairment of goodwill and acquired intangibles

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ("MD&A")

You should read the following discussion in conjunction with the consolidated financial statements and the notes to those statements included elsewhere in this Annual Report on Form 10-K ("Annual Report"). This Annual Report contains certain statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. Certain statements contained in the MD&A are forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry, business and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed in other sections of this Annual Report. See "Risk Factors" and "Forward-looking Statements."

BUSINESS OVERVIEW

Teradata is a global leader in analytic data solutions and related services. Our analytic data solutions comprise software, hardware, and related business consulting and support services for analytics across a company's entire analytical ecosystem. We help customers access and manage data and extract business value and insight from their data. Our applications are designed to leverage data to help customers discover and exploit new insights such as:

- determining and maximizing customer and product profitability,
- more accurately forecasting consumer demand, and
- creating more predictable and less costly supply chains.

Our consulting services allow customers to maximize use and obtain great value from their analytics investments. Our services include a broad range of offerings including consulting to help organizations design, optimize and manage their analytic and big data environments, either on-premises or in the cloud. Our value-added consulting services provide expertise in data architecture services, cloud ("software as a service", "analytics as a service"), private cloud, managed services, and related installation services. In addition to our consulting services we offer a comprehensive set of support services. We serve customers around the world across a broad set of industries, including communications, ecommerce, financial services, government, gaming, healthcare, insurance, manufacturing, media and entertainment, oil and gas, retail, travel and transportation, and utilities - with offerings ranging from small departmental implementations to many of the world's largest analytic data platforms. To meet evolving trends in information management, we provide our offerings on-premises or in the cloud (as a service).

2016 FINANCIAL OVERVIEW

As more fully discussed in later sections of this MD&A, the following are the financial highlights for 2016 :

- Revenue decreased 8% in 2016 from 2015 to $2,322 million . The year-over-year revenue comparison was negatively impacted by 1 percentage point from foreign currency fluctuations and the sale of the marketing applications business in 2016.
- Gross margin was 51.2% in 2016 , up from 50.4% in 2015 , which was largely due to improved deal mix and product mix.
- Operating income was $232 million in 2016 , up from operating loss of $(195) million in 2015 . The year-over-year increase was primarily due to more significant impairments of goodwill and acquired intangibles in 2015 than 2016, as well as a decrease in operating expenses.
- Net income of $125 million in 2016 versus a net loss of $(214) million in 2015 . Net income per diluted share was $0.95 in 2016 compared to net loss per common share of $(1.53) in 2015 . Net income for 2016 includes a $70 million after-tax impairment loss for goodwill and acquired intangibles, approximately $47 million in after-tax impacts of acquisition-related transaction, integration and reorganization expenses, and amortization of acquired intangible assets, compared to $502 million of such costs and expenses in 2015 .

STRATEGIC OVERVIEW

Teradata's strategy is based around our core belief that analytics and data unleash the potential of great companies. We empower companies to achieve high-impact business outcomes through scalable analytics on an agile data foundation. Through our focus on leading with business outcomes and a consultative approach, our goal is to serve as a trusted advisor to both the business and technical leaders in our customers' organizations. Our business analytics solutions are ideally suited for the world's largest companies who have the most complex analytics requirements and the need to scale.

Our strategy is to provide a differentiated set of offerings to this target market through the following portfolio of solutions, including the following:

- **Hybrid Cloud** : leading technology and services to deliver an analytic ecosystem deployed in a hybrid cloud architecture, including offerings such as managed cloud, private cloud, public cloud, and on premises software and hardware.
- **Business Analytics Solutions** : deliver high-value business outcomes realized by engaging with business users through solution-based selling that leverages analytic consulting and repeatable analytical intellectual property ("IP");
- **Ecosystem Architecture Consulting** : best-in-class architecture consulting expertise to help customers build optimized analytical ecosystems independent of technology, leveraging both open source and commercial solutions; and

We deliver our solutions on-premises, via the cloud, and "as a service"; offering customers choice in how they deploy a Teradata analytics environment and leverage the power of our solutions. These flexible delivery options are designed to extend our market opportunity.

In support of our strategy, we plan to optimize our go-to-market and sales approach to improve effectiveness in demand creation and address new and expanded market opportunities, such as with our consultative business solutions and cloud offerings. We will continue investing in partnerships to increase the number of solutions available on Teradata platforms, maximize customer value, and increase our market coverage.

We believe that our more consultative, solution-selling approach and portfolio of offerings that support customers' choice in procuring and deploying analytics will best position us to be our customers' trusted advisor and partner of choice for architecting, implementing, and managing their analytic solutions.

In summary, our long-term strategic objectives are to:

- deliver business outcomes for our customers through technology-enabled analytics at scale,
- by focusing on companies with the largest analytic opportunities,
- by offering market-leading hybrid cloud technology,
- that is enabled by a world class go-to-market sales and support team,
- with the ultimate goal of generating revenue, earnings, and cash flow growth.

FUTURE TRENDS

We believe that future demand for our analytic solutions will increase based on the growth of new, high volume data sources such as sensor and machine-generated data, and based on data and analytics enabled use cases in areas such as seismic/exploration, genomics and biological research, connected cars, and smart cities.

Analytic environments are becoming more complex to design and manage as there are increasing types of analytic tools and techniques, multiple data management systems both on-premises and in the cloud, commercial and open source technologies to be integrated, varying service level requirements, and the growth and volume of data. This

complexity drives the need for an overall architecture to manage such environments. Demand for value-added consulting and services is growing as customers seek help with evolving their analytic architectures, rapidly deploying their analytic architectural solutions, and increasingly look to purchase analytic capabilities “as a service".

Overall, analytics are growing in importance as global businesses seek new means to drive business value from the ever-increasing amounts and types of data. As a result, we expect that Teradata’s leadership status and investments in our strategic areas of focus will position us for future growth.

This growth, however, is not expected to be without its challenges from general economic conditions, competitive pressures, alternative technologies, and other risks and uncertainties. Over the past few years, we have seen a shift in the market that included a reduction in customers’ large capital investments in traditional data analytic systems and related services. Specifically, customers have been focusing investments in their analytical ecosystems on products which have lower average selling prices than traditional integrated data warehouse ("IDW") environments, and changing their buying behavior with decisions shifting from IT to business users who typically want operating expense purchasing options. As a result, our revenue has been impacted by our customers’ focus on less capital intensive options like cloud, subscription-based licenses, rental and usage-based models. In addition, an increasing percentage of our customers want to buy easy-to-use, vendor managed, on-line delivery “as-a-service” analytics rather than analytic systems. Currently, we believe that the greatest challenge for future revenue growth relates to our ability to adapt and respond to this market shift with respect to the way customers want to purchase and deploy analytic technologies.

Overall, we believe that the IDW will remain a critical part of companies’ analytical ecosystems and Teradata’s technology is highly differentiated with our ability to handle the concurrency and service level agreements of hundreds to thousands of mission-critical users and applications. Further, we believe the Company has the opportunity for continued revenue growth from both the expansion of our existing customers’ analytical ecosystems as well as the addition of new customers. Teradata has expanded our offerings as well as our pricing options to make it easier for customers to buy and expand with Teradata including flexible offerings including availability in the cloud and over time pricing programs.

There is risk that pricing and competitive pressures on our solutions could increase in the future as major customers evaluate and rationalize their analytics infrastructure, particularly to the extent that cost becomes the top focus and lower-cost/lower performing alternatives are more seriously and frequently considered. However, such alternatives generally do not enable companies to perform mission-critical, complex analytic workloads to address customer's needed business outcomes from large-scale analytics, discovery analytics, and data management such as those enabled by Teradata’s portfolio of offerings. As the market continues to evolve, we will be challenged to generate revenue growth shorter term as customers purchase in smaller deal sizes, and more of our customers shift from upfront perpetual licenses to over time models at a pace which is difficult to predict.

As described above, we are also transforming our go-to-market approach to better position Teradata with both business buyers and IT buyers, and to expand with our existing customers as well as add more customers. To meet this objective, we will focus on execution and monitoring our progress with respect to this evolution, as well as working to infuse talent into our organization with key skill sets to support our strategy. We continue to believe that analytics will remain a high priority for companies and longer term will drive growth for Teradata’s leading solutions. Moreover, we continue to be committed to new product development and achieving a positive yield from our research and development spending and resources, which are intended to drive future demand. In addition, we will continue to optimize our go-to-market structure to focus on the greatest analytic opportunities, and to manage our cost structure as we work to broaden our product and consulting services portfolios and market penetration.

As a portion of the Company’s operations and revenue occur outside the United States ("U.S."), and in currencies other than the U.S. dollar, the Company is exposed to fluctuations in foreign currency exchange rates. Based on currency rates as of January 31, 2017, Teradata is expecting one point of negative impact from currency translation on our full year projected revenue growth rate.

BUSINESS TRANSFORMATION

Teradata continues to advance in the execution of its business transformation plan to return the Company to profitable growth. As described above, we are strengthening our consultative approach to selling data analytics that enable high-impact business outcomes for our customers and extend our portfolio of hybrid cloud solutions. We are also realigning our go-to-market approach to improve sales effectiveness and achieve better financial results. We will continue to invest and prioritize initiatives that strengthen our ability to be our customers' trusted advisor for data and analytics.

In addition, our broad-reaching transformation is intended to drive change across our Company, including in the following key areas:

- Cloud - We plan to continue to expand our data warehouse offerings in the public cloud and in Teradata's managed cloud environments. With our "Teradata Everywhere" initiative, we offer our customers greater flexibility and agility through the same Teradata database that we offer on premises, now in a managed cloud, public cloud, or private cloud environment. Teradata Everywhere is designed to speed time to value, save costs, and encourage analytics use throughout the organization. We are building new services for cloud migration as well as for design, implementation and management of cloud and hybrid cloud environments.

- On-premises data warehouse - We have introduced methods to make it easier to buy, expand, and seamlessly upgrade data warehouses. We expect that our IntelliFlex platform architecture, released in early 2016, will provide more flexible configurations and seamless expansions of our customers' IDW environments, and that the software-only version of our Teradata database will allow us to expand with both new and existing customers.

- Analytical ecosystem - We are adding to our data load and integration software and service offerings capabilities that manage customers' analytical ecosystems with new products such as Teradata UnityTM, QueryGridTM, and ListenerTM. These offerings help connect and manage the customers' ecosystems to help manage and extract value from their data.

We expect the mix of our revenues to shift toward cloud, analytical ecosystem, and analytic consulting services over time, as these are faster growing markets, which we believe will help increase our recurring revenue over time.

Another element that is critical to Teradata's successful transformation plan is modifying our go-to-market efforts to a more consultative approach to better address the increasing relevance of business buyers and to help customers build analytical ecosystems that include our own technologies as well as open source and other commercial solutions. We have actions underway to adjust our go-to-market efforts to address these new approaches and to align with the way we believe that our customers want to buy data analytics solutions.

We have reviewed and rationalized the Company's expense structure and are now moving from a cost reduction initiative to a cost management approach as we invest for Teradata's future, including investments to support our cloud-based initiatives, analytical solutions, realignment of our go-to-market approach, and modernizing our infrastructure.

One of Teradata's key strategic initiatives is to enable analytics for companies by making it easier to buy and easier to grow from traditional on-premises deployments to hybrid cloud solutions. These hybrid solutions offer simplified and consistent approaches with operating expense alternatives in addition to traditional capital intensive outlays. This strategy should accelerate our move away from traditional, upfront revenue sales and deployment models to a model where revenue is recognized over time. As a result, the Company's revenue could decline in the short-term as customers transition to these purchasing models. Therefore, Teradata is introducing additional financial and performance measures to allow for greater transparency regarding the progress we are making toward achieving our strategic objectives. These new financial and performance measures currently include the following:

- **TCORE Growth** - a measure of consumption of the Teradata database solution. It is based on the performance of a system as calculated by number of cores reduced by an input/output ("I/O") factor, recognizing that an I/O starved central processing unit ("CPU") will not provide optimum performance.

- **Annual Recurring Revenue (ARR)** - is the annual value at a point in time of all of our recurring contracts, including support, software upgrade rights, subscription licenses, rental and cloud.
- **Recurring Revenue as a % of Total Revenue** - revenue from all recurring contracts, including support, software upgrade rights, subscription licenses, rental and cloud divided by total Company revenue.
- **Business Consulting Revenue Growth** - revenue growth from our strategic service offerings around Analytics Consulting, Business Consulting, and Ecosystem Architecture consulting. Although the revenue from Business Consulting represents a small percent of total Company revenue, it is a leading indicator of future TCORE growth and measures our effectiveness of becoming a "Trusted Advisor" within our customers and targeted prospects.

RESULTS FROM OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

Revenue

In millions	2016	% of Revenue	2015	% of Revenue	2014	% of Revenue
Product revenue	$ 889	38.3%	$ 1,057	41.8%	$ 1,227	44.9%
Service revenue	1,433	61.7%	1,473	58.2%	1,505	55.1%
Total revenue	$ 2,322	100%	$ 2,530	100%	$ 2,732	100%

Total revenue decreased 8% in 2016 as compared to 2015. The revenue decrease included a 1% adverse impact from foreign currency fluctuations. The revenue decline was primarily due to customers increasingly opting for subscription-based (term) licenses, rental of hardware, and cloud adoption. This has an impact on the amount of revenue that is booked upfront versus over the term of the contract. In addition, the sale of the marketing applications business, which generated $69 million in revenue in 2016 (before the sale on July 1, 2016) compared to $153 million in 2015, had a negative impact on total revenue of 3%. Product revenue decreased 16% in 2016 from 2015 primarily due to customers increasingly opting for our subscription-based purchase options. Service revenue decreased 3% in 2016 from 2015, with an underlying 6% decrease in consulting services revenue and 1% increase in maintenance services revenue compared to 2015. Services revenue declined primarily due to the sale of the marketing applications business on July 1, 2016 and foreign currency fluctuations, which had a 2% adverse impact on services revenue.

In 2015, total revenue decreased 7% as compared to 2014. The revenue decrease included a 5% adverse impact from foreign currency fluctuations. The revenue decline was due primarily to constrained information technology budgets, extended sales cycles, and a reduction in large customer orders, as well as the impact currency translation had on reported revenue growth. Product revenue decreased 14% in 2015 from 2014 primarily due to a decrease in customers' large capital expenditures and foreign currency fluctuations, which had a 5% adverse impact on product revenue. Service revenue decreased 2% in 2015 from 2014, with an underlying 5% decrease in consulting services revenue and 1% increase in maintenance services revenue compared to 2014. Services revenue declined due to foreign currency fluctuations, which had a 6% adverse impact on services revenue.

Gross Margin

The Company often uses specific terms/definitions to describe variances in gross margin. The terms and definitions most often used are as follows:

- **Revenue Mix** - The proportion of products and services that generates the total revenue of the Company. Changes in revenue mix can have an impact on gross margin even if total revenue remains unchanged.
- **Services Mix** - The proportion of higher-margin maintenance revenue versus lower-margin consulting revenue that generates the total services revenue of the Company.
- **Product Mix** - The proportion of various products that generate the total product revenue of the Company. For example, a higher mix of IDW products versus departmental data mart, Aster, our Extreme Data

Appliance or Hadoop products would have a positive impact on product gross margins. This definition also includes the mix of Company sourced and third party products.

- **Deal Mix -** Refers to the type of transactions closed within the period and includes such transactions as capacity on demand (“COD”), floor sweeps versus capacity additions, enterprise license agreements ("ELA"), hardware versus software, and discounting (new customers versus existing customers, large customers versus smaller customers).
    - **COD** is a common offering used by Teradata and other information technology vendors that allows the customer to purchase extra capacity in the future, which is already delivered and integrated into their existing systems, typically within 12-18 months. COD enables customers to "activate" or add capacity quickly. Product cost is recognized upon delivery with no corresponding revenue. When customers activate the COD, we record and recognize the revenue associated with the added capacity and the gross margin is recovered.
    - **Floor sweeps** take place when an existing customer replaces their older Teradata platform with a new Teradata platform, which can result in a large revenue transaction, but typically also results in a higher mix of lower-margin hardware revenue versus higher-margin software revenue.
    - **ELA** transactions allow customers to purchase as much software as needed for current production use for a period of time in exchange for a fixed fee that is typically recognized as revenue upfront or as payments become due if the terms of the payments are extended. Additional capacity during the term results in lower-margin hardware revenue versus higher-margin software revenue.

Gross margin for the following years ended December 31 was as follows:

In millions	2016	% of Revenue	2015	% of Revenue	2014	% of Revenue
Gross margin						
Product gross margin	$ 537	60.4%	$ 617	58.4%	$ 784	63.9%
Service gross margin	651	45.4%	659	44.7%	695	46.2%
Total gross margin	$ 1,188	51.2%	$ 1,276	50.4%	$ 1,479	54.1%

In 2016, product margin increased 2% points due to favorable deal and product mix. Service gross margin improved 1% points driven by the exiting of the marketing applications business which had a lower service margin rate than the Data and Analytics service rate.

In 2015, product margin declined 5.5% points due to deal mix (including a higher mix of hardware versus software deals as well as pricing programs that are intended to make it easier to buy Teradata), foreign currency, a lower mix of integrated data warehousing products and a reduction in product volume. Service gross margin declined 1.5% points due to investments in our big data consulting capabilities, the marketing applications business (prior to the decision to exit this business), and investments in our Teradata cloud capabilities.

Operating Expenses

In millions	2016	% of Revenue	2015	% of Revenue	2014	% of Revenue
Operating expenses						
Selling, general and administrative expenses	$ 664	28.6%	$ 765	30.2%	$ 770	28.2%
Research and development expenses	212	9.1%	228	9.0%	206	7.5%
Impairment of goodwill, acquired intangibles and other assets	80	3.4%	478	18.9%	—	—%
Total operating expenses	$ 956	41.2%	$ 1,471	58.1%	$ 976	35.7%

In 2016, selling, general and administrative ("SG&A") expense decreased by $101 million or 13% compared to 2015. The decrease is driven by the exit of the marketing applications business and cost reduction initiatives, partially offset by higher annual incentive payment accruals.

Research and development ("R&D") expenses decreased $16 million or 7% in 2016 due to the exit of the marketing applications business and cost reduction initiatives partially offset by additional spending for strategic initiatives including further investment in our managed and public cloud offerings, Teradata software-only and our Intelliflex platform.

In 2015, SG&A expense decreased by $5 million or 1% compared to 2014. The decrease is a result of the change in foreign currency exchange rates, partially offset by increased investments in demand creation resulting from our strategic investment initiatives. R&D expenses increased $22 million or 11% in 2015 due to additional investments in big data analytics, cloud and marketing applications, which included incremental expenses from acquisitions. The increase in R&D expense was also caused by a decrease in capitalized software of $7 million compared to 2014.

The Company recognized an impairment of goodwill of $57 million and acquired intangibles of $19 million in 2016 to adjust the marketing applications business, which was sold on July 1, 2016, to its fair value less cost to sell. In addition, the Company recorded a $4 million impairment charge related to the sale of its corporate plane. The Company recorded a goodwill impairment of $437 million and an impairment of acquired intangibles of $41 million in 2015, also related to the marketing applications business (see Note 15 of Notes to Consolidated Financial Statements).

Other (Expense) Income, net

In millions	2016	2015	2014
Gain (loss) on securities	$ 2	$ 57	$ (9)
Interest income	7	5	5
Interest expense	(12)	(9)	(3)
Other	(8)	(2)	(2)
Total Other (Expense) Income, net	$ (11)	$ 51	$ (9)

In 2016, other expense included a foreign exchange loss of $9 million related to the devaluation of the Egyptian pound. The increase in interest expense and interest income compared to 2015 was due to an increase in interest rates. In 2015, other income primarily included a gain of $57 million from sale of equity investments. This was partially offset by an increase in interest expense due to an increase in debt. In 2014, other expense primarily included a loss of $9 million on an equity investment arising from an impairment of carrying value.

Income Taxes

The effective income tax rate for the following years ended December 31 was as follows:

	2016	2015	2014
Effective Tax Rate	43.4%	(48.6)%	25.7%

The 2016 effective tax rate was impacted by the $57 million of goodwill impairment charge recorded in the first quarter of 2016, all of which were treated as a permanent non-deductible tax item. In addition, a discrete tax charge of $22 million was recorded in the third quarter of 2016 for the tax impact of the sale of the marketing applications business, which occurred on July 1, 2016. In the fourth quarter of 2016, the Company recorded $8 million of tax expense associated with the issuance of new U.S. Treasury Regulations under Internal Revenue Code Section 987 on December 7, 2016, which clarified how companies calculate foreign currency translation gains and losses for income tax purposes for branches whose accounting records are kept in a currency other than the currency of the company. Also in the fourth quarter of 2016, the Company elected to early adopt Accounting Standards Update 2016-09, Improvements to Employee Share-Based Payment Accounting. As a result, the Company incurred a $5 million discrete tax expense associated with the net shortfall arising from 2016 equity compensation vestings and exercises.

The 2015 effective tax rate was impacted by the $437 million of goodwill impairment charges recorded for 2015, of which $414 million was treated as a permanent non-deductible tax item. This resulted in full-year income tax expense in 2015 of $70 million, on a pre-tax net loss of $(144) million, causing a negative tax rate of 48.6%. There were no material discrete tax items impacting the effective tax rate for full year 2014.

Revenue and Gross Margin by Operating Segment

Effective January 1, 2016, Teradata implemented an organizational change in which it now manages the Company's business under two geographic regions and the marketing applications division (prior to its sale on July 1, 2016); which are also the Company’s operating segments: (1) Americas Data and Analytics (North America and Latin America); (2) International Data and Analytics (Europe, Middle East, Africa, Asia Pacific and Japan); and (3) Marketing Applications. Effective July 1, 2016, following the sale of the marketing applications business, Teradata is managing its business in two operating segments: (1) Americas region (North America and Latin America); and (2) International region (Europe, Middle East, Africa, Asia Pacific and Japan). For purposes of discussing results by segment, management excludes the impact of certain items, consistent with the manner by which management evaluates the performance of each segment. 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 financial performance. The chief operating decision maker evaluates the performance of the segments based on revenue and multiple profit measures, including segment gross margin. For management reporting purposes assets are not allocated to the segments. Our segment results are reconciled to total company results reported under U.S. generally accepted accounting principles (“GAAP”) in Note 11 of Notes to Consolidated Financial Statements. Prior period segment information has been reclassified to conform to the current period presentation.

The following table presents revenue and operating performance by segment for the years ended December 31:

In millions	2016	% of Revenue	2015	% of Revenue	2014	% of Revenue
Segment revenue						
Americas Data and Analytics	$ 1,334	57.4%	$ 1,470	58.2%	$ 1,534	56.2%
International Data and Analytics	919	39.6%	907	35.8%	1,034	37.8%
Total Data and Analytics	2,253	97.0%	2,377	94.0%	2,568	94.0%
Marketing Applications	69	3.0%	153	6.0%	164	6.0%
Total segment revenue	$ 2,322	100%	$ 2,530	100%	$ 2,732	100%
Segment gross margin						
Americas Data and Analytics	$ 754	56.5%	$ 824	56.1%	$ 917	59.8%
International Data and Analytics	425	46.2%	429	47.3%	523	50.6%
Total Data and Analytics	1,179	52.3%	1,253	52.7%	1,440	56.1%
Marketing Applications	33	47.8%	63	41.2%	78	47.6%
Total segment gross margin	$ 1,212	52.2%	$ 1,316	52.0%	$ 1,518	55.6%

Americas Data and Analytics: Revenue decreased 9% as customers continue to evaluate lower cost (and less capital intensive) alternatives as well as our new purchasing and deployment options. As discussed in the future trends section of this MD&A, the revenue decline was driven by our customers' focus on less capital intensive options like cloud, subscription licenses, rental and usage-based models, which results in revenue being recognized over time instead of upfront. Segment gross margins as a percentage of revenue were higher driven by an increase in product gross margin. The increase in the product gross margin was driven by favorable deal and product mix.

In 2015, revenue was down 4% primarily driven by a decrease in customer large capital expenditure transactions. The results included a 2% adverse impact from foreign currency fluctuations. Gross margins as a percentage of revenue were down in 2015 compared to 2014 due to the high mix of hardware versus software deals and the impact of foreign currency exchange rates.

International Data and Analytics: Revenue increased by 1%, which included a 2% adverse impact from foreign currency fluctuations. The revenue increase was led by good growth in Western Europe and China. Gross margins were down due to a higher mix of service revenue, which has a lower margin profile versus product revenue.

In 2015, revenue was down 12%, which was almost entirely due to a 11% adverse impact from foreign currency fluctuation. Gross margins were down due to lower revenue volume from foreign currency fluctuations and a higher mix of service revenue, which has a lower margin profile versus product revenue.

Marketing Applications: Revenue decreased by $84 million or 55% in 2016 from 2015. The decline in revenue was driven by the divestiture of the marketing applications business on July 1, 2016. Prior to its divestiture, the overall segment gross margin increase was primarily driven by higher product and professional services margins. In 2015, the Company made investments to help better position the Company to go broader in the market, which resulted in lower service margins in 2015.

In 2015, revenue decreased $11 million or 7% from 2014. The revenue decrease included a 6% adverse impact from foreign currency fluctuations. The overall gross margin decrease in 2015 from 2014 is primarily driven by investments in the cloud business as well as lower professional services margins, which were impacted by investments to help better position the Company to go broader in the market and drive long-term growth in this business.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Teradata ended 2016 with $ 974 million in cash and cash equivalents, a $ 135 million increase from the December 31, 2015 balance, after using approximately $82 million for repurchases of Company common stock, and approximately $16 million for acquisitions and investment activities which were completed during the year. Cash provided by operating activities increased by $45 million to $446 million in 2016 . The increase in cash provided by operating activities was primarily due to favorable changes in net working capital, primarily due to a larger collection of receivables as compared to the prior year.

Teradata's management uses a non-GAAP measure called "free cash flow," which is not a measure defined under GAAP. We define free cash flow as net cash provided by operating activities less capital expenditures for property and equipment, and additions to capitalized software, as one measure of assessing the financial performance of the Company, and this may differ from the definition used by other companies. The components that are used to calculate free cash flow are GAAP measures taken directly from the Consolidated Statements of Cash Flows. We believe that free cash flow information is useful for investors because it relates the operating cash flow of the Company to the capital that is spent to continue and improve business operations. In particular, free cash flow indicates the amount of cash available after capital expenditures for, among other things, investments in the Company's existing businesses, strategic acquisitions and repurchase of Teradata common stock. Free cash flow does not represent the residual cash flow available for discretionary expenditures since there may be other non-discretionary expenditures that are not deducted from the measure. This non-GAAP measure should not be considered a substitute for, or superior to, cash flows from operating activities under GAAP.

The table below shows net cash provided by operating activities and capital expenditures for the following periods:

In millions	2016	2015	2014
Net cash provided by operating activities	$ 446	$ 401	$ 680
Less:			
Expenditures for property and equipment	(53)	(52)	(54)
Additions to capitalized software	(65)	(68)	(75)
Free cash flow	$ 328	$ 281	$ 551

Financing activities and certain other investing activities are not included in our calculation of free cash flow. In 2016 and 2015 , these other investing activities primarily consisted of immaterial complementary business acquisitions and equity investment activities that were closed during these years along with the sale of the marketing applications business on July 1, 2016.

Teradata's financing activities for the years ended December 31, 2016 primarily consisted of cash outflows of $82 million for share repurchases, repayments of credit facility borrowings of $180 million, repayment of existing term loan of $30 million and $30 million from other financing activities, net of tax paid for shares withheld upon equity award settlement. Teradata's financing activities for the year ended December 31, 2015 primarily consisted of cash outflows of $657 million for share repurchases, proceeds from credit facility borrowings of $180 million, repayments of credit facility borrowings of $220 million, and proceeds from a new term loan of $600 million and repayment of an existing term loan of $247 million. The Company purchased 3.4 million shares of its common stock at an average price per share of $24.25 in 2016, 19 million shares at an average price per share of $34.15 in 2015, and 13 million shares at an average price per share of $43.09 in 2014.

Share repurchases were made under two share repurchase programs initially authorized by our Board of Directors in 2008. The first program (the "dilution offset program") authorizes the Company to repurchase Teradata common stock to the extent of cash received from the exercise of stock options and the Teradata Employee Stock Purchase Plan ("ESPP") to offset dilution from shares issued pursuant to these plans. On February 6, 2012, the board approved a new $300 million share repurchase authorization to replace a prior $300 million authorization (the "general share repurchase program"), that was to expire on February 10, 2012. Since February 2012, Teradata's Board of Directors has approved, in $300 million increments, additional share repurchase authorizations for a total of $2.0 billion under the Company's general share repurchase program on each of the following dates: December

10, 2012, October 14, 2013, May 5, 2014, December 18, 2014 and May 4, 2015. An additional share repurchase authorization of $500 million was approved by the board on August 20, 2015. As of December 31, 2016 , the Company had $512 million of authorization remaining to repurchase outstanding shares of Teradata common stock under the general share repurchase program. Share repurchases made by the Company are reported on a trade date basis. Our share repurchase activity depends on factors such as our working capital needs, our cash requirements for capital investments, our stock price, and economic and market conditions, as well as merger and acquisition opportunities. Proceeds from the ESPP and the exercise of stock options were $31 million in 2016, $24 million in 2015 and $29 million in 2014. These proceeds are included in other financing activities, net in the Consolidated Statements of Cash Flows.

Our total cash and cash equivalents held outside the U.S. in various foreign subsidiaries was $957 million as of December 31, 2016 and $819 million as of December 31, 2015 . The remaining balance held in the U.S. was $17 million as of December 31, 2016 and $20 million as of December 31, 2015 . Under current tax laws and regulations, if cash and cash equivalents held outside the U.S. are distributed to the U.S. in the form of dividends or otherwise, we would be subject to additional U.S. income taxes (subject to an adjustment for foreign tax credits) and potential foreign withholding taxes. As of December 31, 2016, we have not provided for the U.S. federal tax liability on approximately $1.3 billion of foreign earnings that are considered permanently reinvested outside of the U.S.

On March 25, 2015, Teradata replaced its existing five-year, $300 million revolving credit facility with a new $400 million revolving credit facility (the “Credit Facility”). The Credit Facility ends on March 25, 2020 at which point any remaining outstanding borrowings would be due for repayment unless extended by agreement of the parties for up to two additional one-year periods. The interest rate charged on borrowings pursuant to the Credit Facility can vary depending on the interest rate option the Company chooses to utilize and the Company’s leverage ratio at the time of the borrowing. In 2016 , Teradata chose a floating rate based on the London Interbank Offered Rate (“LIBOR”). The Credit Facility is unsecured and contains certain representations and warranties, conditions, affirmative, negative and financial covenants, and events of default customary for such facilities. As of December 31, 2016, the Company had no outstanding borrowings on the Credit Facility, leaving $400 million in additional borrowing capacity available. The Company was in compliance with all covenants as of December 31, 2016 .

Also on March 25, 2015, Teradata closed on a new senior unsecured $600 million five-year term loan, the proceeds of which were used to pay off the remaining $247 million of principal on its existing term loan, pay off the $220 million outstanding balance on the prior credit facility, and fund share repurchases. The $600 million term loan is payable in quarterly installments, which commenced on March 31, 2016, with all remaining principal due in March 2020. The outstanding principal amount under the term loan agreement bears interest at a floating rate based upon a negotiated base rate or a Eurodollar rate plus in each case a margin based on the leverage ratio of the Company. As of December 31, 2016 , the term loan principal outstanding was $570 million and carried an interest rate of 2.1875%. The Company was in compliance with all covenants as of December 31, 2016.

Management believes current cash, cash flows from operations and the $400 million available under the Credit Facility will be sufficient to satisfy future working capital, research and development activities, capital expenditures, pension contributions, severance benefits and other financing requirements for at least the next twelve months. The Company principally holds its cash and cash equivalents in bank deposits and highly-rated money market funds.

The Company’s 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 Annual Report. If the Company is unable to generate sufficient cash flows from operations, or otherwise to comply with the terms of the credit facility and term loan agreement, the Company may be required to seek additional financing alternatives.

Contractual and Other Commercial Commitments. 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, 2016 , with projected cash payments in the periods shown:

In millions	Total Amounts	2017	2018-2019	2020-2021	2022 and Thereafter
Principal payments on long-term debt	$ 570	$ 30	$ 127	$ 413	$ —
Interest payments on long-term debt	36	13	21	2	—
Lease obligations	67	22	28	9	8
Purchase obligations	17	7	8	2	—
Total debt, lease and purchase obligations	$ 690	$ 72	$ 184	$ 426	$ 8

Our principal payments on long-term debt represent the expected cash payments on our $600 million term loan and do not include any fair value adjustments or discounts and premiums. Our interest payments on long-term debt represent the estimated cash interest payments based on the prevailing interest rate as of December 31, 2016 . As of December 31, 2016, the Company had no borrowings outstanding under the Credit Facility, leaving $400 million in additional borrowing capacity available. Our lease obligations in the above table include Company facilities in various domestic and international locations. Purchase obligations are committed purchase orders and other contractual commitments for goods and services, and include non-cancelable contractual payments for fixed or minimum amounts to be purchased in relation to service agreements with various vendors for ongoing telecommunications, information technology, hosting and other services.

Additionally, the Company has $20 million in total uncertain tax positions recorded as non-current liabilities on its balance sheet as of December 31, 2016 . These items are not included in the table of obligations shown above. The settlement period for the non-current income tax liabilities cannot be reasonably estimated as the timing and the amount of the payments, if any, will depend on possible future tax examinations with the various tax authorities. However, it is not expected that any payments will be due within the next 12 months.

We also have product warranties and guarantees to third parties, as well as postemployment and international pension obligations that may affect future cash flow. These items are not included in the table of obligations shown above. Product warranties and third-party guarantees are described in detail in “Note 8—Commitments and Contingencies” in the Notes to Consolidated Financial Statements. Postemployment and pension obligations are described in detail in “Note 6—Employee Benefit Plans” in the Notes to Consolidated Financial Statements.

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, which would have been established for the purpose of facilitating off-balance sheet arrangements or for other contractually narrow or limited purposes.

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 periodically 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. Teradata's senior management has reviewed these critical accounting policies and related disclosures with the Audit Committee of Teradata's Board of Directors. For additional information regarding our accounting policies and other disclosures required by GAAP, see "Note 1—Description of Business, Basis of Presentation and Significant Accounting Policies" in the Notes to Consolidated Financial Statements.

Revenue Recognition

Revenue recognition for complex contractual arrangements requires judgment, including a review of specific contracts, past experience, creditworthiness of customers, international laws and other factors. Specifically, complex arrangements with nonstandard terms and conditions may require significant contract interpretation to determine the appropriate accounting. We must also apply judgment in determining all deliverables of the arrangement, and in determining the relative selling price of each deliverable, considering the price charged for each product when sold on a standalone basis, and applicable renewal rates for services. Changes in judgments about these factors could impact the timing and amount of revenue recognized between periods.

The Company reviews the relative selling price on a periodic basis and updates it, when appropriate, to ensure that the practices employed reflect the Company's recent pricing experience. The Company maintains internal controls over the establishment and updates of these estimates, which includes review and approval by the Company's management. For the year ended December 31, 2016 there was no material impact to revenue resulting from changes in the relative selling price, nor does the Company expect a material impact from such changes in the near term.

Capitalized Software

Costs incurred in researching and developing a computer software product that will be sold, leased or otherwise marketed are charged to expense until technological feasibility has been established. Technological feasibility is established when planning, designing and initial coding activities that are necessary to establish that the product can be produced to meet its design specifications are complete. In the absence of a detailed program design or for agile development activities, a working model is used to establish technological feasibility. Once technological feasibility is established, all development 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 fluctuations 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.

In the fourth quarter of 2016, the Company began moving towards more frequent releases of its products, which significantly shortens the opportunity to capitalize software development costs. Our research and development efforts have become more driven by market requirements and rapidly changing customers' needs. In addition, the Company started applying agile development methodologies to help respond to new technologies and trends. Agile development methodologies are characterized by a more dynamic development process with more frequent and iterative revisions to a product releases' features and functions as the software is being developed. Due to the shorter development cycle and focus on rapid production associated with agile development, the Company does not anticipate capitalizing significant amounts of external use software development costs in future periods due to the relatively short duration between the completion of the working model and the point at which a product is ready for general release. Prior capitalized costs will continue to be amortized under the greater of revenue-based or straight-line method over the estimated useful life.

Income Taxes

In accounting for income taxes, we recognize deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities. The deferred tax assets and liabilities

are determined based on the enacted tax rates expected to apply in the periods in which the deferred tax assets or liabilities are expected to be settled or realized.

The Company's intention is to permanently reinvest its foreign earnings outside of the U.S. As a result, the effective tax rates are largely based upon the pre-tax earnings mix and allocation of certain expenses in various taxing jurisdictions where the Company conducts its business. These jurisdictions apply a broad range of statutory income tax rates; the U.S. statutory corporate income tax rate is currently 35% as compared to the overall statutory effective tax rate of our various foreign jurisdictions of approximately 12%. As of December 31, 2016 , the Company has not provided for federal income taxes on earnings of approximately $1.3 billion from its foreign subsidiaries.

We account 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. 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. We record any interest and/or penalties related to uncertain tax positions in the income tax expense line on our Consolidated Statements of Income. As of December 31, 2016 , the Company has a total of $30 million of unrecognized tax benefits, of which $20 million is included in the other liabilities section of the Company's consolidated balance sheet as a non-current liability. The remaining balance of $10 million of uncertain tax positions relates to certain tax attributes both generated by the Company and acquired in various acquisitions, which are netted against the underlying deferred tax assets recorded on the balance sheet.

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. We recorded $26 million in 2016 and $25 million in 2015 for valuation allowances. Due to a change in tax law enacted in the state of California in the fourth quarter of 2012, the Company established a valuation allowance to partially offset its California R&D tax credit carryforward deferred tax asset, as the Company expects to continue to generate excess California R&D tax credits into the foreseeable future.

Stock-based Compensation

We 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 pricing models, including the Black-Scholes option pricing model and Monte Carlo simulation model, to estimate the fair value of stock-based compensation at the date of grant. These valuation models require the input of subjective assumptions, including expected volatility and expected term. In addition, we issue performance-based awards that vest only if specific performance conditions are satisfied. The number of shares that will be earned can vary based on actual performance. No shares will vest if the threshold objectives are not met. In the event the objectives are exceeded, additional shares will vest up to a maximum payout. The cost of these awards is expensed over the performance period based upon management's estimate and analysis of the probability of meeting 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.

Goodwill and Acquired Intangible Assets

The Company reviews goodwill for impairment annually and whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable. The Company tests goodwill by first performing a qualitative analysis (Step 0) to determine if it is more likely than not that the fair value of the reporting unit is below its carrying value. Qualitative factors may include, but are not limited to, economic, market and industry conditions, and overall financial performance of the reporting unit. If the Company determines that it is more likely than not that the fair value of the reporting unit is below its carrying value after assessing these qualitative factors, then the guidance on goodwill impairment requires the company to perform a two-step impairment test. In the first step, the Company compares the fair value of each reporting unit to its carrying value. The Company typically determines the fair value of its reporting units using a weighting of fair values derived from the income and market approaches. Under the income approach, the Company calculates the fair value of a reporting unit based on the present value of estimated future cash flows. The market approach estimates fair value based on market multiples of revenue and

earnings derived from comparable companies with similar operating and investment characteristics as the reporting unit. If the fair value of the reporting unit exceeds the carrying value of the net assets assigned to that unit, goodwill is not impaired. If the carrying value of the net assets assigned to the reporting unit exceeds the fair value of the reporting unit, then the second step of the impairment test is performed in order to determine the implied fair value of the reporting unit's goodwill in the same manner as if the reporting unit was being acquired in a business combination. The implied fair value of the goodwill in step two analysis is determined by the acquisition method of accounting for business combinations which requires the company to estimate the fair value of assets and liabilities and to allocate the fair value between net assets and goodwill. If the carrying value of a reporting unit's goodwill exceeds its implied fair value, then the company records an impairment loss equal to the difference. Teradata reviewed two reporting units in its 2016 goodwill impairment assessment, as each operating segment was deemed as a reporting unit for purposes of testing. Based on the Company's evaluation and weighting of the events and circumstances that have occurred since the most recent Step 1 test, the Company concluded that it was not more likely than not that the fair value of each reporting unit was below its carrying value. Therefore, the Company determined that it was not necessary to perform a Step 1 goodwill impairment test for the reporting units in 2016. See "Note 3—Goodwill and Acquired Intangible Assets" for additional information.

The acquisition method of accounting for business combinations requires the Company to estimate the fair value of assets acquired, liabilities assumed, and any noncontrolling interest in the acquiree to properly allocate any excess purchase price consideration between net assets and goodwill. Impairment testing for assets, other than goodwill, requires the allocation of cash flows to those assets or group of assets and if required, an estimate of fair value for the assets or group of assets.

Determining the fair value of goodwill and acquired intangibles is judgmental in nature and involves the use of significant estimates and assumptions. These estimates and assumptions include revenue growth rates and operating margins used to calculate projected future cash flows, discount rates and future economic and market conditions. The company's estimates are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable. These valuations require the use of management's assumptions, which may not reflect unanticipated events and circumstances that may occur.

Pension and Postemployment Benefits

We measure pension and postemployment benefit costs and credits using actuarial valuations. Actuarial assumptions attempt to anticipate future events and are used in calculating the expense and liability relating to these plans. These factors include assumptions we make about interest rates, expected investment return on plan assets, total and involuntary turnover rates, and rates of future compensation increases. In addition, our actuarial consultants also use subjective factors such as withdrawal rates and mortality rates to develop our valuations. We review and update these assumptions on an annual basis at the beginning of each fiscal year. We are required to consider current market conditions, including changes in interest rates, in making these assumptions. The actuarial assumptions that we use 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 measurement of our pension and postemployment benefit obligations, and to the amount of pension and postemployment benefits expense we have recorded or may record. For example, as of December 31, 2016 , a one-half percent increase/decrease in the discount rate would change the projected benefit obligation of our pension plans by approximately $6 million, and a one-half percent increase/decrease in our involuntary turnover assumption would change our postemployment benefit obligation by approximately $11 million.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

A discussion of recently issued accounting pronouncements is described in "Note 1—Description of Business, Basis of Presentation and Significant Accounting Policies" in the Notes to Consolidated Financial Statements elsewhere in this Annual Report, and we incorporate such discussion by reference.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company employs a foreign currency hedging strategy to limit potential losses in earnings or cash flows from adverse foreign currency exchange rate movements. Foreign currency exposures arise from transactions denominated in a currency other than the Company's functional currency and from foreign denominated revenue and profit translated into U.S. dollars. The primary currencies to which the Company is exposed include the euro, the British pound, the Japanese yen, the Australian dollar, the Canadian dollar and other Asian and South American currencies. Exposures are hedged with foreign currency forward contracts with maturity dates of twelve months or less. The potential loss in fair value at December 31, 2016, for such contracts resulting from a hypothetical 10% adverse change in all foreign currency exchange rates is approximately $2 million. This loss would be mitigated by corresponding gains on the underlying exposures. For additional information regarding the Company's foreign currency hedging strategy, see "Note 7— Derivative Instruments and Hedging Activities" in the Notes to Consolidated Financial Statements elsewhere in this Annual Report.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Teradata Corporation:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income (loss), comprehensive income (loss), changes in stockholders' equity and cash flows present fairly, in all material respects, the financial position of Teradata Corporation and its subsidiaries at December 31, 2016 and December 31, 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016 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 index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework* (*2013*) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included 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. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Atlanta, GA
February 27, 2017

TERADATA CORPORATION

Consolidated Statements of Income (Loss)
In millions, except per share amounts

	For the Years Ended December 31		
	2016	**2015**	**2014**
Revenue			
Product revenue	$ 889	$ 1,057	$ 1,227
Service revenue	1,433	1,473	1,505
Total revenue	2,322	2,530	2,732
Costs and operating expenses			
Cost of products	352	440	443
Cost of services	782	814	810
Selling, general and administrative expenses	664	765	770
Research and development expenses	212	228	206
Impairment of goodwill, acquired intangibles and other assets	80	478	—
Total costs and operating expenses	2,090	2,725	2,229
Income (loss) from operations	232	(195)	503
Other (expense) income, net			
Interest expense	(12)	(9)	(3)
Other income (expense), net	1	60	(6)
Total other (expense) income, net	(11)	51	(9)
Income (loss) before income taxes	221	(144)	494
Income tax expense	96	70	127
Net income (loss)	$ 125	$ (214)	$ 367
Net income (loss) per common share			
Basic	$ 0.96	$ (1.53)	$ 2.36
Diluted	$ 0.95	$ (1.53)	$ 2.33
Weighted average common shares outstanding			
Basic	129.7	139.6	155.3
Diluted	131.5	139.6	157.8

The accompanying notes are an integral part of the consolidated financial statements.

TERADATA CORPORATION

Consolidated Statements of Comprehensive Income (Loss)
In millions

	For the Years Ended December 31		
	2016	**2015**	**2014**
Net income (loss)	$ 125	$ (214)	$ 367
Other comprehensive (loss) income:			
Foreign currency translation adjustments	(7)	(36)	(47)
Securities:			
Reclassification of gain to net income	—	(26)	—
Unrealized (loss) gain on securities, before tax	—	(7)	50
Tax impact on securities	—	2	(19)
Net change in securities	—	(31)	31
Defined benefit plans:			
Reclassification of loss to net income	3	3	1
Defined benefit plan adjustment, before tax	(12)	(9)	(29)
Defined benefit plan adjustment, tax portion	3	1	7
Defined benefit plan adjustment, net of tax	(6)	(5)	(21)
Other comprehensive loss	(13)	(72)	(37)
Comprehensive income (loss)	$ 112	$ (286)	$ 330

The accompanying notes are an integral part of the consolidated financial statements.

TERADATA CORPORATION

Consolidated Balance Sheets
In millions, except per share amounts

	At December 31	
	2016	**2015**
Assets		
Current assets		
Cash and cash equivalents	$ 974	$ 839
Accounts receivable, net	548	580
Inventories	34	49
Assets held for sale	—	214
Other current assets	65	52
Total current assets	1,621	1,734
Property and equipment, net	138	143
Capitalized software, net	187	190
Goodwill	390	380
Acquired intangible assets, net	11	22
Deferred income taxes	49	41
Other assets	17	17
Total assets	$ 2,413	$ 2,527
Liabilities and stockholders' equity		
Current liabilities		
Current portion of long-term debt	$ 30	$ 30
Short-term borrowings	—	180
Accounts payable	103	96
Payroll and benefits liabilities	139	120
Deferred revenue	369	367
Liabilities held for sale	—	58
Other current liabilities	88	102
Total current liabilities	729	953
Long-term debt	538	567
Pension and other postemployment plan liabilities	96	89
Long-term deferred revenue	14	15
Deferred tax liabilities	33	28
Other liabilities	32	26
Total liabilities	1,442	1,678
Commitments and contingencies (Note 8)		
Stockholders' equity		
Preferred stock: par value $0.01 per share, 100.0 shares authorized, no shares issued and outstanding at December 31, 2016 and 2015, respectively	—	—
Common stock: par value $0.01 per share, 500.0 shares authorized, 130.6 and 130.7 shares issued at December 31, 2016 and 2015, respectively	1	1
Paid-in capital	1,220	1,128
Accumulated deficit	(161)	(204)
Accumulated other comprehensive loss	(89)	(76)
Total stockholders' equity	971	849
Total liabilities and stockholders' equity	$ 2,413	$ 2,527

The accompanying notes are an integral part of the consolidated financial statements.

TERADATA CORPORATION

Consolidated Statements of Cash Flows
In millions

	For the Years Ended December 31		
	2016	**2015**	**2014**
Operating activities			
Net income (loss)	$ 125	$ (214)	$ 367
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	128	170	169
Stock-based compensation expense	62	56	50
Excess tax benefit from stock-based compensation	—	(2)	(2)
Deferred income taxes	(3)	(39)	(2)
(Gain) loss on investments	(2)	(57)	9
Impairment of goodwill, acquired intangibles and other assets	80	478	—
Changes in assets and liabilities, net of acquisitions:			
Receivables	40	1	101
Inventories	14	(11)	18
Account payables and accrued expenses	11	(8)	(23)
Deferred revenue	1	24	(28)
Other assets and liabilities	(10)	3	21
Net cash provided by operating activities	446	401	680
Investing activities			
Expenditures for property and equipment	(53)	(52)	(54)
Additions to capitalized software	(65)	(68)	(75)
Proceeds from sales of property and equipment	5	—	—
Proceeds from disposition of investments	2	85	—
Proceeds from sale of business	92	—	—
Business acquisitions and other investing activities, net	(16)	(17)	(69)
Net cash used in investing activities	(35)	(52)	(198)
Financing activities			
Proceeds from long-term borrowings	—	600	—
Repayments of long-term borrowings	(30)	(247)	(26)
Proceeds from credit facility borrowings	—	180	220
Repayments of credit-facility borrowings	(180)	(220)	—
Repurchases of common stock	(82)	(657)	(551)
Excess tax benefit from stock-based compensation	—	2	2
Other financing activities, net	30	18	29
Net cash used in financing activities	(262)	(324)	(326)
Effect of exchange rate changes on cash and cash equivalents	(14)	(20)	(17)
Increase in cash and cash equivalents	135	5	139
Cash and cash equivalents at beginning of year	839	834	695
Cash and cash equivalents at end of year	$ 974	$ 839	$ 834
Supplemental data			
Cash paid during the year for:			
Income taxes	$ 105	$ 98	$ 133
Interest	$ 12	$ 8	$ 3

The accompanying notes are an integral part of the consolidated financial statements.

TERADATA CORPORATION

Consolidated Statements of Changes in Stockholders' Equity
In millions

	Common Stock		Treasury Stock		Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount	Shares	Amount				
December 31, 2013	**191**	**$ 2**	**(32)**	**$ (1,184)**	**$ 973**	**$ 2,033**	**$ 33**	**$ 1,857**
Net income						367		367
Employee stock compensation, employee stock purchase programs and option exercises	2	(1)			78			77
Income tax benefit from stock compensation plans					3			3
Retirement of common stock previously held as treasury	(32)		32	1,184		(1,184)		
Repurchases of common stock, retired	(13)					(560)		(560)
Pension and postemployment benefit plans, net of tax							(21)	(21)
Unrealized gain on securities							31	31
Currency translation adjustment							(47)	(47)
December 31, 2014	**148**	**$ 1**	**—**	**$ —**	**$ 1,054**	**$ 656**	**$ (4)**	**$ 1,707**
Net loss						(214)		(214)
Employee stock compensation, employee stock purchase programs and option exercises	2				78			78
Income tax benefit from stock compensation plans					(4)			(4)
Repurchases of common stock, retired	(19)					(646)		(646)
Pension and postemployment benefit plans, net of tax							(5)	(5)
Securities, net of tax							(31)	(31)
Currency translation adjustment							(36)	(36)
December 31, 2015	**131**	**$ 1**	**—**	**$ —**	**$ 1,128**	**$ (204)**	**$ (76)**	**$ 849**
Net income						125		125
Employee stock compensation, employee stock purchase programs and option exercises	3				92			92
Repurchases of common stock, retired	(3)					(82)		(82)
Pension and postemployment benefit plans, net of tax							(6)	(6)
Currency translation adjustment							(7)	(7)
December 31, 2016	**131**	**$ 1**	**—**	**$ —**	**$ 1,220**	**$ (161)**	**$ (89)**	**$ 971**

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Description of Business, Basis of Presentation and Significant Accounting Policies

Description of the Business. Teradata Corporation ("Teradata" or the "Company") is a global leader in analytic data platforms, analytic applications and related services. The Company's analytic data platforms are comprised of software, hardware, and related business consulting and support services for data warehousing and big data analytics.

Basis of Presentation. The financial statements are presented on a consolidated basis and include the accounts of the Company and its wholly-owned subsidiaries in accordance with accounting principles generally accepted in the United States of America ("GAAP").

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. On an ongoing basis, management evaluates these estimates and judgments, including those related to allowances for doubtful accounts, the valuation of inventory to net realizable value, impairments of goodwill and other intangibles, stock-based compensation, pension and other postemployment benefits, and income taxes and any changes will be accounted for on a prospective basis. Actual results could differ from those estimates.

Revenue Recognition. Teradata's solution offerings typically include software, unspecified when-and-if-available upgrades, hardware, maintenance support services, and other consulting, implementation and installation-related ("consulting") services. Teradata records revenue when it is realized, or realizable, and earned. Teradata considers these requirements met when:

- Persuasive evidence of an arrangement exists
- The products or services have been delivered to the customer
- The sales price is fixed or determinable and free of contingencies or significant uncertainties
- 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. The Company assesses whether fees are fixed or determinable at the time of sale. Standard payment terms may vary based on the country in which the agreement is executed, but are generally between 30 days and 90 days. Payments that are due within six months are generally deemed to be fixed or determinable based on a successful collection history on such arrangements, and thereby satisfy the required criteria for revenue recognition. Teradata delivers its solutions primarily through direct sales channels, as well as through alliances with system integrators, other independent software vendors and distributors, and value-added resellers (collectively referred to as "resellers"). In assessing whether the sales price to a reseller is fixed or determinable, the Company considers, among other things, past business practices with the reseller, the reseller's operating history, payment terms, return rights and the financial wherewithal of the reseller. When Teradata determines that the contract fee to a reseller is not fixed or determinable, that transaction is deferred and recognized upon sell-through to the end customer.

The Company's deliverables often involve delivery or performance at different periods of time. Revenue for software is generally recognized upon delivery with the hardware once title and risk of loss have been transferred. Revenue for unspecified upgrades or enhancements on a when-and-if-available basis are recognized straight-line over the term of the arrangement. Revenue for maintenance support services is also recognized on a straight-line basis over the term of the contract. Revenue for other consulting, implementation and installation services is recognized as services are provided. In certain instances, acceptance of the product or service is specified by the customer. In such cases, revenue is deferred until the acceptance criteria have been met. Delivery and acceptance generally occur in the same reporting period. The Company's arrangements generally do not include any customer negotiated provisions for cancellation, termination or refunds that would significantly impact recognized revenue.

The Company evaluates all deliverables in an arrangement to determine whether they represent separate units of accounting. A deliverable constitutes a separate unit of accounting when it has standalone value, and 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. Most of the Company's products and services qualify as separate units of accounting and are recognized upon meeting the criteria as described above.

For multiple deliverable arrangements that contain non-software related deliverables, the Company allocates revenue to each deliverable based upon the relative selling price hierarchy and if software and software-related deliverables are also included in the arrangement, to those deliverables as a group based on the best estimate of selling price ("BESP") for the group. The selling price for a deliverable is based on its vendor-specific objective evidence of selling price ("VSOE") if available, third-party evidence of selling price ("TPE") if VSOE is not available, or BESP if neither VSOE nor TPE is available. The Company then recognizes revenue when the remaining revenue recognition criteria are met for each deliverable. For the software group or arrangements that contain only software and software-related deliverables, the revenue is allocated utilizing the residual or fair value method. Under the residual method, the VSOE of the undelivered elements is deferred and accounted for under the applicable revenue recognition guidance, and the remaining portion of the software arrangement fee is allocated to the delivered elements and is recognized as revenue. The fair value method is similar to the relative selling price method used for non-software deliverables except that the allocation of each deliverable is based on VSOE. For software groups or arrangements that contain only software and software-related deliverables in which VSOE does not exist for each deliverable (fair value method) or does not exist for each undelivered element (residual method), revenue for the entire software arrangement or group is deferred and not recognized until delivery of all elements without VSOE has occurred, unless the only undelivered element is postcontract customer support ("PCS") in which case the entire software arrangement or group is recognized ratably over the PCS period.

Teradata's analytic database software and hardware products are sold and delivered together in the form of a "Node" of capacity as an integrated technology solution. Because both the analytic database software and hardware platform are necessary to deliver the analytic data platform's essential functionality, the database software and hardware (Node) are excluded from the software rules and considered a non-software related deliverable. Teradata software applications and related support are considered software-related deliverables. Additionally, the amount of revenue allocated to the delivered items utilizing the relative selling price or fair value method is limited to the amount that is not contingent upon the delivery of additional items or meeting other specified performance conditions (the non-contingent amount).

VSOE is based upon the normal pricing and discounting practices for those products and services when sold separately. Teradata uses the stated renewal rate approach in establishing VSOE for maintenance and when-and-if-available upgrades (collectively referred to as PCS). Under this approach, the Company assesses whether the contractually stated renewal rates are substantive and consistent with the Company's normal pricing practices. Renewal rates greater than the lower level of our targeted pricing ranges are considered to be substantive and, therefore, meet the requirements to support VSOE. In instances where there is not a substantive renewal rate in the arrangement, the Company allocates revenue based upon BESP, using the minimum established pricing targets as supported by the renewal rates for similar customers utilizing the bell-curve method. Teradata also offers consulting and installation-related services to its customers, which are considered non-software deliverables if they relate to the nodes. These services are rarely considered essential to the functionality of the data warehouse solution deliverable and there is never software customization of the proprietary database software. VSOE for consulting services is based on the hourly rates for standalone consulting services projects by geographic region and are indicative of the Company's customary pricing practices. Pricing in each market is structured to obtain a reasonable margin based on input costs.

In nearly all multiple-deliverable arrangements, the Company is unable to establish VSOE for all deliverables in the arrangement. This is due to infrequently selling each deliverable separately (such is the case with our nodes), not pricing products or services within a narrow range, or only having a limited sales history. When VSOE cannot be established, attempts are made to establish TPE of the selling price for each deliverable. TPE is determined based on competitor prices for similar deliverables when sold separately. However, Teradata's offerings contain significant differentiation such that the comparable pricing of products with similar functionality cannot typically be obtained. This is because Teradata's products contain a significant amount of proprietary technology and its solutions offer substantially different features and functionality than other available products. As Teradata's products are significantly different from those of its competitors, the Company is unable to establish TPE for the vast majority of its products.

When the Company is unable to establish selling prices using VSOE or TPE, the Company uses BESP in its allocation of arrangement consideration. The objective of BESP is to determine the price at which the Company would transact a sale if the product or service was sold on a standalone basis. The Company determines BESP for a product or service by considering multiple factors including, but not limited to, geographies, market conditions, product life cycles, competitive landscape, internal costs, gross margin objectives, purchase volumes and pricing practices.

The primary consideration in developing BESP for the Company's nodes is the bell-curve method based on historical transactions. The BESP analysis is at the geography level in order to align it with the way in which the Company goes to market and establishes pricing for its products. The Company has established discount ranges off of published list prices for different geographies based on strategy and maturity of Teradata's presence in the respective geography. There are distinctions in each geography and product group which support the use of geographies and markets for the determination of BESP. For example, the Company's U.S. market is relatively mature and most of the large transactions are captured in this market, whereas the International markets are less mature with generally smaller deal size. Additionally, the prices and margins for the Company's products vary by geography and by product class. BESP is analyzed on a semi-annual basis using data from the four previous quarters, which the Company believes best reflects most recent pricing practices in a changing marketplace.

The Company reviews VSOE, TPE and its determination of BESP on a periodic basis and updates it, when appropriate, to ensure that the practices employed reflect the Company's recent pricing experience. The Company maintains internal controls over the establishment and updates of these estimates, which includes review and approval by the Company's management. For the year ended December 31, 2016 there was no material impact to revenue resulting from changes in VSOE, TPE or BESP, nor does the Company expect a material impact from such changes in the near term.

Teradata's new go-to-market offerings introduced in the second half of 2016, which are part of the overall business transformation strategy, include the following offerings:

- Subscription license - Teradata's subscription licenses include a right-to-use license and are typically sold with PCS. The revenue for these arrangements is typically recognized ratably over the contract term. The term of these arrangements varies between one and five years.
- Software as a service or Cloud - These arrangements include a right-to-access software license that the customer does not have a right to take possession of without significant penalty during the hosting period and the services can be delivered through a managed cloud, private cloud or public cloud. These arrangements are recognized outside the software rules and revenue is recognized ratably over the contract term. The term of these arrangements typically varies between one and five years.
- Rentals - Teradata owns the equipment and may or may not provide managed services. The revenue for these arrangements is generally recognized straight-line over the term of the contract. The term of these arrangements typically varies between one and three years and are generally accounted for as operating leases.
- Utility model - Teradata owns the equipment and may or may not provide managed services. Utility models typically include a minimum fixed amount that is recognized ratably over the contract term in addition to an elastic amount for usage above the minimum, which is recognized monthly based on actual utilization. The term of these arrangements varies between one and five years.

Shipping and Handling. Product shipping and handling costs are included in cost of products in the Consolidated Statements of Income (Loss).

Cash and Cash Equivalents. All short-term, highly-liquid investments having original maturities of three months or less are considered to be cash equivalents.

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. Cost of service parts is determined using the average cost method. Finished goods inventory is determined using actual cost.

Available-for-sale Securities. Available-for-sale securities are reported at fair value. Unrealized holding gains and losses are excluded from earnings and reported in other comprehensive income (loss). Realized gains and losses are included in other income and expense in the Consolidated Statements of Income (loss).

Long-Lived Assets

Property and Equipment . Property 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. Equipment is 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. Total depreciation expense on the Company's property and equipment for December 31 was as follows:

In millions	2016	2015	2014
Depreciation expense	$ 49	$ 53	$ 51

Capitalized Software . Direct development costs associated with internal-use software are capitalized and amortized over the estimated useful lives of the resulting software. The costs are capitalized when both the preliminary project stage is completed and it is probable that computer software being developed will be completed and placed in service. Teradata typically amortizes capitalized internal-use software on a straight-line basis over three years beginning when the asset is substantially ready for use.

Costs incurred for the development of big data and analytic applications are expensed as incurred based on the frequency and agile nature of development. Prior to December 31, 2016, costs incurred for the development of analytic database software that will be sold, leased or otherwise marketed were capitalized between technological feasibility and the point at which a product is ready for general release. Technological feasibility is established when planning, designing and initial coding activities that are necessary to establish the product can be produced to meet its design specifications are complete. In the absence of a 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 four years using the greater of the ratio that current gross revenues for a product bear to the total of current and anticipated future gross revenues for that product or the straight-line method over the remaining estimated economic life of the product beginning when the product is available for general release. 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:

	Internal-use Software			External-use Software		
In millions	2016	2015	2014	2016	2015	2014
Beginning balance at January 1	$ 13	$ 13	$ 12	$ 177	$ 186	$ 183
Capitalized	6	6	7	59	61	68
Amortization	(6)	(6)	(6)	(62)	(70)	(65)
Ending balance at December 31	$ 13	$ 13	$ 13	$ 174	$ 177	$ 186

The aggregate amortization expense (actual and estimated) for internal-use and external-use software for the following periods is:

	Actual	For the years ended (estimated)				
In millions	2016	2017	2018	2019	2020	2021
Internal-use software amortization expense	$ 6	$ 6	$ 4	$ 3	$ —	$ —
External-use software amortization expense	$ 62	$ 68	$ 49	$ 34	$ 23	$ —

Estimated expense, which is recorded to cost of sales for external use software, is based on capitalized software at December 31, 2016 and does not include any new capitalization for future periods.

Our research and development efforts have recently become more driven by market requirements and rapidly changing customers' needs. In addition, the Company started applying agile development methodologies to help respond to new technologies and trends. Agile development methodologies are characterized by a more dynamic development process with more frequent and iterative revisions to a product release features and functions as the software is being developed. Due to the shorter development cycle and focus on rapid production associated with

agile development, the Company does not anticipate capitalizing significant amounts of external use software development costs in future periods due to the relatively short duration between the completion of the working model and the point at which a product is ready for general release. Prior capitalized costs will continue to be amortized under the greater of revenue-based or straight-line method over the estimated useful life.

Valuation of Long-Lived Assets. Long-lived assets such as property and equipment, acquired intangible assets and internal 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.

Goodwill . 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 annually or upon occurrence of an event or change in circumstances that would more likely than not reduce the fair value of a reporting unit below its carrying amount. See Note 3- Goodwill and Acquired Intangibles for additional information.

Assets and Liabilities Held for Sale. The Company classifies assets and liabilities (disposal groups) to be sold as held for sale in the period in which all of the following criteria are met:

- Management, having the authority to approve the action, commits to a plan to sell the disposal group;
- The disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such disposal groups;
- An active program to locate a buyer and other actions required to complete the plan to sell the disposal group have been initiated;
- The sale of the disposal group is probable, and transfer of the disposal group is expected to qualify for recognition as a completed sale, within one year, except if events or circumstances beyond the Company’s control extend the period of time required to sell the disposal group beyond one year;
- The disposal group is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The Company initially measures a disposal group that is classified as held for sale at the lower of its carrying value or fair value less costs to sell. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met. Conversely, gains are not recognized until the date of sale. The Company assesses the fair value of a disposal group less costs to sell each reporting period it remains classified as held for sale and reports any subsequent changes as an adjustment to the carrying value of the disposal group, as long as the new carrying value does not exceed the carrying value of the disposal group at the time it was initially classified as held for sale.

Upon determining that a disposal group meets the criteria to be classified as held for sale, the Company reports the assets and liabilities of the disposal group under Assets held for sale and Liabilities held for sale in the Consolidated Balance Sheets. Refer to Note 15 for further information on the Company’s assets and liabilities held for sale.

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 (with the exception of the capitalized software development costs discussed above). Research and development costs primarily include labor-related costs, contractor fees, and overhead expenses directly related to research and development support.

Pension and Postemployment Benefits. The Company accounts for its pension and postemployment benefit obligations using actuarial models. The measurement of plan obligations was made as of December 31, 2016 . Liabilities are computed using the projected unit credit method. The objective under this method is to expense each participant’s benefits under the plan as they accrue, taking into consideration salary increases and the plan’s benefit

allocation formula. Thus, the total pension or postemployment benefit to which each participant is expected to become entitled is broken down into units, each associated with a year of past or future credited service.

The Company recognizes the funded status of its pension and postemployment plan obligations in its consolidated balance sheet and records in other comprehensive income certain gains and losses that arise during the period, but are deferred under pension accounting rules.

Foreign Currency. Assets and liabilities of non-U.S. subsidiaries that operate in a local currency environment are translated into U.S. dollars at period-end exchange rates. Income and expense accounts are translated at daily exchange rates prevailing during the period. Adjustments arising from the translation are included in accumulated other comprehensive income, a separate component of stockholders' equity. Gains and losses resulting from foreign currency transactions are included in determining net income.

Income Taxes. Income tax expense is provided based on income before income taxes in the various jurisdictions in which the Company conducts its business. Deferred income taxes reflect the impact of temporary differences between assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. These deferred taxes are determined based on the enacted tax rates expected to apply in the periods in which the deferred assets or liabilities are expected to be settled or realized. Teradata recognizes tax benefits from uncertain tax positions only if it is more likely than not the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The Company records valuation allowances related to its deferred income tax assets when it is more likely than not that some portion or all of the deferred income tax assets will not be realized.

Stock-based Compensation. Stock-based payments to employees, including grants of stock options, restricted shares and restricted share units, are recognized in the financial statements based on their fair value. The fair value of each stock option award on the grant date is estimated using the Black-Scholes option-pricing model with the following assumptions: expected dividend yield, expected stock price volatility, weighted-average risk-free interest rate and weighted average expected term of the options. The Company's expected volatility assumption used in the Black-Scholes option-pricing model is based on Teradata's historical volatility. The expected term for options granted is based upon historical observation of actual time elapsed between date of grant and exercise of options for all employees. Prior to 2015, the expected term assumption was based on the simplified method under GAAP, which is based on the vesting period and contractual term for each vesting tranche of awards. The mid-point between the vesting date and the expiration date was used as the expected term under this method. The risk-free interest rate used in the Black-Scholes model is based on the implied yield curve available on U.S. Treasury issues at the date of grant with a remaining term equal to the Company's expected term assumption. The Company has never declared or paid a cash dividend.

Treasury Stock. Prior to the fourth quarter of 2015 when all treasury stock shares were retired, shares of the Company's common stock repurchased through the share repurchase programs were held as treasury stock. Treasury stock was accounted for using the cost method. Beginning in the fourth quarter of 2015 , stock repurchased through the share repurchase programs will be retired upon repurchase. The excess repurchase price over the par value is charged to retained earnings.

Earnings (Loss) Per Share. Basic earnings (loss) per share is calculated by dividing net income (loss) by the weighted-average number of shares outstanding during the reported period. The calculation of diluted earnings per share is similar to basic earnings per share, except that the weighted-average number of shares outstanding includes the dilution from potential shares added from stock options, restricted share awards and other stock awards. Refer to Note 5 for share information on the Company's stock compensation plans.

The components of basic and diluted earnings (loss) per share are as follows:

In millions, except earnings (loss) per share	For the years ended December 31 2016	2015	2014
Net income (loss) attributable to common stockholders	$ 125	$ (214)	$ 367
Weighted average outstanding shares of common stock	129.7	139.6	155.3
Dilutive effect of employee stock options, restricted shares and other stock awards	1.8	—	2.5
Common stock and common stock equivalents	131.5	139.6	157.8
Earnings (loss) per share:			
Basic	$ 0.96	$ (1.53)	$ 2.36
Diluted	$ 0.95	$ (1.53)	$ 2.33

Options to purchase 5.2 million in 2016 , 4.5 million shares in 2015 and 2.4 million shares in 2014 of common stock, were not included in the computation of diluted earnings per share because their exercise prices were greater than the average market price of the common shares and, therefore, the effect would have been anti-dilutive.

For 2015 , due to the net loss attributable to Teradata common stockholders, largely due to the goodwill and acquired intangibles impairment charges, potential common shares that would cause dilution, such as employee stock options, restricted shares and other stock awards, have been excluded from the diluted share count because their effect would have been anti-dilutive. For 2015 , the fully diluted shares would have been 141.9 million .

Recently Issued Accounting Pronouncements

Revenue Recognition. I n May 2014, the Financial Accounting Standards Board ("FASB") issued new guidance that affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. The new guidance will supersede the revenue recognition requirements in the current revenue recognition guidance, and most industry-specific guidance. In addition, the existing requirements for the recognition of a gain or loss on the transfer of nonfinancial assets that are not in a contract with a customer are amended to be consistent with the guidance on recognition and measurement in this update. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, the FASB defines a five step process which includes the following: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation. In July 2015, the FASB issued a one-year delay in the effective date of the new standard. Under this guidance, the new revenue standard will be effective for annual reporting periods beginning after December 15, 2017, with early application permitted. The standard allows entities to apply the standard retrospectively for all periods presented or alternatively an entity is permitted to recognize the cumulative effect of initially applying the guidance as an opening balance sheet adjustment to retained earnings in the period of initial application.

In March 2016, the FASB issued an update that amends and clarifies the implementation guidance on principal versus agent considerations for reporting revenue gross rather than net. In April 2016, the FASB issued an update that amends and clarifies the identification of performance obligations and accounting for licenses of intellectual property.

In May 2016, the FASB issued an update which addresses the narrow-scope improvements to the guidance on collectibility, non-cash consideration, and completed contracts at transition. Additionally, the amendments in this update provide a practical expedient for contract modifications at transition and an accounting policy election related to the presentation of sales taxes and other similar taxes collected from customers. All updates issued in 2016 have the same deferred effective date. The Company plans to adopt the new accounting guidance effective January 1, 2018. The Company is currently evaluating the impact on its consolidated financial position, results of operations and cash flows, as well as the method of transition that will be used in adopting the standard.

Although the Company is still evaluating the impact on its consolidated financial statements, including evaluating the different adoption methodologies, the Company believes the most significant impacts may include the following items:

- As the Company transitions to the new go-to-market offerings, such as subscription licenses, the Company could potentially see a more significant impact in the amount of revenue recognized over time under the current rules but upfront under the new rules
- The Company currently expenses contract acquisition costs and believes that the requirement to defer incremental contract acquisition costs and recognize them over the term of the contract to which the costs relate could have an impact, especially as the Company transitions to longer-term, over-time revenue contracts
- The amount of revenue allocated to the delivered items and recognized upfront utilizing the relative selling price model is limited to the amount that is not contingent upon the delivery of additional items or meeting other specified performance conditions (i.e. the non-contingent amount) under current rules. Under the new rules, the amounts allocated to delivered items and recognized upfront could be higher if it is probable that a significant reversal in the amount of revenue recognized will not occur in future periods upon the delivery of additional items or meeting other specified performance conditions.

The Company does not expect that the new standard will result in substantive changes in our deliverables or the amounts of revenue allocated between multiple deliverables, with the exception of contingent revenue discussed above. The Company is still in the process of evaluating these impacts, and our initial assessment may change as the Company continues with implementing new systems, processes, accounting policies and internal controls.

Leases. In February 2016, the FASB issued new guidance which requires a lessee to account for leases as finance or operating leases. Both leases will result in the lessee recognizing a right-of-use asset and a corresponding lease liability on its balance sheet, with differing methodology for income statement recognition. For lessors, the standard modifies the classification criteria and the accounting for sales-type and direct financing leases. Entities will classify leases to determine how to recognize lease-related revenue and expense. This standard is effective for public entities for fiscal years, and interim periods within those years, beginning after December 15, 2018, and early adoption is permitted. A modified retrospective approach is required for leases existing or entered into after the beginning of the earliest comparative period in the consolidated financial statements. The Company is currently assessing the impact of this update on its consolidated financial statements.

Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments . In August 2016, the FASB issued an update addressing eight specific cash flow issues in an effort to reduce diversity in practice. The amended guidance is effective for fiscal years beginning after December 31, 2017, and for interim periods within those years. Early adoption is permitted. The Company is currently assessing the impact of this update on its consolidated statements of cash flows.

Financial Instruments. In January 2016, the FASB issued new guidance which enhances the reporting model for financial instruments and related disclosures. This update requires equity securities to be measured at fair value with changes in fair value recognized through net income and will eliminate the cost method for equity securities without readily determinable fair values. The provisions are effective for public entities with fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted, in certain circumstances. The Company is currently evaluating the impact of this guidance on its consolidated financial position, results of operations and cash flows.

Intra-entity asset transfers. In October 2016, the FASB issued accounting guidance to simplify the accounting for income tax consequences of intra-entity transfers of assets other than inventory. Under this guidance, companies will be required to recognize the income tax consequences of an intra-entity asset transfer when the transfer occurs. Current guidance prohibits companies from recognizing current and deferred income taxes for an intra-entity asset transfer until the asset has been sold to an outside party. The guidance must be applied on a modified retrospective basis through a cumulative-effect adjustment to retained earnings as of the period of adoption. The guidance is

effective for periods beginning after December 15, 2017 and early adoption is permitted. The Company is currently evaluating this guidance to determine the impact it may have on its consolidated financial statements.

Classification of restricted cash . In December 2016, the FASB issued accounting guidance to address diversity in the classification and presentation of changes in restricted cash on the statement of cash flows. Under this guidance, companies will be required to present restricted cash and restricted cash equivalents with cash and cash equivalents when reconciling the beginning-of-period and end-of-period amounts shown on the statement of cash flows. The guidance is required to be applied retrospectively and is effective for periods beginning after December 15, 2017, with early adoption permitted. The Company does not expect the adoption of this guidance to have a material effect on its statement of cash flows.

Clarification on the definition of a business . In January 2017, the FASB issued accounting guidance to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. This new guidance is effective for reporting periods beginning after December 15, 2017 with early adoption permitted. The Company is currently evaluating the impact this guidance may have on its consolidated financial statements.

Simplifying the measurement for goodwill . In January 2017, the FASB issued guidance to simplify the accounting for the impairment of goodwill. The guidance removes Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. A goodwill impairment will now be the amount by which a reporting unit’s carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. The guidance is required to be applied prospectively and is effective for periods beginning after December 15, 2019, with early adoption permitted. The Company expects to early adopt this accounting guidance effective January 1, 2017. The Company does not expect any impact from the adoption of the new accounting guidance on its consolidated financial statements.

Recently Adopted Guidance

Accounting for Share-based Payments with Performance Targets. In June 2014, the FASB issued new guidance that requires that a performance target that affects vesting and that could be achieved after the requisite service period, be treated as a performance condition. A reporting entity should apply existing guidance as it relates to awards with performance conditions that affect vesting to account for such awards. As such, the performance target should not be reflected in estimating the grant-date fair value of the award. Compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the periods for which the requisite service has already been rendered. The Company adopted this guidance on January 1, 2016. This amendment did not have an impact on the Company's consolidated financial statements.

Simplifying the Presentation of Debt Issuance Costs. To simplify presentation of debt issuance costs, the amendments in this update require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this update. The Company adopted this guidance on January 1, 2016 on a retrospective basis. Debt issuance costs of $3 million at December 2015 and $2 million at December 31, 2016 have been presented as a deduction from the carrying value of the related long-term liabilities in our Consolidated Balance Sheets.

Intangibles, Goodwill and Other Internal-Use Software. The amendments in this update provide guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The guidance will not change current guidance for a customer’s accounting for service contracts. The Company adopted this guidance on January 1, 2016. This amendment did not have an impact on the Company's consolidated financial statements.

Stock Compensation: Improvements to Employee Share-Based Payment Accounting. In March 2016, the FASB issued an update which simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the Statements of Cash Flows. The Company elected to early adopt this standard in the quarter ended December 31, 2016 retroactively to January 1, 2016. The impact of early adoption resulted in the following:

- The new guidance requires excess tax benefits and tax deficiencies (shortfalls) from vested or settled share-based awards to be recorded in the provision for income taxes on the income statement rather than in paid-in capital. This change was applied on a prospective basis as of January 1, 2016, which resulted in additional tax expense of $5 million for the year ended December 31, 2016.
- The tax withholding threshold for triggering liability accounting on a net settlement transaction has been increased from the minimum statutory rate to the maximum. This change was applied on a modified retrospective basis as of January 1, 2016, which resulted in no impact to retained earnings as of January 1, 2016 where the cumulative effect of this change is required to be recorded.
- The Company elected to change its accounting policy for forfeitures to record them as they occur. The change was applied on a modified retrospective basis with a cumulative effect adjustment to retained earnings of less than $1 million as of January 1, 2016.
- The Company no longer reflects the cash received from the excess tax benefits within cash flows from financing activities but instead now reflects this benefit within cash flows from operating activities. This change in presentation was applied prospectively as of January 1, 2016, which resulted in an increase in net cash provided by operating activities and net cash used by financing activities of $3 million for the year ended December 31, 2016.
- The presentation requirements for cash flows related to employee taxes paid for withheld shares had no impact to any of the periods presented on our Consolidated Statement of Cash Flows since these cash flows have historically been presented as a financing activity.
- The Company excluded excess tax benefits from the assumed proceeds available to repurchase shares in the computation of our diluted earnings per share. This change was applied on a prospective basis as of January 1, 2016, which decreased diluted weighted average common shares outstanding by approximately 131 thousand shares in 2016.

Note 2 Supplemental Financial Information

In millions	At December 31 2016	2015
Accounts receivable		
Trade	$ 561	$ 591
Other	6	6
Accounts receivable, gross	567	597
Less: allowance for doubtful accounts	(19)	(17)
Total accounts receivable, net	$ 548	$ 580
Inventories		
Finished goods	$ 20	$ 32
Service parts	14	17
Total inventories	$ 34	$ 49
Property and equipment		
Land	$ 8	$ 8
Buildings and improvements	77	78
Machinery and other equipment	354	336
Property and equipment, gross	439	422
Less: accumulated depreciation	(301)	(279)
Total property and equipment, net	$ 138	$ 143
Other current liabilities		
Sales and value-added taxes	$ 28	$ 35
Pension and other postemployment plan liabilities	7	17
Other	53	50
Total other current liabilities	$ 88	$ 102
Deferred revenue		
Deferred revenue, current	$ 369	$ 367
Long-term deferred revenue	14	15
Total deferred revenue	$ 383	$ 382

Above amounts exclude assets and liabilities held for sale. Refer to Note 15 for further information on the Company's assets and liabilities held for sale.

Note 3 Goodwill and Acquired Intangible Assets

The following table identifies the activity relating to goodwill by operating segment:

In millions	Balance At December 31, 2015	Additions	Currency Translation Adjustments	Balance At December 31, 2016
Goodwill				
Americas Data and Analytics	$ 251	$ —	$ —	$ 251
International Data and Analytics	129	11	(1)	139
Total goodwill	$ 380	$ 11	$ (1)	$ 390

In the fourth quarter of 2015, the Company committed to a plan to exit the marketing applications business, which met the criteria for held for sale and continued to be reported under continuing operations. The business was subsequently sold on July 1, 2016. Not included in the table above is $113 million at December 31, 2015 for goodwill that had been classified as held for sale. See Note 15 for additional disclosures related to the sale of the business and impairment charges recorded for goodwill that had been classified as held for sale. During the third quarter of 2016, the Company recorded additional goodwill of $11 million , for an immaterial acquisition that occurred during the period.

In the fourth quarter of 2016, the Company performed its annual impairment test of goodwill and determined that no impairment to the carrying value of goodwill was necessary. The Company reviewed two reporting units in its 2016 goodwill impairment assessment, as both geographic operating segments were considered separate reporting units for purposes of testing. Based on the Company's evaluation and weighting of the events and circumstances that have occurred since the most recent Step 1 test, the Company concluded that it was not more likely than not that each reporting unit's fair value was below its carrying value. Therefore, the Company determined that it was not necessary to perform a Step 1 goodwill impairment test for the reporting units in 2016.

Acquired intangible assets were specifically identified when acquired, and are deemed to have finite lives. The gross carrying amount and accumulated amortization for Teradata's acquired intangible assets were as follows:

		December 31, 2016		December 31, 2015	
In millions	Amortization Life (in Years)	Gross Carrying Amount	Accumulated Amortization and Currency Translation Adjustments	Gross Carrying Amount	Accumulated Amortization and Currency Translation Adjustments
Acquired intangible assets					
Intellectual property/developed technology	1 to 7	$ 71	$ (61)	$ 83	$ (63)
Customer relationships	3 to 10	—	—	3	(3)
Trademarks/trade names	5	1	(1)	1	(1)
In-process research and development	5	5	(4)	5	(3)
Total		$ 77	$ (66)	$ 92	$ (70)

T he gross carrying amount of acquired intangibles was reduced by certain intangible assets previously acquired that became fully amortized and were removed from the balance sheet. Not included in the table above is $44 million at December 31, 2015 for intangible assets that were classified as held for sale. See Note 15 for additional disclosures related to the sale of the business and impairment charges recorded for intangible assets that had been classified as held for sale.

The aggregate amortization expense (actual and estimated) for acquired intangible assets for the following periods is:

In millions	Actual 2014	Actual 2015	Actual 2016	For the years ended (estimated) 2017	2018	2019	2020
Amortization expense	$ 47	$ 40	$ 10	$ 7	$ 3	$ 1	$ —

Note 4 Income Taxes

For the years ended December 31, income (loss) before income taxes consisted of the following:

In millions	2016	2015	2014
Income (loss) before income taxes			
United States	$ 93	$ (88)	$ 301
Foreign	128	(56)	193
Total income (loss) before income taxes	$ 221	$ (144)	$ 494

For the years ended December 31, income tax expense consisted of the following:

In millions	2016	2015	2014
Income tax expense			
Current			
Federal	$ 67	$ 74	$ 94
State and local	7	9	8
Foreign	25	26	27
Deferred			
Federal	7	(19)	1
State and local	1	(3)	—
Foreign	(11)	(17)	(3)
Total income tax expense	$ 96	$ 70	$ 127
Effective income tax rate	43.4%	(48.6)%	25.7%

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 :

In millions	2016	2015	2014
Income tax expense at the U.S. federal tax rate	35.0 %	35.0 %	35.0 %
Foreign income tax differential	(13.2)%	14.0 %	(9.0)%
State and local income taxes	0.2 %	0.5 %	0.5 %
U.S. permanent book/tax differences	(0.1)%	3.1 %	0.4 %
U.S. manufacturing deduction permanent difference	(3.5)%	5.5 %	(2.1)%
Goodwill impairment	8.9 %	(100.1)%	— %
Tax impact of sale of marketing applications business	9.9 %	— %	— %
Impact of excess tax benefits and tax deficiencies	2.2 %	— %	— %
Tax impact of U.S. tax law change - IRC Section 987	3.5 %	— %	— %
Other, net	0.5 %	(6.6)%	0.9 %
Effective income tax rate	43.4 %	(48.6)%	25.7 %

The 2016 effective tax rate was impacted by the $57 million of goodwill impairment charges recorded in the first quarter of 2016, all of which was treated as a permanent, non-deductible tax item. In addition, a discrete tax charge of $22 million was recorded in the third quarter of 2016 related to the tax impact of the sale of the marketing applications business, which occurred on July 1, 2016. In the fourth quarter of 2016 , the Company recorded $8 million of tax expense associated with the issuance of new U.S. Treasury Regulations under Internal Revenue Code Section 987 on December 7, 2016, which clarified how companies calculate foreign currency translation gains and losses for income tax purposes for branches whose accounting records are kept in a currency other than the currency of the company. Also in the fourth quarter of 2016, the Company elected to early adopt Accounting Standards

Update 2016-09, Improvements to Employee Share-based Payment Accounting. As a result, the Company incurred a $5 million discrete tax expense associated with the net shortfall arising from 2016 equity compensation vestings and exercises.

The 2015 effective tax rate was impacted by the $437 million of goodwill impairment charges recorded for 2015, of which $ 414 million was treated as a permanent non-deductible tax item. This resulted in full-year income tax expense in 2015 of $70 million , on a pre-tax net loss of $(144) million , causing a negative tax rate of (48.6)% . There were no material discrete tax items impacting the effective tax rate for full year 2014 .

Deferred income tax assets and liabilities included in the balance sheets at December 31 were as follows:

In millions	2016	2015
Deferred income tax assets		
Employee pensions and other liabilities	$ 59	$ 62
Other balance sheet reserves and allowances	18	23
Tax loss and credit carryforwards	53	62
Deferred revenue	3	3
Total deferred income tax assets	133	150
Valuation allowance	(26)	(25)
Net deferred income tax assets	107	125
Deferred income tax liabilities		
Intangibles and capitalized software	63	81
Property and equipment	22	30
Other	6	1
Total deferred income tax liabilities	91	112
Total net deferred income tax assets	$ 16	$ 13

As of December 31, 2016 , Teradata has net operating loss ("NOL") and tax credit carryforwards totaling $56 million (tax effected and before any valuation allowance offset and application of recognition criteria for uncertain tax positions). Of the total tax carryforwards, $13 million are NOL's in the U.S. and certain foreign jurisdictions, a small portion of which will begin to expire in 2019 ; $2 million are U.S. foreign tax credit carryforwards, which expire in 2021; $37 million are California R&D tax credits that have an indefinite carryforward period (which has a $26 million valuation allowance offset recorded); and the remaining $4 million are tax attributes that were acquired from various acquisitions and were not recorded for financial reporting purposes as they did not meet the recognition criteria for uncertain tax positions.

The Company’s intention is to permanently reinvest its foreign earnings outside of the U.S. As a result, the effective tax rates in the periods presented are largely based upon the pre-tax earnings mix and allocation of certain expenses in various taxing jurisdictions where the Company conducts its business; these jurisdictions apply a broad range of statutory income tax rates. At December 31, 2016 , the Company had not provided for federal income taxes on earnings of approximately $1.3 billion from its foreign subsidiaries. Should these earnings be distributed in the form of dividends or otherwise, the Company would be subject to U.S. income taxes and potential withholding taxes in various international jurisdictions. The U.S. taxes would be partially offset by U.S. foreign tax credits. Determination of the amount of unrecognized deferred U.S. tax liability is not practical because of the complexities associated with this hypothetical calculation.

The Company 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 Company reflects any interest and penalties recorded in connection with its uncertain tax positions as a component of income tax expense.

As of December 31, 2016 , the Company’s uncertain tax positions totaled approximately $30 million , of which $20 million is reflected in the other liabilities section of the Company’s balance sheet as a non-current liability. The remaining balance of $10 million of uncertain tax positions relates to certain tax attributes both generated by the Company and acquired in various acquisitions, which are netted against the underlying deferred tax assets recorded

on the balance sheet. The entire balance of $30 million in uncertain tax positions would cause a decrease in the effective income tax rate upon recognition. Teradata has recorded $2 million of interest accruals related to its uncertain tax liabilities as of December 31, 2016 .

Below is a rollforward of the Company's liability related to uncertain tax positions at December 31 :

In millions	2016	2015
Balance at January 1	$ 38	$ 36
Gross decreases for prior period tax positions	(7)	—
Gross increases for current period tax positions	3	6
Decreases due to the lapse of applicable statute of limitations	(4)	(1)
Decreases relating to settlements with taxing authorities	—	(3)
Balance at December 31	$ 30	$ 38

The Company and its subsidiaries file income tax returns in the U.S. and various state jurisdictions, as well as numerous foreign jurisdictions. As of December 31, 2016 , the Company has ongoing tax audits in a limited number of state and foreign jurisdictions. However, no material adjustments have been proposed or made in any of these examinations to date which would result in any incremental income tax expense in future periods to the Company. In addition, the Internal Revenue Service audit of the Company's U.S. Federal tax filing for tax year 2011 was finalized in July of 2014 and resulted in a no change audit.

Note 5 Employee Stock-based Compensation Plans

The Company recorded stock-based compensation expense for the years ended December 31 as follows:

In millions	2016	2015	2014
Stock options	$ 9	$ 12	$ 13
Restricted shares	51	41	33
Employee share repurchase program	2	3	4
Total stock-based compensation before income taxes	62	56	50
Tax benefit	(13)	(17)	(16)
Total stock-based compensation, net of tax	$ 49	$ 39	$ 34

The Teradata Corporation 2007 Stock Incentive Plan (the "2007 SIP"), as amended, and the Teradata 2012 Stock Incentive Plan (the "2012 SIP") provide for the grant of several different forms of stock-based compensation. The 2012 SIP was adopted and approved by stockholders in April 2012 and no further awards may be made under the 2007 SIP after that time. A total of approximately 17.5 million shares were authorized to be issued under the 2012 SIP. New shares of the Company's common stock are issued as a result of the vesting of restricted share units and stock option exercises, and at the time of grant for restricted shares, for awards under both plans.

As of December 31, 2016 , the Company's primary types of stock-based compensation were stock options, restricted shares, restricted share units and the employee stock purchase program (the "ESPP").

Stock Options

The Compensation and Human Resource Committee of Teradata's Board of Directors has discretion to determine the material terms and conditions of option awards under both the 2007 SIP and the 2012 SIP (collectively, the "Teradata SIP"), provided that (i) the exercise price must be no less than the fair market value of Teradata common stock (as defined in both plans) on the date of grant, and (ii) the term must be no longer than ten years . Option grants generally have a four -year vesting period.

The weighted-average fair value of options granted for Teradata equity awards was $10.68 in 2016, $11.37 in 2015 and 17.67 in 2014 . The fair value of each option award on the grant date was estimated using the Black-Scholes

option-pricing model with the following assumptions:

	2016	2015	2014
Dividend yield	—%	—%	—%
Risk-free interest rate	2.08%	1.76%	1.73%
Expected volatility	35.2%	34.4%	37.8%
Expected term (years)	6.3	6.3	6.3

The following table summarizes the Company's stock option activity for the year ended December 31, 2016 :

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, 2016	7,574	$ 34.91	5.7	$ 20
Granted	1,013	$ 28.17		
Exercised	(1,136)	$ 16.48		
Canceled	(311)	$ 43.48		
Forfeited	(631)	$ 39.63		
Outstanding at December 31, 2016	6,509	$ 36.22	5.3	$ 8
Fully vested and expected to vest at December 31, 2016	6,509	$ 36.22	5.3	$ 8
Exercisable at December 31, 2016	4,487	$ 38.16	3.6	$ 8

The following table summarizes the total intrinsic value of options exercised and the cash received by the Company from option exercises under all share-based payment arrangements at December 31 :

In millions	2016	2015	2014
Intrinsic value of options exercised	$ 13	$ 8	$ 14
Cash received from option exercises	$ 18	$ 9	$ 11
Tax benefit realized from option exercises	$ 5	$ 3	$ 5

As of December 31, 2016 , there was $24 million of total unrecognized compensation cost related to unvested stock option grants. That cost is expected to be recognized over a weighted-average period of 3.2 years.

Restricted Shares and Restricted Share Units

The Teradata SIP provides for the issuance of restricted shares, as well as restricted share units. These grants consist of both service-based and performance-based awards. Service-based awards typically vest over a three year period beginning on the effective date of grant. These grants are not subject to future performance measures. The cost of these awards, determined to be the fair market value at the date of grant, is expensed ratably over the vesting period. For substantially all restricted share 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. A recipient of restricted share units does not have the rights of a stockholder and is subject to restrictions on transferability and risk of forfeiture. For both restricted share grants and restricted share units, any potential dividend rights would be subject to the same vesting requirements as the underlying equity award. As a result, such rights are considered a contingent transfer of value and consequently these equity awards are not considered participating securities. Performance-based grants are subject to future performance measurements over a one -to four -year period. All performance-based shares that are earned in respect of an award will become vested at the end of the performance and/or service period provided the employee is continuously employed by the Company and applicable performance measures and other vesting conditions are met. The fair value of each performance-based award is determined on the grant date, based on the Company's stock price, and assumes that performance targets will be achieved. Over the performance period, the number of shares of stock that will be issued is adjusted upward or downward based upon management's assessment of the probability of achievement of performance targets. The ultimate number of shares issued and the related compensation cost recognized as expense will be based on a comparison of the final achievement of performance metrics to the specified targets.

The following table reports restricted shares and restricted share unit activity during the year ended December 31, 2016 :

Shares in thousands	Number of Shares	Weighted-Average Grant Date Fair Value per Share
Unvested shares at January 1, 2016	4,146	$ 38.58
Granted	2,209	$ 26.61
Vested	(1,612)	$ 38.09
Forfeited/canceled	(701)	$ 33.75
Unvested shares at December 31, 2016	4,042	$ 31.57

The following table summarizes the weighted-average fair value of restricted share units granted for Teradata equity awards and the total fair value of shares vested.

	2016	2015	2014
Weighted-average fair value of restricted share units granted	$ 26.61	$ 32.82	$ 44.39
Total fair value of shares vested (in millions)	$ 61	$ 45	$ 27

As of December 31, 2016 , there was $86 million of unrecognized compensation cost related to unvested restricted share grants. The unrecognized compensation cost is expected to be recognized over a remaining weighted-average period of 2.3 years .

The following table represents the composition of Teradata restricted share unit grants in 2016 :

Shares in thousands	Number of Shares	Weighted-Average Grant Date Fair Value
Service-based shares	1,566	$ 27.73
Performance-based shares	643	$ 23.90
Total stock grants	2,209	$ 26.61

In 2012, approximately 0.3 million shares of the performance awards issued included challenging or “stretch” financial goals through 2016 based on a GAAP revenue and/or non-GAAP earnings per share targets in 2016. Each recipient’s opportunity to earn the award is based on performance over a four -year period ending in 2016. There was no compensation expense related to these awards recorded in 2016 as the performance targets for these awards were not achieved.

Performance-based share units granted as part of our long-term incentive program for certain corporate officers and key executives will be earned based on Teradata's total shareholder return ("TSR") over a three -year performance period relative to the other companies in the S&P 1500 Technology Index. The number of shares actually issued, as a percentage of the amount subject to the performance share award, could range from 0% to 200% . The grant date fair value of the non-vested performance-based awards was determined through the use of a Monte Carlo simulation model, which utilized multiple input variables that determined the probability of satisfying the market condition requirements applicable to each award. The compensation expense for the award will be recognized as long as the requisite service is rendered, regardless of whether the market conditions are achieved.

Modifications In connection with the plan to exit most of the marketing applications business and the departure of certain executives, the Company modified its awards for certain employees to accelerate the vesting of any unvested awards at the date of sale. This modification resulted in a Type III modification (improbable to probable). In addition, a modification to extend the exercise period of all vested options from 59 days to one year resulted in a Type I modification (probable to probable). Related to the awards that were modified, the Company recognized a net increase in compensation expense of $1 million in 2016 .

Employee Stock Purchase Program

The Company's ESPP, effective on October 1, 2007 , and as amended effective as of January 1, 2013 , provides eligible employees of Teradata and its designated subsidiaries an opportunity to purchase the Company's common stock at a discount to the average of the highest and lowest sale prices on the last trading day of each month. The ESPP discount was 15% of the average market price and is considered compensatory.

Employees may authorize payroll deductions of up to 10% of eligible compensation for common stock purchases. A total of 4 million shares were authorized to be issued under the ESPP, with approximately 1.0 million shares remaining under that authorization at December 31, 2016 . The shares of Teradata common stock purchased by a participant on an exercise date (the last day of each month), for all purposes, are 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 exists with respect to such shares. Employee purchases and aggregate cost were as follows at December 31 :

In millions	2016	2015	2014
Employee share purchases	0.6	0.5	0.4
Aggregate cost	$ 13	$ 17	$ 18

Note 6 Employee Benefit Plans

Pension and Postemployment Plans. Teradata currently sponsors defined benefit pension plans for certain of its international employees. For those international pension plans for which the Company holds asset balances, those assets are primarily invested in common/collective trust funds (which include publicly traded common stocks, corporate and government debt securities, real estate indirect investments, cash or cash equivalents) and insurance contracts.

Postemployment obligations relate to benefits provided to involuntarily terminated employees and certain inactive employees after employment but before retirement. These benefits are paid in accordance with various foreign statutory laws and regulations, and Teradata's established postemployment benefit practices and policies. Postemployment benefits may include disability benefits, supplemental unemployment benefits, severance, workers' compensation benefits, continuation of health care benefits and life insurance coverage, and are funded on a pay-as-you-go basis.

In 2016 the Company eliminated the accumulation of postemployment benefits based on service for the U.S. separation plan. As a result of this change, postemployment benefits for the U.S. will no longer be accounted for using actuarial models.

Pension and postemployment benefit costs for the years ended December 31 were as follows:

	2016		2015		2014	
In millions	Pension	Postemployment	Pension	Postemployment	Pension	Postemployment
Service cost	$ 8	$ 6	$ 8	$ 6	$ 9	$ 4
Interest cost	3	1	3	1	4	1
Expected return on plan assets	(2)	—	(2)	—	(2)	—
Settlement charge	1	—	1	—	1	—
Amortization of actuarial loss (gain)	1	1	2	—	2	(1)
Amortization of prior service cost (credit)	—	2	—	—	(1)	—
Divestiture	(2)	(1)	—	—	—	—
Total costs	$ 9	$ 9	$ 12	$ 7	$ 13	$ 4

The underfunded amount of pension and postemployment obligations is recorded as a liability in the Company's consolidated balance sheet. The following tables present the changes in benefit obligations, plan assets, funded status and the reconciliation of the funded status to amounts recognized in the consolidated balance sheets and in accumulated other comprehensive income at December 31 :

	Pension		Postemployment	
In millions	**2016**	**2015**	**2016**	**2015**
Change in benefit obligation				
Benefit obligation at January 1	$ 115	$ 130	$ 49	$ 39
Service cost	8	8	6	6
Interest cost	3	3	1	1
Plan participant contributions	1	1	—	—
Actuarial loss (gain)	5	(9)	12	20
Benefits paid	(8)	(9)	(20)	(15)
Currency translation adjustments	(2)	(9)	(1)	(2)
Divestiture	(2)	—	(5)	—
Benefit obligation at December 31	$ 120	$ 115	$ 42	$ 49
Change in plan assets				
Fair value of plan assets at January 1	$ 63	$ 67	$ —	$ —
Actual return on plan assets	2	1	—	—
Company contributions	6	5	—	—
Benefits paid	(8)	(9)	—	—
Currency translation adjustments	—	(2)	—	—
Plan participant contribution	1	1	—	—
Fair value of plan assets at December 31	64	63	—	—
Funded status (underfunded)	$ (56)	$ (52)	$ (42)	$ (49)
Amounts Recognized in the Balance Sheet				
Non-current assets	$ 5	$ 5	$ —	$ —
Current liabilities	(1)	(1)	(6)	(16)
Non-current liabilities	(60)	(56)	(36)	(33)
Net amounts recognized	$ (56)	$ (52)	$ (42)	$ (49)
Amounts Recognized in Accumulated Other Comprehensive Income				
Unrecognized Net actuarial loss	$ 21	$ 19	$ 26	$ 23
Unrecognized Prior service (credit) cost	(1)	(1)	4	2
Total	$ 20	$ 18	$ 30	$ 25

The following table presents the accumulated pension benefit obligation at December 31 :

In millions	2016	2015
Accumulated pension benefit obligation	$ 110	$ 106

The following table presents pension plans with accumulated benefit obligations in excess of plan assets at December 31 :

In millions	**2016**	**2015**
Projected benefit obligation	$ 60	$ 58
Accumulated benefit obligation	$ 53	$ 50
Fair value of plan assets	$ —	$ —

The following table presents the pre-tax net changes in projected benefit obligations recognized in other comprehensive income:

	Pension		Postemployment	
In millions	**2016**	**2015**	**2016**	**2015**
Actuarial loss (gain) arising during the year	$ 5	$ (9)	$ 4	$ 18
Amortization of loss included in net periodic benefit cost	(1)	(2)	(1)	—
Prior service cost arising during the year	—	—	2	—
Recognition of loss due to settlement	(1)	(1)	—	—
Foreign currency exchange	(1)	—	—	—
Total recognized in other comprehensive income (loss)	$ 2	$ (12)	$ 5	$ 18

The following table presents the amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost during 2017 :

In millions	**Pension**	**Postemployment**
Net loss to be recognized in other comprehensive income	$ 3	$ (1)

The weighted-average rates and assumptions used to determine benefit obligations at December 31, and net periodic benefit cost for the years ended December 31, were as follows:

	Pension Benefit Obligations		Pension Benefit Cost		
	2016	**2015**	**2016**	**2015**	**2014**
Discount rate	2.0%	2.4%	2.4%	2.3%	3.0%
Rate of compensation increase	3.3%	3.2%	3.2%	3.3%	3.2%
Expected return on plan assets	N/A	N/A	3.0%	3.3%	3.4%
	Postemployment Benefit Obligations		**Postemployment Benefit Cost**		
	2016	**2015**	**2016**	**2015**	**2014**
Discount rate	3.4%	3.6%	3.4%	3.5%	3.8%
Rate of compensation increase	3.0%	3.0%	3.0%	3.0%	3.7%
Involuntary turnover rate	2.0%	1.8%	2.0%	1.3%	1.0%

The Company determines the expected return on assets based on individual plan asset allocations, historical capital market returns, and long-term interest rate assumptions, with input from its actuaries, investment managers, and independent investment advisors. The company emphasizes long-term expectations in its evaluation of return factors, discounting or ignoring short-term market fluctuations. Expected asset returns are reviewed annually, but are generally modified only when asset allocation strategies change or long-term economic trends are identified.

The discount rate used to determine year-end 2016 U.S. benefit obligations was derived by matching the plans' expected future cash flows to the corresponding yields from the Citigroup Pension Liability Index. This yield curve has been constructed to represent the available yields on high-quality fixed-income investments across a broad range of future maturities. International discount rates were determined by examining interest rate levels and trends within each country, particularly yields on high-quality long-term corporate bonds, relative to our future expected cash flows.

Gains and losses have resulted from changes in actuarial assumptions and from differences between assumed and actual experience, including, among other items, changes in discount rates and differences between actual and assumed asset returns. These gains and losses (except those differences being amortized to the market-related value) are only amortized to the extent that they exceed 10% of the higher of the market-related value of plan assets or the projected benefit obligation of each respective plan.

Plan Assets. The weighted-average asset allocations at December 31, by asset category are as follows:

	Actual Asset Allocation As of December 31		Target Asset
	2016	2015	Allocation
Equity securities	32%	31%	31%
Debt securities	42%	43%	46%
Insurance (annuity) contracts	17%	16%	17%
Real estate	7%	6%	3%
Other	2%	4%	3%
Total	100%	100%	100%

Fair Value. Fair value measurements are established utilizing a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers are more fully described in Note 9.

The following is a description of the valuation methodologies used for pension assets as of December 31, 2016 .

Common/collective trust funds (which include money market funds, equity funds, bond funds, real-estate indirect investments, etc.) : Valued at the net asset value ("NAV") of shares held by the Plan at year end, as reported to the Plan by the trustee, which represents the fair value of shares held by the Plan. Because the NAV of the shares held in the common/collective trust funds are derived by the value of the underlying investments, the Company has classified these underlying investments as Level 2 fair value measurements.

Insurance contracts: Valued by discounting the related future benefit payments using a current year-end market discount rate, which represents the fair value of the insurance contract. The Company has classified these contracts as Level 3 assets for fair value measurement purposes.

The following table sets forth by level, within the fair value hierarchy, the pension plan assets at fair value as of December 31, 2016 :

		Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
In millions	December 31, 2016	(Level 1)	(Level 2)	(Level 3)
Money market funds	$ 1	$ —	$ 1	$ —
Equity funds	21	—	21	—
Bond/fixed-income funds	27	—	27	—
Real-estate indirect investments	4	—	4	—
Insurance contracts	11	—	—	11
Total Assets at fair value	$ 64	$ —	$ 53	$ 11

The table below sets forth a summary of changes in the fair value of the pension plan level 3 assets for the year ended December 31, 2016 :

In millions	Insurance Contracts
Balance as of January 1, 2016	$ 10
Purchases, sales and settlements, net	1
Balance as of December 31, 2016	$ 11

The following table sets forth by level, within the fair value hierarchy, the pension plan assets at fair value as of December 31, 2015 :

		Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
In millions	December 31, 2015	(Level 1)	(Level 2)	(Level 3)
Money market funds	$ 3	$ —	$ 3	$ —
Equity funds	19	—	19	—
Bond/fixed-income funds	27	—	27	—
Real-estate indirect investments	4	—	4	—
Insurance contracts	10	—	—	10
Total assets at fair value	$ 63	$ —	$ 53	$ 10

The table below sets forth a summary of changes in the fair value of the pension plan level 3 assets for the year ended December 31, 2015 :

In millions	Insurance Contracts
Balance as of January 1, 2015	$ 11
Purchases, sales and settlements, net	(1)
December 31, 2015	$ 10

Investment Strategy. Teradata employs a number of investment strategies across its various international pension plans. In some countries, particularly where Teradata does not have a large employee base, the Company may use insurance (annuity) contracts to satisfy its future pension payment obligations, whereby the Company makes pension plan contributions to an insurance company in exchange for which the pension plan benefits will be paid when the members reach a specified retirement age or on earlier exit of members from the plan. In other countries, the Company may employ local asset managers to manage investment portfolios according to the investment policies and guidelines established by the Company, and with consideration to individual plan liability structure and local market environment and risk tolerances. The Company's investment policies and guidelines primarily emphasize diversification across and within asset classes to maximize long-term returns subject to prudent levels of risk, with the overall objective of enabling the plans to meet their future obligations. The investment portfolios contain a diversified blend of equity and fixed-income investments. Furthermore, equity investments are diversified across domestic and international stocks, small and large capitalization stocks, and growth and value stocks. Fixed-income assets are diversified across government and corporate bonds. Where applicable, real estate investments are made through real estate securities, partnership interests or direct investment, and are diversified by property type and location.

Cash Flows Related to Employee Benefit Plans

Cash Contributions. The Company expects to contribute approximately $5 million to the international pension plans, in 2017.

Estimated Future Benefit Payments. The Company expects to make the following benefit payments reflecting past and future service from its pension and postemployment plans:

In millions	Pension Benefits	Postemployment Benefits
Year		
2017	$ 5	$ 6
2018	$ 5	$ 6
2019	$ 4	$ 6
2020	$ 4	$ 6
2021	$ 5	$ 6
2022-2026	$ 29	$ 27

Savings Plans. U.S. employees and many international employees participate in defined contribution savings plans. These plans generally provide either a specified percent of pay or a matching contribution on participating employees' voluntary elections. The Company'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. The following table identifies the expense for the U.S. and International subsidiary savings plans for the years ended December 31 :

In millions	2016	2015	2014
U.S. savings plan	$ 19	$ 22	$ 23
International subsidiary savings plans	$ 16	$ 18	$ 17

Note 7 Derivative Instruments and Hedging Activities

As a portion of the Company's operations and revenue occur outside the U.S. and in currencies other than the U.S. dollar, the Company is exposed to potential gains and losses from changes in foreign currency exchange rates. In an attempt to mitigate the impact of currency fluctuations, the Company uses foreign exchange forward contracts to hedge transactional exposures resulting predominantly from foreign currency denominated inter-company receivables and payables. The forward contracts are designated as fair value hedges of specified foreign currency denominated inter-company receivables and payables and generally mature in three months or less. The Company does not hold or issue derivative financial instruments for trading purposes, nor does it hold or issue leveraged derivative instruments. By using derivative financial instruments to hedge exposures to changes in exchange rates, the Company exposes itself to credit risk. The Company manages exposure to counterparty credit risk by entering into derivative financial instruments with highly rated institutions that can be expected to fully perform under the terms of the applicable contracts.

All derivatives are recognized in the Consolidated Balance Sheets at their fair value. The fair values of foreign exchange contracts are based on market spot and forward exchange rates and represent estimates of possible value that may not be realized in the future. Changes in the fair value of derivative financial instruments, along with the loss or gain on the hedged asset or liability, are recorded in current period earnings. The notional amounts represent agreed-upon amounts on which calculations of dollars to be exchanged are based, and are an indication of the extent of Teradata's involvement in such instruments. These notional amounts do not represent amounts exchanged by the parties and, therefore, are not a measure of the instruments. Across its portfolio of contracts, Teradata has both long and short positions relative to the U.S. dollar. As a result, Teradata's net involvement is less than the total contract notional amount of the Company's foreign exchange forward contracts.

The following table identifies the contract notional amount of the Company's foreign exchange forward contracts at December 31 :

In millions	2016	2015
Contract notional amount of foreign exchange forward contracts	$ 156	$ 138
Net contract notional amount of foreign exchange forward contracts	$ 16	$ 25

The fair value derivative assets and liabilities recorded in other current assets and accrued liabilities at December 31, 2016 and 2015 , were not material.

Gains and losses from the Company's fair value hedges (foreign currency forward contracts and related hedged items) were immaterial for the years ended December 31, 2016 , 2015 and 2014 . Gains and losses from foreign exchange forward contracts are fully recognized each period and reported along with the offsetting gain or loss of the related hedged item, either in cost of products or in other income, depending on the nature of the related hedged item.

Note 8 Commitments and Contingencies

In the normal course of business, the Company is subject to proceedings, lawsuits, governmental investigations, 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.

Guarantees and Product Warranties.

Guarantees associated with the Company's business activities are reviewed for appropriateness and impact to the Company's financial statements. Periodically, the Company's customers enter into various leasing arrangements coordinated with a leasing company. In some instances, the Company guarantees the leasing company a minimum value at the end of the lease term on the leased equipment. As of December 31, 2016 , the maximum future payment obligation of this guaranteed value and the associated liability balance was $4 million .

The Company provides its customers a standard manufacturer's warranty and records, at the time of the sale, a corresponding estimated liability for potential warranty costs. Estimated future obligations due to warranty claims are based upon historical factors such as labor rates, average repair time, travel time, number of service calls and cost of replacement parts. For each consummated sale, the Company recognizes the total customer revenue and records the associated warranty liability using pre-established warranty percentages for that product class.

The following table identifies the activity relating to the warranty reserve liability for the years ended December 31 :

In millions	2016	2015	2014
Beginning balance at January 1	$ 6	$ 7	$ 8
Accruals for warranties issued	8	9	16
Settlements (in cash or kind)	(9)	(10)	(17)
Balance at end of period	$ 5	$ 6	$ 7

The Company also offers extended and/or enhanced coverage to its customers in the form of maintenance contracts. The Company accounts for these contracts by deferring the related maintenance revenue over the extended and/or enhanced coverage period. Costs associated with maintenance support are expensed as incurred. Amounts associated with these maintenance contracts are not included in the table above.

In addition, the Company provides its customers with certain indemnification rights. In general, the Company agrees to indemnify the customer if a third party asserts patent or other infringement on the part of the customer for its use of the Company's products. The Company has indemnification obligations under its charter and bylaws to its officers and directors, and has entered into indemnification agreements with the officers and directors of its subsidiaries. From time to time, the Company also enters into agreements in connection with its acquisition and divesture activities that include indemnification obligations by the Company, including the sale of the marketing applications business. The fair value of these indemnification obligations is typically not readily determinable due to the conditional nature of the Company's potential obligations and the specific facts and circumstances involved with each particular agreement. As such, the Company has generally not recorded a liability in connection with these

indemnification arrangements. Historically, payments made by the Company under these types of agreements have not had a material effect on the Company's consolidated financial condition, results of operations or cash flows.

Leases. Teradata conducts certain of its sales and administrative 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 operating lease payments and committed subleases under non-cancelable leases as of December 31, 2016 , for the following fiscal years were:

In millions	Total Amounts	2017	2018	2019	2020	2021 and Thereafter
Operating lease obligations	$ 67	$ 22	$ 18	$ 10	$ 6	$ 11
Sublease rentals	(2)	(2)	—	—	—	—
Total committed operating leases less sublease rentals	$ 65	$ 20	$ 18	$ 10	$ 6	$ 11

The following table represents the Company's actual rental expense and sublease rental income for the years ended December 31 :

In millions	2016	2015	2014
Rental expense	$ 24	$ 26	$ 26
Sublease rental income	$ 3	$ 3	$ 3

The Company had no contingent rentals for these periods.

Concentrations of Risk. The Company is potentially subject to concentrations of credit risk on accounts receivable and financial instruments such as hedging instruments, and cash and cash equivalents. Credit risk includes the risk of nonperformance by counterparties. The maximum potential loss may exceed the amount recognized on the balance sheet. Exposure to credit risk is managed through credit approvals, credit limits, selecting major international financial institutions (as counterparties to hedging transactions) and monitoring procedures. 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, the Company could be exposed to potentially significant losses. However, management believes that the reserves for potential losses were adequate at December 31, 2016 and 2015 .

The Company is also potentially subject to concentrations of supplier risk. Our hardware components are assembled exclusively by Flextronics International Ltd. ("Flextronics"). Flextronics procures a wide variety of components used in the manufacturing process on our behalf. Although many of these components are available from multiple sources, Teradata utilizes preferred supplier relationships to better ensure more consistent quality, cost and delivery. Typically, these preferred suppliers maintain alternative processes and/or facilities to ensure continuity of supply. Given the Company's strategy to outsource its manufacturing activities to Flextronics and to source certain components from single suppliers, a disruption in production at Flextronics or at a supplier could impact the timing of customer shipments and/or Teradata's operating results.

Note 9 Fair Value Measurements

Fair value measurements are established utilizing a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets for identical assets or liabilities; Level 2, defined as significant other observable inputs, such as quoted prices in active markets for similar assets or liabilities, or quoted prices in less-active markets for identical assets; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Company's assets and liabilities measured at fair value on a recurring basis include money market funds and foreign currency exchange contracts. A portion of the Company's excess cash reserves are held in money market funds which generate interest income based on the prevailing market rates. Money market funds are included in

cash and cash equivalents in the Company's balance sheet. Money market fund holdings are measured at fair value using quoted market prices and are classified within Level 1 of the valuation hierarchy.

When deemed appropriate, the Company minimizes its exposure to changes in foreign currency exchange rates through the use of derivative financial instruments, specifically, forward foreign exchange contracts. The fair value of these contracts are measured at the end of each interim reporting period using observable inputs other than quoted prices, specifically market spot and forward exchange rates. As such, these derivative instruments are classified within Level 2 of the valuation hierarchy. Fair value gains for open contracts are recognized as assets and fair value losses are recognized as liabilities. The fair value derivative assets and liabilities recorded in other current assets and accrued liabilities at December 31, 2016 and 2015 , were not material. Any realized gains or losses would be mitigated by corresponding gains or losses on the underlying exposures. Further information on the Company's use of forward foreign exchange contracts is included in Note 7.

The Company's assets measured at fair value on a recurring basis and subject to fair value disclosure requirements at December 31, were as follows:

		Fair Value Measurements at Reporting Date Using		
In millions	December 31, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market funds	$ 473	$ 473	$ —	$ —

		Fair Value Measurements at Reporting Date Using		
In millions	December 31, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market funds	$ 351	$ 351	$ —	$ —

Note 10 Debt

Teradata's $600 million term loan is payable in quarterly installments, which commenced on March 31, 2016, with all remaining principal due in March 2020. The outstanding principal amount under the term loan agreement bears interest at a floating rate based upon a negotiated base rate or a Eurodollar rate plus a margin based on the leverage ratio of the Company. As of December 31, 2016 , the term loan principal outstanding was $570 million and carried an interest rate of 2.1875% . Unamortized deferred issuance costs of approximately $2 million are being amortized over the five -year term of the loan. The Company was in compliance with all covenants as of December 31, 2016.

Annual contractual maturities of principal on term loan outstanding at December 31, 2016 , are as follows:

In millions	
2017	$ 30
2018	60
2019	67
2020	413
Total	$ 570

The following table presents interest expense on borrowings for the years ended December 31 :

In millions	2016	2015	2014
Interest expense	$ 12	$ 9	$ 3

Teradata’s term loan is recognized on the Company’s balance sheet at its unpaid principal balance, and is not subject to fair value measurement. However, given that the loan carries a variable rate, the Company estimates that the unpaid principal balance of the term loan would approximate its fair value. If measured at fair value in the financial statements, the Company’s term loan would be classified as Level 2 in the fair value hierarchy.

Teradata's revolving credit facility (the “Credit Facility”) has a borrowing capacity of $ 400 million . The Credit Facility ends on March 25, 2020 at which point any remaining outstanding borrowings would be due for repayment unless extended by agreement of the parties for up to two additional one -year periods. The interest rate charged on borrowings pursuant to the Credit Facility can vary depending on the interest rate option the Company chooses to utilize and the Company’s leverage ratio at the time of the borrowing. In the near term, Teradata would anticipate choosing a floating rate based on the London Interbank Offered Rate (“LIBOR”). The Credit Facility is unsecured and contains certain representations and warranties, conditions, affirmative, negative and financial covenants, and events of default customary for such facilities. As of December 31, 2016 , the Company had no borrowings outstanding under the Credit Facility, leaving $ 400 million in additional borrowing capacity available. Unamortized deferred costs on the original credit facility and new lender fees of approximately $1 million are being amortized over the five -year term of the credit facility. The Company was in compliance with all covenants as of December 31, 2016 .

Note 11 Segment, Other Supplemental Information and Concentrations

Effective January 1, 2016 , Teradata implemented an organizational change in which it decided to manage the Company's business under two g eographic regions and the marketing applications division (prior to its completed sale on July 1, 2016); which are also the Company’s operating segments: (1) Americas Data and Analytics (North America and Latin America); (2) International Data and Analytics (Europe, Middle East, Africa, Asia Pacific and Japan); and (3) Marketing Applications. Effective July 1, 2016, following the sale of the marketing applications business, Teradata is managing its business in two operating segments: (1) Americas region (North America and Latin America); and (2) International region (Europe, Middle East, Africa, Asia Pacific and Japan). For purposes of discussing results by segment, management excludes the impact of certain items, consistent with the manner by which management evaluates the performance of each segment. 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 financial performance. The chief operating decision maker evaluates the performance of the segments based on revenue and multiple profit measures, including segment gross margin. For management reporting purposes assets are not allocated to the segments. Prior period segment information has been reclassified to conform to the current period presentation.

The following table presents segment revenue and segment gross margin for the Company for the years ended December 31 :

In millions	2016	2015	2014
Segment revenue			
Americas Data and Analytics	$ 1,334	$ 1,470	$ 1,534
International Data and Analytics	919	907	1,034
Total Data and Analytics	2,253	2,377	2,568
Marketing Applications	69	153	164
Total revenue	2,322	2,530	2,732
Segment gross margin			
Americas Data and Analytics	754	824	917
International Data and Analytics	425	429	523
Total Data and Analytics	1,179	1,253	1,440
Marketing Application	33	63	76
Total segment gross margin	1,212	1,316	1,516
Stock-based compensation expense	14	13	11
Amortization of acquisition-related intangible assets	2	19	21
Acquisition, integration and reorganization-related costs	8	8	5
Total gross margin	1,188	1,276	1,479
Selling, general and administrative expenses	664	765	770
Research and development expenses	212	228	206
Impairment of goodwill, acquired intangibles and other assets	80	478	—
Total income (loss) from operations	$ 232	$ (195)	$ 503

The following table presents revenue by product and services revenue for the Company for the years ended December 31:

In millions	2016	2015	2014
Products (software and hardware) [(1)]	$ 889	$ 1,057	$ 1,227
Consulting services	730	780	817
Maintenance services	703	693	688
Total services	1,433	1,473	1,505
Total revenue	$ 2,322	$ 2,530	$ 2,732

(1) Our analytic database software and hardware 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 breakdown of revenue from various types of software and hardware products.

The following table presents revenues by geographic area for the years ended December 31 :

In millions	2016	2015	2014
United States	$ 1,246	$ 1,428	$ 1,458
Americas (excluding United States)	123	125	161
International	953	977	1,113
Total revenue	$ 2,322	$ 2,530	$ 2,732

The following table presents property and equipment by geographic area at December 31 :

In millions	2016	2015 [1]
United States	$ 113	$ 129
Americas (excluding United States)	4	3
International	21	23
Property and equipment, net	$ 138	$ 155

(1) 2015 amounts include property and equipment held for sale for $12 million .

Concentrations. No single customer accounts for more than 10% of the Company's revenue . As of December 31, 2016 , the Company 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 the Company's operations. The Company's hardware components are assembled exclusively by Flextronics. In addition, the Company utilizes preferred supplier relationships to better ensure more consistent quality, cost and delivery. There can be no assurances that a disruption in production at Flextronics or at a supplier would not have a material adverse effect on the Company's operations.

Note 12 Business Combinations and Other Investment Activities

During 2016 , the Company completed one immaterial business acquisition, which complements and strengthens the Company's global portfolio, and released hold-back amounts from several prior-year acquisitions for $16 million . The Company also sold the marketing applications business on July 1, 2016 (see Note 15).

During 2015 , the Company completed two immaterial business acquisitions for $17 million , which complemented and strengthened the Company's global portfolio. One of the acquisitions pertained to the marketing applications business, which the Company exited on July 1, 2016 and therefore was classified in the assets held for sale (see Note 15) as of December 31, 2015. In addition, the Company sold two equity investments for $85 million and recognized a gain of $57 million .

During 2014, the Company completed six immaterial business acquisitions and other equity investments for $69 million . These acquisitions complemented and strengthened the Company's global portfolio. Two of these acquisitions pertained to the marketing applications business. In addition, the Company recognized a loss of $9 million in an equity investment arising from an impairment of carrying value.

Note 13 Accumulated Other Comprehensive (Loss) Income

The following table provides information on changes in accumulated other comprehensive income (“AOCI”), net of tax, for the years ended December 31 :

In millions	Available-for-sale securities	Defined benefit plans	Foreign currency translation adjustments	Total AOCI
Balance as of December 31, 2013	**$ —**	**$ (3)**	**$ 36**	**$ 33**
Other comprehensive income before reclassifications	31	(22)	(47)	(38)
Amounts reclassified from AOCI	—	1	—	1
Net other comprehensive income (loss)	31	(21)	(47)	(37)
Balance as of December 31, 2014	**$ 31**	**$ (24)**	**$ (11)**	**$ (4)**
Other comprehensive income (loss) before reclassifications	(5)	(8)	(36)	(49)
Amounts reclassified from AOCI	(26)	3	—	(23)
Net other comprehensive loss	(31)	(5)	(36)	(72)
Balance as of December 31, 2015	**$ —**	**$ (29)**	**$ (47)**	**$ (76)**
Other comprehensive loss before reclassifications	—	(9)	(7)	(16)
Amounts reclassified from AOCI	—	3	—	3
Net other comprehensive loss	—	(6)	(7)	(13)
Balance as of December 31, 2016	**$ —**	**$ (35)**	**$ (54)**	**$ (89)**

The following table presents the impact and respective location of AOCI reclassifications in the Consolidated Statements of Income for the years ended December 31:

In millions				
AOCI Component	**Location**	**2016**	**2015**	**2014**
Defined benefit plans	Cost of services	$ (3)	$ (2)	$ (1)
Defined benefit plans	Selling, general and administrative expenses	(1)	(1)	—
Defined benefit plans	Research and development expenses	—	—	—
Available for sale securities	Other income	—	42	—
Tax portion	Income tax benefit (expense)	1	(16)	—
Total reclassifications	Net income (loss)	$ (3)	$ 23	$ (1)

Further information on the Company's defined benefit plans is included in Note 6.

Note 14 Reorganization and Business Transformation

In the fourth quarter of 2015 the Company announced a plan to realign Teradata's business by reducing its cost structure and focusing on the Company's core data and analytics business. This business transformation includes exiting the marketing applications business (see Note 15), rationalizing costs, and modifying the Company's go-to-market approach. The Company incurred the following costs related to these actions for the years ended December 31:

In millions	2016	2015
Employee severance and other employee related cost	$ 14	$ 4
Asset write-downs	80	140
Professional services, legal and other associated cost	35	8
Total reorganization and business transformation cost	$ 129	$ 152

The charges for asset write-downs were for non-cash write-downs of goodwill, acquired intangibles and other assets (see Note 15). In addition to the costs and charges incurred above, the Company made cash payments of $20 million in 2016 and $14 million in 2015 for employee severance that did not have a material impact on its Statement of Operations due to Teradata accounting for its postemployment benefits under Accounting Standards Codification 712 , *Compensation - Nonretirement Postemployment Benefits* ("ASC 712"), which uses actuarial estimates and defers the immediate recognition of gains or losses. Because the Company accounts for postemployment benefits under ASC 712 , it did not record any liability associated with ASC 420 , *Exit or Disposal Cost Obligations* .

Note 15 Impairment and Sale of the Marketing Applications Business

The Company reviews goodwill for impairment annually in the fourth quarter and whenever events or changes in circumstances indicate it is more likely than not that the fair value of the reporting unit is less than its carrying amount. During the second quarter of 2015, the Company determined that indicators were present in the marketing applications business which would suggest the fair value may have declined below the carrying value. The indicators were primarily lower than forecasted revenue and profitability levels for 2015 and future periods. Based on our analysis, the implied fair value of goodwill was substantially lower than the carrying value of goodwill. As a result, the Company recorded an impairment charge of $340 million during the second quarter of 2015.

In the fourth quarter of 2015, the Company committed to a plan to exit the marketing applications business. The assets and liabilities for this business, which were included within our marketing applications segment, were classified as held for sale in the fourth quarter of 2015 and, therefore, the corresponding depreciation and amortization expense ceased at that time. The divestiture was not presented as discontinued operations in our consolidated financial statements because it did not have a major effect on the Company's operations and financial results. The Company then performed a goodwill impairment analysis of the business to be disposed of. As a result of this analysis, the Company recognized an additional goodwill impairment of $97 million in the fourth quarter of 2015. In addition, acquired intangible assets were reduced by $41 million to adjust the carrying amount of the disposal group's net assets and liabilities down to its fair value less cost to sell.

On April 22, 2016, the Company entered into a definitive Asset Purchase Agreement (the "Purchase Agreement") with TMA Solutions, L.P., a Cayman Islands exempted limited partnership and affiliate of Marlin Equity Partners ("Marlin Equity"), to sell the marketing applications business for $90 million in cash, subject to a post-closing adjustment for working capital, debt and other metrics. We recognized an impairment of goodwill of $ 57 million and acquired intangibles of $19 million in the first quarter of 2016 to adjust the carrying value of the net assets of our marketing applications business to fair value less cost to sell.

P rior to the sale that occurred on July 1, 2016, the marketing applications business that was classified as held for sale generated revenue of $69 million and an operating loss of $112 million (which includes loss from impairment of goodwill and acquired intangibles of $76 million) for the six months ended June 30, 2016. For the year ended December 31, 2015, the Company generated revenue of $153 million and an operating loss of $561 million (which includes loss from impairment of goodwill and acquired intangibles of $478 million). The net assets held for sale as of July 1, 2016 and December 31, 2015 were as follows:

In millions	**At July 1, 2016**	**At December 31, 2015**
Current assets held for sale		
Account receivable, net	$ 35	$ 41
Other current asset	2	3
Total current assets held for sale	37	44
Property and equipment, net	11	12
Goodwill	57	113
Acquired intangibles, net	25	44
Other assets	—	1
Total assets held for sale	$ 130	$ 214
Current liabilities held for sale		
Account payable	$ 4	$ 10
Payroll and benefit liabilities	4	12
Deferred Revenue	28	30
Other current liabilities	2	5
Total current liabilities held for sale	38	57
Other liabilities	5	1
Total liabilities held for sale	$ 43	$ 58

O n July 1, 2016, pursuant to the Purchase Agreement, Teradata completed the sale of Teradata's marketing applications business to Marlin Equity. The purchase price received for this business was approximately $92 million in cash, subject to a post-closing adjustment for working capital, debt and other metrics. Transaction costs and post-closing obligations were approximately $5 million . Upon completion of the divestiture of the held for sale assets in July 2016, no material gain or loss was recognized as the carrying value of the held for sale assets was equal to the purchase price received less costs to sell.

The Company recorded tax expense of approximately $22 million in the third quarter of 2016 related to this transaction. The total tax expense, of which $14 million is cash taxes due to having zero tax basis in goodwill, was calculated based on the amount of proceeds allocated to the various jurisdictions in accordance with the Purchase Agreement at the local statutory rates. The tax expense reported in the third quarter of 2016 is subject to change pending finalization of the working capital, transaction costs and other adjustments.

In connection with the closing of the transaction, the parties entered into a transition services agreement, pursuant to which Teradata will provide certain services to Marlin Equity, including accounting, human resources, order processing and invoicing and information technology services for a service period of up to 15 months after the closing of the transaction.

Note 16 Quarterly Information (unaudited)

In millions, except per share amounts	First [1]	Second [2]	Third	Fourth [3]
2016				
Total revenues	$ 545	$ 599	$ 552	$ 626
Gross margin	$ 269	$ 310	$ 294	$ 315
Operating (loss) income	$ (42)	$ 87	$ 89	$ 98
Net (loss) income	$ (46)	$ 64	$ 49	$ 58
Net (loss) income per share:				
Basic	$ (0.36)	$ 0.49	$ 0.38	$ 0.45
Diluted	$ (0.36)	$ 0.49	$ 0.37	$ 0.44
2015				
Total revenues	$ 582	$ 623	$ 606	$ 719
Gross margin	$ 277	$ 327	$ 307	$ 365
Operating income (loss)	$ 30	$ (262)	$ 77	$ (40)
Net income (loss)	$ 22	$ (265)	$ 78	$ (49)
Net income (loss) per share:				
Basic	$ 0.15	$ (1.87)	$ 0.56	$ (0.37)
Diluted	$ 0.15	$ (1.87)	$ 0.55	$ (0.37)

(1) Loss from operation for the three months ended March 31, 2016 includes goodwill and acquired intangibles impairment charges of $76 million for the marketing application business.

(2) Loss from operations for the three months ended June 30, 2015 includes a goodwill impairment charge of $340 million for the marketing applications business.

(3) Loss from operations for the three months ended December 31, 2015 includes goodwill and acquired intangibles impairment charges of $138 million for the marketing applications business.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Teradata maintains a system of disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act")) that are designed to provide reasonable assurance that information required to be disclosed in its reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that such information

is accumulated and communicated to management, including, as appropriate, the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Based on their evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective to provide reasonable assurance as of December 31, 2016.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rule 13a-15(f) under the Exchange Act. Teradata's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of Teradata's internal control over financial reporting as of the end of the period covered by this report. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control – Integrated Framework (2013)* . Based on our assessment and those criteria, management concluded that Teradata's internal control over financial reporting was effective as of December 31, 2016.

Teradata's independent registered public accounting firm has issued their report on the effectiveness of Teradata's internal control over financial reporting as of December 31, 2016, which appears in this Annual Report.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the last fiscal quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. OTHER INFORMATION

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required to be included in Part III Item 10 is set forth under the captions "Election of Directors" and "Additional Information Concerning the Board of Directors" in Teradata's Notice of Annual Meeting of Stockholders and Proxy Statement to be filed with the SEC within 120 days after the end of our fiscal 2016 year (the "2017 Proxy Statement") and is incorporated herein by reference. The information under the heading "Executive Officers of the Registrant" in Part I Item 1 of this Annual Report on Form 10-K is also incorporated by reference in this section.

Item 11. EXECUTIVE COMPENSATION

Information required to be included in Part III Item 11 is set forth under the captions “Director Compensation,” “Compensation Discussion and Analysis,” “Compensation Tables,” “Potential Payments Upon Termination or Change in Control,” “Compensation and Human Resource Committee” and “Board Compensation and Human Resource Committee Report on Executive Compensation” in Teradata’s 2017 Proxy Statement and incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required to be included in Part III Item 12 is set forth under the captions “Stock Ownership” in Teradata’s 2017 Proxy Statement and incorporated herein by reference.

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a) [1]	(b)	(c) [2]
Equity compensation plans approved by security holders	$ 6,508,759	$ 36.22	$ 9,732,983
Equity compensation plans not approved by security holders	N/A	NA	N/A
Total	$ 6,508,759	$ 36.22	$ 9,732,983

(1) Column (a) represents the number of shares of our common stock that may be issued in connection with the exercise of outstanding stock options granted under the Teradata Corporation 2007 Stock Incentive Plan and Teradata 2012 Stock Incentive Plan.

(2) Column (c) represents the number of shares of our common stock available for issuance under the Teradata 2012 Stock Incentive Plan and the Teradata Corporation Employee Stock Purchase Plan, other than shares available for issuance in connection with the exercise of outstanding stock options.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required to be included in Part III Item 13 is set forth under the captions “Related Person Transactions” and “Board Independence and Related Transactions” in Teradata’s 2017 Proxy Statement and incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information required to be included in Part III Item 14 is set forth under the caption “Fees Paid to Independent Registered Public Accounting Firm” in Teradata’s 2017 Proxy Statement and incorporated herein by reference.

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Index

1. Financial Statements: The consolidated financial statements of the Company and the Report of Independent Registered Public Accounting Firm as set forth in Part II, Item 8 of this Annual Report:

Report of Independent Registered Public Accounting Firm	44
Consolidated Statements of Income (Loss) for the years ended December 31, 2016, 2015 and 2014	45
Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2016, 2015 and 2014	46
Consolidated Balance Sheets at December 31, 2016 and 2015	47
Consolidated Statements of Cash Flows for the years ended December 31, 2016, 2015 and 2014	48
Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2016, 2015 and 2014	49
Notes to Consolidated Financial Statements	50

2. Financial Statement Schedule: Financial Statement Schedule II – Valuation and Qualifying Accounts is included in this Annual Report on page 93. All other schedules are not required under the related instructions or are not applicable.

Exhibits: See Index of Exhibits below for a listing of all exhibits to this Annual Report.
(b) Exhibits identified in parentheses below, on file with the SEC, are incorporated herein by reference as exhibits hereto.

Reference Number per Item 601 of Regulation S-K	Description
2.1	Form of Separation and Distribution Agreement between Teradata Corporation and NCR Corporation (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K dated September 11, 2007 (SEC file number 001-33458)).
3.1	Amended and Restated Certificate of Incorporation of Teradata Corporation as amended and restated on September 24, 2007 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K dated September 25, 2007 (SEC file number 001-33458)).
3.2	Amended and Restated By-Laws of Teradata Corporation, as amended and restated on July 26, 2016 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K dated August 1, 2016).
4.1	Common Stock Certificate of Teradata Corporation (incorporated by reference to Exhibit 4.1 to the Quarterly Report on Form 10-Q dated November 13, 2007 (SEC file number 001-33458)).
10.1	Form of Tax Sharing Agreement between Teradata Corporation and NCR Corporation (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (SEC file number 001-00395) filed by NCR Corporation on September 25, 2007).

10.2	Form of Technology Agreement (incorporated by reference to Exhibit 10.6 to the Registration Statement on Form 10).
10.3*	Teradata Corporation Employee Stock Purchase Plan, as amended and restated on January 31, 2012 (incorporated by reference to Exhibit 10.6 to the Quarterly Report on Form 10-Q dated August 3, 2012).
10.4*	Teradata Corporation Management Incentive Plan (incorporated by reference to Exhibit 10.9 to the Registration Statement on Form 10).
10.5*	Teradata Change in Control Severance Plan, as amended and restated on January 30, 2017 to be effective as of February 1, 2017.
10.6*	Teradata Executive Severance Plan, effective as of February 1, 2017.
10.7*	Amended and Restated Teradata Corporation 2007 Stock Incentive Plan, dated February 3, 2009 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K dated February 9, 2009 (SEC file number 001-33458)).
10.8*	Form of Stock Option Agreement under the Teradata Corporation 2007 Stock Incentive Plan for awards granted in 2007 (incorporated by reference to Exhibit 10.11 to the Registration Statement on Form 10).
10.8.1*	Form of 2008 Stock Option Agreement under the Teradata Corporation 2007 Stock Incentive Plan, approved November 26, 2007 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K dated November 30, 2007 (SEC file number 001-33458)).
10.8.2*	Form of Stock Option Agreement Under the Teradata Corporation 2007 Stock Incentive Plan, approved on December 2, 2008 and November 30, 2009 (incorporated by reference to Exhibit 10.11.8 to the Annual Report on Form 10-K dated March 2, 2009 (SEC file number 001-33458)).
10.8.3*	Form of Stock Option Agreement Under the Teradata Corporation 2007 Stock Incentive Plan, approved on November 29, 2010 and November 28, 2011 (incorporated by reference to Exhibit 10.11.10 to the Annual Report on Form 10-K dated March 1, 2011).
10.8.4*	Form of 2007 Director Option Grant Statement (incorporated by reference to Exhibit 10.11.6 to the Annual Report on Form 10-K dated March 3, 2008 (SEC file number 001-33458)).
10.8.5*	Form of 2008 Director Option Grant Statement under the Teradata Corporation 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q dated May 15, 2008 (SEC file number 001-33458)).
10.8.6*	Teradata Corporation Director Compensation Program, Amended and Restated, effective on April 26, 2011 (incorporated by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q dated August 8, 2011 (SEC file number 001-33458)).
10.9*	Teradata 2012 Stock Incentive Plan (Amended and Restated as of February 22, 2016) (incorporated by reference from the Proxy Statement of Teradata Corporation filed with the SEC on March 4, 2016).
10.10*	Form of Stock Option Agreement Under the Teradata 2012 Stock Incentive Plan, approved on April 19, 2012 (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K dated April 26, 2012).
10.10.1*	Form of Director Restricted Share Unit Grant Statement under the Teradata 2012 Stock Incentive Plan (incorporated by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q dated August 3, 2012).

10.10.2*	Form of Special 2016 Performance-Based Restricted Share Unit Agreement under the Teradata 2012 Stock Incentive Plan, approved on February 26, 2013 (incorporated by reference to Exhibit 10.12.4 to the Annual Report on Form 10-K dated February 28, 2013).
10.10.3*	Form of Special Long-Term Strategic Performance-Based Restricted Share Unit Agreement under the Teradata 2012 Stock Incentive Plan, approved on February 26, 2013 (incorporated by reference to Exhibit 10.12.5 to the Annual Report on Form 10-K dated February 28, 2013).
10.10.4*	Form of Stock Option Agreement Under the Teradata 2012 Stock Incentive Plan, approved on December 2, 2013 (incorporated by reference to Exhibit 10.9.6 to the Annual Report on Form 10-K dated February 27, 2014).
10.10.5*	Form of Stock Option Agreement For Non-U.S. Employees Under the Teradata 2012 Stock Incentive Plan, approved on December 2, 2013 (incorporated by reference to Exhibit 10.9.7 to the Annual Report on Form 10-K dated February 27, 2014).
10.10.6*	Form of Restricted Share Unit Agreement Under the Teradata 2012 Stock Incentive Plan, approved on December 2, 2013 (incorporated by reference to Exhibit 10.9.8 to the Annual Report on Form 10-K dated February 27, 2014).
10.10.7*	Form of Restricted Share Unit Agreement For Non-U.S. Employees Under the Teradata 2012 Stock Incentive Plan, approved on December 2, 2013 (incorporated by reference to Exhibit 10.9.9 to the Annual Report on Form 10-K dated February 27, 2014).
10.10.8*	Form of Performance-Based Restricted Share Unit Agreement Under the Teradata 2012 Stock Incentive Plan, approved on December 2, 2013 (incorporated by reference to Exhibit 10.9.10 to the Annual Report on Form 10-K dated February 27, 2014).
10.10.9*	Form of Stock Option Agreement Under the Teradata 2012 Stock Incentive Plan, approved on December 1, 2014 (incorporated by reference to Exhibit 10.9.11 to the Annual Report on Form 10-K dated February 27, 2015).
10.10.10*	Form of Stock Option Agreement For Non-U.S. Employees Under the Teradata 2012 Stock Incentive Plan, approved on December 1, 2014 (incorporated by reference to Exhibit 10.9.12 to the Annual Report on Form 10-K dated February 27, 2015).
10.10.11*	Form of Restricted Share Unit Agreements Under the Teradata 2012 Stock Incentive Plan, approved on December 1, 2014 (incorporated by reference to Exhibit 10.9.13 to the Annual Report on Form 10-K dated February 27, 2015).
10.10.12*	Form of Restricted Share Unit Agreements For Non-U.S. Employees Under the Teradata 2012 Stock Incentive Plan, approved on December 1, 2014 (incorporated by reference to Exhibit 10.9.14 to the Annual Report on Form 10-K dated February 27, 2015).
10.10.13*	Form of Performance-Based Restricted Share Unit Agreement Under the Teradata 2012 Stock Incentive Plan, approved on December 1, 2014 (incorporated by reference to Exhibit 10.9.15 to the Annual Report on Form 10-K dated February 27, 2015).
10.10.14*	Form of Stock Option Agreement Under the Teradata 2012 Stock Incentive Plan, approved on December 1, 2015 (incorporated by reference to Exhibit 10.9.16 to the Annual Report on Form 10-K dated February 26, 2016).
10.10.15*	Form of Stock Option Agreement For Non-U.S. Employees Under the Teradata 2012 Stock Incentive Plan, approved on December 1, 2015 (incorporated by reference to Exhibit 10.9.17 to the Annual Report on Form 10-K dated February 26, 2016).

10.10.16*	Form of Restricted Share Unit Agreements Under the Teradata 2012 Stock Incentive Plan, approved on December 1, 2015 (incorporated by reference to Exhibit 10.9.18 to the Annual Report on Form 10-K dated February 26, 2016).
10.10.17*	Form of Restricted Share Unit Agreements For Non-U.S. Employees Under the Teradata 2012 Stock Incentive Plan, approved on December 1, 2015 (incorporated by reference to Exhibit 10.9.19 to the Annual Report on Form 10-K dated February 26, 2016).
10.10.18*	Form of Performance-Based Restricted Share Unit Agreement Under the Teradata 2012 Stock Incentive Plan, approved on December 1, 2015 (incorporated by reference to Exhibit 10.9.20 to the Annual Report on Form 10-K dated February 26, 2016).
10.10.19*	Form of Restricted Share Unit Agreement (Marketing Applications Division) Under the Teradata 2012 Stock Incentive Plan, approved on December 1, 2015 (incorporated by reference to Exhibit 10.9.22 to the Annual Report on Form 10-K dated February 26, 2016).
10.10.20*	Form of Restricted Share Unit Agreement for Non-U.S. Employees (Marketing Applications Division) Under the Teradata 2012 Stock Incentive Plan, approved on December 1, 2015 (incorporated by reference to Exhibit 10.9.23 to the Annual Report on Form 10-K dated February 26, 2016).
10.10.21	Form of Relative TSR Performance-Based Restricted Share Unit Agreement Under the Teradata 2012 Stock Incentive Plan, approved on February 7, 2016 (incorporated by reference to Exhibit 10.9.21 to the Annual Report on Form 10-K dated February 26, 2016).
10.10.22	Form of Director Restricted Share Unit Grant Statement under the Teradata 2012 Stock Incentive Plan, approved on April 26, 2016 (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K dated April 29, 2016).
10.10.23*	Form of Stock Option Agreement Under the Teradata 2012 Stock Incentive Plan, approved on November 28, 2016.
10.10.24*	Form of Stock Option Agreement For Non-U.S. Employees Under the Teradata 2012 Stock Incentive Plan, approved on November 28, 2016.
10.10.25*	Form of Restricted Share Unit Agreements Under the Teradata 2012 Stock Incentive Plan, approved on November 28, 2016.
10.10.26*	Form of Restricted Share Unit Agreements For Non-U.S. Employees Under the Teradata 2012 Stock Incentive Plan, approved on November 28, 2016.
10.10.27*	Form of Performance-Based Restricted Share Unit Agreement Under the Teradata 2012 Stock Incentive Plan, approved on November 28, 2016.
10.10.28*	Form of Performance-Based Restricted Share Unit Agreement Under the Teradata 2012 Stock Incentive Plan (Relative TSR Award), approved on November 28, 2016.

10.10.29*	Form of CEO Performance-Based Restricted Share Unit Agreement Under the Teradata 2012 Stock Incentive Plan (2017 Performance Period Award), approved on November 28, 2016.
10.10.30*	Form of CEO Performance-Based Restricted Share Unit Agreement Under the Teradata 2012 Stock Incentive Plan (Relative TSR Award), approved on November 28, 2016.
10.11	Purchase and Manufacturing Services Agreement, effective April 27, 1998, by and between NCR Corporation and Solectron Corporation, now known as Flextronics International Ltd. (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).
10.11.1	Amendment No. 1 to Purchase and Manufacturing Services Agreement, dated January 29, 2000, between NCR Corporation and Solectron Corporation, now known as Flextronics International Ltd. (incorporated by reference to Exhibit 10.22 to the Registration Statement on Form 10).
10.12*	Offer Letter to Michael Koehler (incorporated by reference to Exhibit 10.20 to the Registration Statement on Form 10).
10.12.1*	Amendment to the Offer Letter from Teradata Corporation to Michael Koehler, dated October 7, 2008 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K dated October 14, 2008 (SEC file number 001-33458)).
10.12.2*	Agreement dated as of May 5, 2016 between Michael F. Koehler and the Company (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K dated May 5, 2016.)
10.13*	Offer Letter to Stephen Scheppmann (incorporated by reference to Exhibit 10.23 to the Registration Statement on Form 10).
10.13.1*	Amendment to the Offer Letter from Teradata Corporation to Stephen Scheppmann, dated October 7, 2008 (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K dated October 14, 2008 (SEC file number 001-33458)).
10.14*	Offer Letter from Teradata Corporation to Robert Fair dated September 20, 2007 (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K dated February 9, 2009 (SEC file number 001-33458)).
10.14.1*	Amendment to the Offer Letter from Teradata Corporation to Robert Fair effective December 31, 2008 (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K dated February 9, 2009 (SEC file number 001-33458)).
10.14.2*	Separation Agreement dated as of August 1, 2016 between Robert Fair and the Company (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K dated August 1, 2016).
10.15*	Offer Letter from Teradata Corporation to Daniel Harrington dated September 20, 2007 (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K dated February 9, 2009 (SEC file number 001-33458)).

10.15.1*	Amendment to the Offer Letter from Teradata Corporation to Daniel Harrington effective December 31, 2008 (incorporated by reference to Exhibit 10.6 to the Current Report on Form 8-K dated February 9, 2009 (SEC file number 001-33458)).
10.16*	Employment contract with Hermann Wimmer, effective as of January 1, 2013 (incorporated by reference to Exhibit 10.22 to the Annual Report on Form 10-K dated February 28, 2013).
10.16.1*	Amendment Agreement to the Employment Contract with Hermann Wimmer, effective as of February 27, 2015 (incorporated by reference to Exhibit 10.16.1 to the Annual Report on Form 10-K dated February 27, 2015).
10.16.2*	Amendment Letter Agreement to the Employment Contract with Hermann Wimmer, effective as of May 6, 2015 (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q dated May 8, 2015).
10.17*	Offer Letter from Teradata Corporation to Saundra Davis dated September 20, 2007 (incorporated by reference to Exhibit 10.17 to the Annual Report on Form 10-K dated February 26, 2016).
10.17.1*	Amendment to the Offer Letter from Teradata Corporation to Saundra Davis effective December 31, 2008 (incorporated by reference to Exhibit 10.17 to the Annual Report on Form 10-K dated February 26, 2016).
10.18*	Offer Letter from Teradata Corporation to Laura Nyquist dated September 20, 2007 (incorporated by reference to Exhibit 10.18 to the Annual Report on Form 10-K dated February 26, 2016).
10.18.1*	Amendment to the Offer Letter from Teradata Corporation to Laura Nyquist effective December 31, 2008 (incorporated by reference to Exhibit 10.18.1 to the Annual Report on Form 10-K dated February 26, 2016).
10.19*	Separation Agreement dated as of August 1, 2016 between Rick Morton and the Company (incorporated by reference to Exhibit 3.8 to the Quarterly Report on Form 10-Q dated June 30, 2016).
10.20*	Offer letter from Teradata Corporation to Suzanne Zoumaras dated September 14, 2016 (incorporated by reference to Exhibit 3.5 to the Quarterly Report on Form 10-Q dated November 3, 2016).
10.21*	Offer letter from Teradata Corporation to John Dinning dated August 15, 2007.
10.21.1*	Amendment to the Offer Letter from Teradata Corporation to John Dinning dated September 9, 2011.

10.22*	Offer letter from Teradata Corporation to Oliver Ratzesberger dated June 11, 2013.
10.23	Revolving Credit Agreement dated as of March 25, 2015 among Teradata Corporation, Bank of America, N.A., as Administrative Agent, JP Morgan Chase Bank, N.A., as Syndication Agent, Citibank, N.A., HSBC Bank USA, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd. and U.S. Bank National Association, as Co-Documentation Agents, and the other lenders party thereto (incorporated by reference to Exhibit 1.1 to the Current Report on Form 8-K dated March 31, 2015).
10.23.1	Second Amendment to the Revolving Credit Agreement dated as of January 22, 2016 (incorporated by reference to Exhibit 1.1 to the Current Report on Form 8-K dated January 28, 2016).
10.23.2	Third Amendment to the Revolving Credit Agreement dated as of January 22, 2016 (incorporated by reference to Exhibit 1.3 to the Current Report on Form 8-K dated January 28, 2016).
10.24	Term Loan Agreement dated as of March 25, 2015 among Teradata Corporation, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A., as Syndication Agent, Citibank, N.A., HSBC Bank USA, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd. and U.S. Bank National Association, as Co-Documentation Agent, and the other lenders party thereto (incorporated by reference to Exhibit 1.2 to the Current Report on Form 8-K dated March 31, 2015).
10.24.1	Second Amendment to the Term Loan Agreement dated as of January 22, 2016 (incorporated by reference to Exhibit 1.2 to the Current Report on Form 8-K dated January 28, 2016).
10.24.2	Third Amendment to the Term Loan Agreement dated as of January 22, 2016 (incorporated by reference to Exhibit 1.4 to the Current Report on Form 8-K dated January 28, 2016).
10.25	Asset Purchase Agreement, by and between Teradata Corporation and TMA Solutions, L.P., dated as of April 22 (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K dated April 22, 2016).**
21	Subsidiaries of Teradata Corporation.
23.1	Consent of Independent Registered Public Accounting Firm.
31.1	Certification pursuant to Rule 13a-14(a) dated February 27, 2017.
31.2	Certification pursuant to Rule 13a-14(a) dated February 27, 2017.
32	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 dated February, 27, 2017.

101	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Consolidated Statement of Income (Loss) for the twelve month periods ended December 31, 2016, 2015 and 2014, (ii) the Consolidated Statement of Comprehensive Income (Loss) for the twelve month periods ended December 31, 2016, 2015 and 2014, (iii) the Consolidated Balance Sheets at December 31, 2016 and 2015, (iv) the Consolidated Statement of Cash Flows for the twelve month periods ended December 31, 2016, 2015 and 2014, (v) the Consolidated Statement of Changes in Stockholders' Equity for the twelve month periods ended December 31, 2016, 2015 and 2014, (vi) Financial Statement Schedule II, and (vii) the notes to the Condensed Consolidated Financial Statements.

* Management contracts or compensatory plans, contracts or arrangements.

** Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby undertakes to furnish supplemental copies of any of the omitted schedules upon request by the U.S. Securities and Exchange Commission.

TERADATA CORPORATION

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS
(In millions)

Column A	Column B	Column C		Column D	Column E
Description	Balance at Beginning of Period	Additions Charged to Costs & Expenses	Charged to Other Accounts	Deductions	Balance at End of Period
Allowance for doubtful accounts					
Year ended December 31, 2016*	$ 22	$ 3	$ —	$ 6	$ 19
Year ended December 31, 2015**	$ 19	$ 5	$ —	$ 2	$ 22
Year ended December 31, 2014	$ 18	$ 3	$ —	$ 2	$ 19
Deferred tax valuation allowance					
Year ended December 31, 2016	$ 25	$ 1	$ —	$ —	$ 26
Year ended December 31, 2015	$ 20	$ 5	$ —	$ —	$ 25
Year ended December 31, 2014	$ 13	$ 7	$ —	$ —	$ 20

* Above amount included in the deductions within column D is $5 million of reserves transferred in the marketing application business sale.

** Above amounts include allowances classified as held for sale .

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TERADATA CORPORATION

Date: February 27, 2017 By: /s/ Stephen M. Scheppmann
Stephen M. Scheppmann
Executive Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature	Title
/s/ Victor L. Lund Victor L. Lund	Director, President and Chief Executive Officer
/s/ Stephen M. Scheppmann Stephen M. Scheppmann	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ James M. Ringler James M. Ringler	Chairman of the Board of Directors
/s/ Lisa R. Bacus Lisa R. Bacus	Director
/s/ Nancy E. Cooper Nancy E. Cooper	Director
/s/ Cary T. Fu Cary T. Fu	Director
/s/ Michael P. Gianoni Michael P. Gianoni	Director
/s/ David E. Kepler David E. Kepler	Director
/s/ John G. Schwarz John G. Schwarz	Director
/s/ William S. Stavropoulos William S. Stavropoulos	Director

Date: February 27, 2017

Item 16. FORM 10-K SUMMARY

None.

Teradata Change in Control Severance Plan
(as Amended and Restated January 30, 2017 to be Effective as of February 1, 2017)

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 stockholders.

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 stockholders. 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 stockholders 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 stockholders 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 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 established the Teradata Change in Control Severance Plan, and the Plan was previously amended and restated on October 7, 2008 and on July 24, 2012 (to be effective as of January 1, 2013). On January 30, 2017 (the " Restatement Date "), the Plan was amended and restated in its entirety, as set forth in this document to be effective as of February 1, 2017.

ARTICLE II
DEFINITIONS

As used herein, the following words and phrases shall have the following respective meanings:

(a) " Accounting Firm ". As defined in Section 4.4(c).

(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 Bonus Plan 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) " Bonus Plan ". The Company's Management Incentive Plan or such other annual incentive bonus plan of the Company applicable to the Participant for any particular fiscal year.

(e) " Board ". The Board of Directors of Teradata Corporation.

(f) " 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.

(g) " 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 fifty percent (50%) 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) Individuals who, as of the Effective Date, 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, fifty percent (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; 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.

(h) " Claimant ". As defined in Section 7.1.

(i) " COBRA Coverage ". As defined in Section 4.2(c).

(j) " Code ". The Internal Revenue Code of 1986, as amended from time to time.

(k) " Company ". Teradata Corporation and any successor thereto.

(l) " Compensation Committee ". The Compensation and Human Resource Committee of the Board.

(m) " Date of Termination ". The date on which a Participant has a "separation from service" with the Company and its subsidiaries within the meaning of Section 409A of the Code.

(n) " 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.

(o) " Effective Date ". The Distribution Date as defined in the Separation Agreement.

(p) " Employee ". Any regular, full-time or part-time employee of the Company or its Affiliates.

(q) " ERISA ". Employee Retirement Income Security Act of 1974.

(r) " Incumbent Board ". As defined in Section 2(g)(ii).

(s) " 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 Bonus Plan or the Teradata 2012 Stock Incentive Plan (" SIP "), or any predecessor or 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 Bonus Plan or the reduction in any SIP Target Award or SIP Maximum Award under the SIP or any predecessor or 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.

(t) " Maximum Bonus ". With respect to any Participant, the higher of (x) the Participant's maximum bonus under the 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 Bonus Plan applicable to the Participant in effect at any time after the Change in Control. As used in this definition, the reference to "maximum bonus" shall mean the maximum level under such factors as the Compensation Committee (or other administrator of the Bonus Plan) may set in its exercise of downward discretion as provided in the Bonus Plan.

(u) " Outstanding Company Common Stock ". As defined in Section 2(g)(i).

(v) " Outstanding Company Voting Securities ". As defined in Section 2(g)(i).

(w) " Participant ". An Employee who meets the eligibility requirements of Section 3.1.

(x) " Payment Date ". The 55th day immediately following the Date of Termination, or such later date as required by Section 4.6. Notwithstanding the preceding sentence, in the event that either (i) the Participant's Date of Termination occurs prior to the applicable Change in Control in accordance with Section 4.1, or (ii) the Date of Termination occurs subsequent to a Change in Control in accordance with Section 4.1 but the applicable Change in Control does not constitute a "change in the ownership or effective control" of the Company or "a change in the ownership of a substantial portion of the assets" of the Company (each as defined in Section 409A(a)(2)(A)(v) of the Code and the regulations thereunder as in effect from time to time), then the Payment Date means the first business day that is more than six months following the Participant's Date of Termination (or, if the Participant dies during such six-month period, the Participant's death). Interest shall accrue on any amounts payable on the date set forth in the immediately preceding sentence from the Date of Termination at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code in effect on the Date of Termination.

(y) " Plan ". The Teradata Change in Control Severance Plan.

(z) " 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.

(aa) " Release ". As defined in Section 4.1.

(bb) " 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.

(cc) " SIP ". As defined in Section 2(s)(iii).

(dd) " SIP Maximum Award ". With respect to any Participant, the higher of (x) the Participant's maximum award under the SIP or any predecessor or 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 predecessor or successor plan in effect at any time after the Change in Control.

(ee) " SIP Target Award ". With respect to any Participant, the higher of (x) the Participant's target award under the SIP or any predecessor or 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 predecessor or successor plan in effect at any time after the Change in Control.

(ff) " Separation Agreement ". The Separation and Distribution Agreement by and between the Company and NCR Corporation.

(gg) " Separation Benefit ". The benefits payable in accordance with Section 4.2 of the Plan.

(hh) " Target Bonus ". With respect to any Participant, the higher of (x) the Participant's target bonus under the 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 plan, the year immediately preceding the year in which the Change in Control occurs or (y) the Participant's target bonus under the Bonus Plan applicable to the Participant in effect at any time after the Change in Control. As used in this definition, the reference to "target bonus" shall mean the target level under the "Management Incentive Objectives" or such other factors the Compensation Committee (or other administrator of the Bonus Plan) may set in its exercise of downward discretion as provided in the Bonus Plan.

(ii) " Tier Level ". As defined in Section 3.1.

(jj) " Welfare Benefit Period ". For Participants designated as Tier Level I, three years following the Date of Termination. For Participants designated as Tier Level II, two years.

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 and subject to the restrictions of Section 4.6, 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 within the six-month period ending on the date of 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 a restrictive covenant and release agreement in the form attached hereto as Exhibit A (the "Release"), the Participant has not revoked the Release, and the Release has become effective and irrevocable in accordance with its terms by the Payment Date.

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 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. The Separation Benefit provided in this Section 4.2(a) to a Participant who is entitled to a Separation Benefit pursuant to Section 4.1 shall be paid as follows: (x) if the Participant's Date of Termination occurs within the two year period following a

Change in Control that constitutes a "change in control event" as defined in Treasury Regulation § 1.409A-3(i)(5), such Participant's Separation Benefit shall be paid in a lump sum in cash within thirty (30) days following the Payment Date, and (y) if the Participant's Date of Termination occurs at any other time, such Participant's Separation Benefit shall be paid in substantially equal installments in accordance with the Company's normal payroll procedures, commencing within thirty (30) days after the Payment Date and continuing for a number of years determined as follows, based on the Participant's Tier Level (Tier I – three (3) years, Tier II – two (2) years).

Table 1

Tier Level	**Separation Multiplier**
I	300%
II	200%

(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 in an amount equal to the sum of:

(i) the amount of any unpaid annual bonus under the Bonus Plan and any vested unpaid award under the SIP or any successor plan for any completed performance period, which amount shall be paid in accordance with the terms of the applicable plan document or award agreement; plus

(ii) 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, which amount shall be paid within thirty (30) days following the Payment Date; *provided, however* , that such amount shall be paid hereunder only to the extent that the Participant is not otherwise entitled to receive a partial payment for the year of termination under the terms of the applicable Bonus Plan for the period prior to the Date of Termination).

(c) Welfare and Other Benefits .

(i) 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).

(ii) 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.

(iii) 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.

(iv) The continued benefits described in this Section that are taxable benefits (and that are not disability pay or death benefit plans within the meaning of Section 409A of the Code) are intended to comply, to the maximum extent possible, with the exception to Section 409A of the Code set forth in Section 1.409A-1(b)(9)(v) of the Treasury Regulations. To the extent that any of those benefits either do not qualify for that exception, or are provided beyond the applicable time periods set forth in Section 1.409A-1(b)(9)(v) of the Treasury Regulations, then they shall be subject to the following additional rules: (i) any reimbursement of eligible expenses shall be paid within 30 days following the Participant's written request for reimbursement; provided that the Participant provides written notice no later than 60 days prior to the last day of the calendar year following the calendar year in which the expense was incurred; (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any calendar year shall not affect the amount of expenses eligible for reimbursement, or in-kind benefits to be provided, during any other calendar year; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

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 Plan, the SIP, stock option plan, stock ownership plan, stock purchase plan, life insurance plan, health plan, disability plan or similar or predecessor or successor plan, except that that the Separation Benefit provided pursuant to Section 4.2 above shall be in lieu of, and not in duplication of, any other severance or separation pay benefit that may be required under applicable law or under the Teradata Corporation Executive Severance Plan, the Teradata Reduction-in-Force Program or any other Company severance or reduction-in-force plan, program, policy, agreement or arrangement, unless such Company plan, program, policy agreement or arrangement provides otherwise with a specific reference to this Section. Stock options and other stock awards under the SIP will vest and become

payable or exercisable upon the occurrence of a Change in Control to the extent provided in the applicable plan.

4.4 Reduction in Certain Payments .

(a) In the event that it shall be determined by the Accounting Firm that any Payment to a Participant would be subject to the Excise Tax, the Accounting Firm shall determine whether to reduce the aggregate amount of the Payments payable to such Participant to the Reduced Amount. The Payments shall be reduced to the Reduced Amount only if the Accounting Firm determines that the Participant would have a greater Net After-Tax Benefit if the Participant's Payments were reduced to the Reduced Amount. If instead the Accounting Firm determines that the Participant would have a greater Net After-Tax Benefit if the Participant's Payments were not reduced to the Reduced Amount, the Participant shall receive all Payments to which the Participant is entitled.

(b) If the Accounting Firm determines that the aggregate Payments otherwise payable to a Participant should be reduced to the Reduced Amount pursuant to this Section 4.4, the Company shall promptly give the Participant notice to that effect and a copy of the detailed calculation thereof. All determinations made by the Accounting Firm under this Section 4.4 shall be binding upon the Company and the Participant and shall be made within fifteen (15) days after receipt of notice from the Participant that there has been a Payment or such earlier time as is requested by the Company. The reduction of Payments hereunder, if applicable, shall be made by first reducing any Payments due under Section 4.2(a) of this Plan, and then any Payments due under Section 4.2(b) of this Plan, and then any benefits due under Section 4.2(c) of this Plan, and then any other Payments due in the following order: (i) reduction of cash Payments, (ii) cancellation of accelerated vesting of performance-based equity awards (based on the reverse order of the date of grant), (iii) cancellation of accelerated vesting of other equity awards (based on the reverse order of the date of grant), and (iv) reduction of any other Payments due to the Participant (with benefits or payments in any group having different payment terms being reduced on a pro-rata basis). All fees and expenses of the Accounting Firm pursuant to this Section 4.4 shall be borne solely by the Company. 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 equity awards 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.

(c) Definitions . The following terms shall have the following meanings for purposes of this Section 4.4.

(i) “ Accounting Firm ” shall mean 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, *provided* that 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 under this Section 4.4 (which accounting firm shall then be referred to as the Accounting Firm

hereunder), *provided further* that in any case, the retention of the Accounting Firm for purposes of this Section 4.4 shall be subject to review and approval, as applicable, by the Audit Committee of the Board.

(ii) " 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.

(iii) " Net After-Tax Benefit " shall mean the aggregate Value of all Payments to a Participant, net of all taxes imposed on the Participant with respect thereto under Sections 1 and 4999 of the Code and under applicable state and local laws, as determined by the Accounting Firm.

(iv) 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.

(v) " Reduced Amount " shall mean the greatest amount of Payments that can be paid to a Participant that would not result in the imposition of the Excise Tax upon the Participant if the Accounting Firm determines to reduce Payments to the Participant pursuant to this Section 4.4.

(vi) " Value " of a Payment shall mean the economic present value of a Payment as of the date of the Change in Control (or such other date as required pursuant to Section 280G), as determined by the Accounting Firm pursuant to Section 280G of the Code 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 . For purposes of this Plan, "termination of employment" or words or phrases to that effect shall mean a "separation from service" within the meaning of Section 409A of the Code. Notwithstanding the foregoing provisions of this Article IV, if the Participant is a "specified employee," as determined under the Company's policy for identifying specified employees on the Date of Termination, then to the extent required in order to comply with Section 409A of the Code, all payments, benefits or reimbursements paid or provided under this Plan that constitute a "deferral of compensation" within the meaning of Section 409A of the Code, that are provided as a result of a "separation from service" within the meaning of Section 409A of the Code and that would otherwise be paid or provided during the first six months following such Date of Termination shall be accumulated through and paid or provided (together with interest from the Date of Termination at the applicable federal rate under Section 7872(f)(2)(A) of the Code in effect

on the Date of Termination), on the first business day that is more than six months following the Participant's Date of Termination (or, if the Participant dies during such six-month period, within 30 days after the Participant's death). Further, to the extent that the Company determines that it is necessary, in order to comply with Section 409A with respect to any Participant who was a Participant in Plan immediately prior to the Restatement Date, the Company may require that any amount payable under this Plan be paid at the time and in the form applicable to such amount under the terms of the Plan immediately prior to the Restatement Date.

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; *provided, however* , that the Plan shall renew automatically for successive one-year periods 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.

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 be 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 Benefits Committee (the "Benefits Committee"). The Benefits Committee 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 Benefits Committee 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 Benefits Committee, a Claimant may seek to resolve a dispute or controversy by filing a claim in arbitration without first seeking the review of the Benefits Committee 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 (within 10 days following the Company's receipt of an invoice from the Participant) for all reasonable costs and expenses relating to such legal action that are incurred at any time from the Effective Date through the Participant's remaining lifetime or, if longer, through the 20th anniversary of the Effective Date, 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. In order to comply with Section 409A of the Code, in no event shall the payments by the Company under this Section be made later than the end of the calendar year next following the calendar year in which such fees and expenses were incurred, provided, that the Participant shall have submitted an invoice for such fees and expenses at least 30 days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred. The amount of such legal fees and expenses that the Company is obligated to pay in any given calendar year shall not affect the legal fees and expenses that the Company is obligated to pay in any other calendar year, and the Participant's right to have the Company pay such legal fees and expenses may not be liquidated or exchanged for any other benefit.

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 . It is intended that the payments and benefits provided under this Plan shall either be exempt from the application of, or comply with, the requirements of Section 409A of the Code. This Plan shall be construed, administered, and governed in a manner that effects such intent. 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. Although the Company will use its best efforts to avoid the imposition of taxation, interest and penalties under Section 409A of the Code, the tax treatment of the benefits provided under this Plan is not warranted or guaranteed. Neither the Company, its subsidiaries nor their respective directors, officers, employees or advisers shall be held liable for any taxes, interest, penalties or other monetary amounts owed by a Participant (or any other individual claiming a benefit through the Participant) as a result of this Plan.

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 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.

IN WITNESS WHEREOF, the undersigned hereby certifies that this amended and restated Plan was approved and adopted by the Board on the Restatement Date and, therefore, Teradata has caused this amended and restated Plan to be executed this 30th day of January, 2017.

FOR TERADATA CORPORATION

By:_____
Victor L. Lund
President and Chief Executive Officer

922773.6

Exhibit A
GENERAL RELEASE

1. In consideration of the payments and benefits to which **[●]** (the "Participant") is entitled from the Teradata Change in Control Severance Plan (the "Plan") as set forth on Schedule A hereto, 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)], 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").

   Without limiting the foregoing Paragraph, the Participant represents that he or she understands that this Agreement specifically releases and waives any claims of age discrimination, known or unknown, that the Participant may have against the Releasees as of the date the Participant signs this Agreement. This Agreement specifically includes a waiver of rights and claims under the Age Discrimination in Employment Act of 1967, as amended, and the Older Workers Benefit Protection Act. The Participant acknowledges that as of the date he or she signs this Agreement, the Participant may have certain rights or claims under the Age Discrimination in Employment Act, 29 U.S.C. §626, and the Participant voluntarily relinquishes any such rights or claims by signing this Agreement.

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. 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 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 Affiliated Entities. 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 Affiliated Entities to cease their relationship with the Company or any of its Affiliated Entities 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 Affiliated Entities.

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 Affiliated Entities, and their respective businesses, which information, knowledge or data shall have been obtained by the Participant during the Participant's employment by the Company and its Affiliated Entities 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 4 or 5, 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 4 or 5, 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. Nothing contained in this Agreement limits the Participant's ability to file a charge or complaint with any federal, state or local governmental agency or commission (a "Government Agency"). In addition, nothing in this Agreement or any other Company agreement, policy, practice, procedure, directive or instruction shall prohibit the Participant from reporting possible violations of federal, state or local laws or regulations to any Government Agency or making other disclosures that are protected under the whistleblower provisions of federal, state or local laws or regulations. The Participant does not need prior authorization of any kind to make any such reports or disclosures, and the Participant is not required to notify the Company that the Participant has made such reports or disclosures. If the Participant files any charge or complaint with any Government Agency, and if the Government Agency pursues any claim on the Participant's behalf, or if any other third party pursues any claim on the Participant's behalf, the Participant waives any right to monetary or other individualized relief (either individually, or as part of any collective or class action) that arises out of alleged facts or circumstances on or before the effective date of this Agreement; provided that nothing in this Agreement limits any right the Participant may have to receive a whistleblower award or bounty for information provided to the Securities and Exchange Commission or other Government Agency.

8. 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.

9. 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.

10. 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.

11. 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. The reimbursement of legal fees shall be subject to the restrictions set forth in Section 7.2 of the Plan.

12. 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 10.6

TERADATA
EXECUTIVE SEVERANCE PLAN

1. Establishment; Purpose.

(a) Establishment. Teradata Corporation (the "Company") hereby establishes the Teradata Executive Severance Plan, as set forth in this document, effective as of February 1, 2017 (the "Effective Date").

(b) Purpose. The Plan is designed to provide financial protection in the event of unexpected job loss to certain officers and key employees of the Company and its Affiliates who are expected to make substantial contributions to the success of the Company.

2. Definitions. For purposes of the Plan, the following terms have the meanings set forth below:

"Accrued Benefits" has the meaning given to that term in Section 4(a)(i) hereof.

"Affiliate" means any entity controlled by, controlling, or under common control with, the Company.

"Annual Base Salary" means the Participant's annual rate of base salary in effect as of the Date of Termination. In the event of a Qualified Termination, the Participant's Annual Base Salary shall be determined without regard to any reduction in base salary that constitutes Good Reason for such Qualified Termination.

"Benefit Continuation Period" means, with respect to each Participant, the number of months set forth on Exhibit A as the Benefit Continuation Period for the Participant's participation level (Level I or Level II, as applicable).

"Board" means the Board of Directors of the Company.

"Cause" as a reason for the termination of a Participant's employment shall have the meaning assigned such term in the employment agreement or offer letter, if any, between the Participant and the Company or Affiliate. If the Participant is not a party to an employment or offer letter with the Company or an Affiliate in which such term is defined, then "Cause" shall mean (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 duties to the Company or an Affiliate, (c) failure on the part of the Participant to perform substantially such Participant's duties to the Company or an Affiliate 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 Plan Committee. Notwithstanding any other provision of the Plan to the contrary, following a Change in Control, any determination by the Plan Committee as to whether "Cause" exists shall be subject to de novo review.

"Change in Control" means the occurrence of any of the following events:

(a) 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 fifty percent (50%) or more of either (i) the then outstanding shares of common stock of the Company (the " Outstanding Company Common Stock ") or (ii) 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 paragraph (a), 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 (i), (ii) and (iii) of paragraph (c) of this definition of Change in Control; or

(b) Individuals who, as of the Effective Date, 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 Effective Date 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

(c) 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, (i) 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; (ii) 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, fifty percent (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; and (iii) 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

(d) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

" COBRA " means Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

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

" Committee " means the Compensation and Human Resource Committee of the Board.

" Date of Termination " means, except as otherwise provided pursuant to Section 20 hereof, the date on which the termination of the Participant's employment with the Company and its Affiliates (for any reason) is effective.

" Effective Date " has the meaning given to such term in Section 1(a) of the Plan.

" Eligible Employee " means an individual who is designated as such pursuant to Section 3(a) hereof.

" ERISA " means the Employee Retirement Income Security Act of 1974, as amended.

" Exchange Act " means Securities Exchange Act of 1934, as amended.

" Good Reason " means, with respect to any Participant, the occurrence of any of the following events without the Participant's prior written consent:

(a) A material reduction in the Participant's authority, duties and responsibilities, as compared to those as in effect immediately prior to a Change in Control, excluding for this purpose any 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;

(b) A reduction of five percent (5%) or more in the Participant's Annual Base Salary (other than any such reduction that is applied across-the-board to similarly situated employees), as compared to the higher of (i) the Participant's Annual Base Salary as in effect immediately prior to the Change in Control or (ii) the Participant's highest Annual Base Salary in effect at any time thereafter;

(c) The failure to pay annual or long-term incentive compensation to which the Participant is otherwise entitled under the terms and conditions of the applicable Company

incentive plan, at the time at which such compensation is otherwise payable in the ordinary course of business or as soon thereafter as administratively feasible;

(d) A reduction of five percent (5%) or more in the Participant's "target" or "maximum" annual or long-term incentive opportunity (other than any such reduction that is applied across-the-board to similarly situated employees), as compared to the applicable level as in effect immediately prior to the Change in Control (or if higher, at any time thereafter);

(e) 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 any 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;

(f) 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 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;

(g) The Company's requiring the Participant to be based at any office or location (i) that is more than forty (40) miles from the Participant's principal place of employment immediately prior to the Change in Control, and (ii) 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

(h) Any failure by the Company to comply with Section 12(a) of the Plan.

Notwithstanding any other provision of the Plan to the contrary, any determination by the Plan Committee as to whether "Good Reason" exists shall be subject to de novo review.

" Level I Participant " means a Participant designated as such by the Plan Committee pursuant to Section 3(a) of the Plan.

" Level II Participant " means a Participant designated as such pursuant to Section 3(a) of the Plan.

" Notice of Termination " means a written notice which (a) indicates the specific termination provision in this Plan relied upon, (b) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Participant's employment under the provision so indicated, and (c) if the Date of Termination is other than the date of receipt of such notice, specifies the Date of Termination (which date shall be not more than 60 calendar days after the giving of such notice).

" Other Benefits " has the meaning given to that term in Section 4(a)(ii) hereof.

" Participant " means an Eligible Employee who meets the eligibility requirements and other conditions of Section 3 hereof (including the timely execution and delivery of a Participation Agreement), until such time as the Eligible Employee's participation ceases in accordance with Section 3(c) hereof. Each Participant shall be either a "Level I Participant" or a "Level II Participant," as designated pursuant to Section 3(a) hereof.

" Participation Agreement " means an agreement between the Company and each Eligible Employee that must be executed as a condition of the Eligible Employee's participation in this Plan, in substantially the form attached as Exhibit B , or in such other form as may be determined by the Plan Committee, in its discretion.

" Plan " means this Teradata Executive Severance Plan, as set forth herein and as amended from time to time.

" Plan Committee " means the committee which shall have full power and authority to administer the Plan as provided in Section 9 hereof. Prior to a Change in Control, the Plan Committee shall consist of the members of the Committee; *provided, however* , that any time prior to a Change in Control, the Plan Committee may designate members of the Incumbent Board (within the meaning of paragraph (b) of the definition of Change in Control set forth above) 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.

" Qualified Termination " means the termination of a Participant's employment with the Company and its Affiliates (a) by the Company without Cause and not as a result of the Participant's disability or death; or (b) by the Participant for Good Reason, but if and only if such termination by the Participant for Good Reason occurs (i) within two (2) years after a Change in Control, or (ii) during the six (6) month period ending on the date of a Change in Control and the Participant can reasonably demonstrate that the event(s) constituting Good Reason occurred at the request of a third party who had taken steps reasonably calculated to effect the Change in Control.

" Release " has the meaning given to that term in Section 5 hereof.

" Severance Multiple " means, with respect to each Participant, the number set forth on Exhibit A as the Severance Multiple for the Participant's participation level (Level I or Level II, as applicable).

" Target Annual Bonus " means the amount of cash compensation that would be payable to the Participant under the Company's applicable annual incentive bonus plan for the fiscal year during which the Date of Termination occurs if the Participant's employment had continued through the end of such fiscal year, computed assuming that the "target" level of performance had been achieved, without regard to any discretionary adjustments that would have the effect of reducing the amount of the annual incentive bonus (other than discretionary adjustments applicable to all similarly-situated employees who did not terminate employment). For purposes of clarity, the Target Annual Bonus for a participant in the Company's Management Incentive Plan shall mean the target level under the "Annual Bonus Program" or such other factors the Committee may set in its exercise of downward discretion as provided in the Management Incentive Plan. In the event of a Qualified Termination, the Participant's Target Annual Bonus shall be determined without regard to any reduction in "target" annual incentive bonus opportunity that constitutes Good Reason for such Qualified Termination.

3. Eligibility.

(a) Eligible Employees . Eligibility to participate in the Plan shall be limited to those officers and key employees of the Company and its Affiliates who (i) are U.S.-based full-time employees, and (ii) are designated as Eligible Employees by the Plan Committee, in its sole discretion; provided that the Company's Chief Executive Officer may, in his discretion, designate as Eligible Employees such U.S.-based full-time employees as he may determine who are not executive officers subject to the reporting requirements of Section 16 of the Exchange Act. When designating Eligible Employees, the Plan Committee shall specify whether each Eligible Employee is eligible to participate in the Plan as a Level I Participant or a Level II Participant. In lieu of expressly designating Eligible Employees for Plan participation, the Plan Committee may establish eligibility criteria providing for the participation, and/or participation level, of one or more Eligible Employees who satisfy such criteria. Any Eligible Employee designated as such by the Company's Chief Executive Officer shall be a Level II Participant.

(b) Participation . As a condition to becoming a Participant and being entitled to the benefits and protections provided under the Plan, each Eligible Employee must execute and deliver a Participation Agreement to the Company within the later of (i) forty-five (45) days after the date such individual is designated as an Eligible Employee pursuant to Section 3(a), or (ii) fifteen (15) days after the Eligible Employee first receives the Participation Agreement to be executed.

(c) Duration of Participation . An Eligible Employee participating in this Plan shall cease to be a Participant in this Plan if: (i) the Eligible Employee ceases to be employed by the Company or an Affiliate for any reason, unless such Eligible Employee is then entitled to a severance benefit as provided in Section 4 of this Plan; or (ii) the Plan Committee removes the Eligible Employee as a Participant in accordance with Section 16 hereof. Notwithstanding anything herein to the contrary,

a Participant who is entitled to a severance benefit as provided in Section 4(b) of this Plan and/or Accrued Benefits or Other Benefits as provided in Section 4(c) of this Plan shall remain a Participant in this Plan until the amounts and benefits payable under this Plan have been paid or provided to the Participant in full. Any severance benefits to be provided to a Participant under this Plan are subject to all of the terms and conditions of the Plan, including Sections 5 and 7 hereof, and the terms and conditions of Sections 5 and 7 hereof shall survive, for the periods set forth therein, the termination of a Participant's employment and participation in this Plan.

(d) No Employment Rights . Participation in the Plan does not alter the status of a Participant as an at-will employee, and nothing in the Plan will limit or affect in any manner the right of the Company or an Affiliate to terminate the employment or adjust the compensation of a Participant at any time and for any reason (with or without Cause).

4. Severance Benefits.

(a) Any Termination of Employment . If a Participant's employment with the Company and its Affiliates is terminated for any reason or no reason, then:

(i) *Accrued Benefits* . The Company shall pay, or cause to be paid, to the Participant the sum of: (A) the Participant's earned but unpaid base salary through the Date of Termination; (B) the amount of any annual incentive bonus that has been earned by the Participant for a completed fiscal year preceding the Date of Termination in accordance with the terms and conditions of the Company's applicable annual incentive bonus plan, but that has not yet been paid to the Participant; (C) any accrued but unused vacation pay through the Date of Termination; and (D) any reasonable unreimbursed business expenses actually and properly incurred by the Participant in connection with carrying out his or her duties with the Company and its Affiliates through the Separation Date in accordance with the Company's applicable business expense reimbursement policies, which expenses must be submitted by the Participant to the Company with supporting receipts and/or documentation no later than ten (10) calendar days after the Date of Termination (the sum of the amounts described in clauses (A), (B), (C) and (D) shall be referred to as the " Accrued Benefits "). The Accrued Benefits shall be paid in a single lump sum within 30 calendar days after the Date of Termination.

(ii) *Other Benefits* . To the extent not theretofore paid or provided, and subject to Section 8(b) hereof, the Company shall pay or provide, or cause to be paid or provided, to the Participant (or his or her estate) any other amounts or benefits required to be paid or provided or which the Participant is eligible to receive under any plan, program, policy, practice, contract or agreement of the Company, including the right to continued participation in the Company's medical, dental and vision care plans to the extent provided under COBRA (such other amounts and benefits shall be hereinafter referred to as the " Other Benefits ") in accordance with the terms and normal procedures of each such plan, program, policy or practice or contract or agreement, based on accrued and vested benefits through the Date of Termination.

(b) Qualified Termination . Subject to the Participant's compliance with Sections 5 and 7 hereof, in the event of a Participant's Qualified Termination, then, except as otherwise provided

in such Participant's Participation Agreement, and in all cases subject to Section 20 hereof, such Participant shall be entitled to the compensation and benefits set forth in this Section 4(b):

(i) *Severance Pay*. The Company shall pay to the Participant an amount equal to the product of (A) the Participant's Severance Multiple, and (B) the sum of the Participant's Annual Base Salary and Target Annual Bonus. Any severance payable pursuant to this Section 4(b)(i) shall be paid in substantially equal installments in accordance with the Company's normal payroll procedures over the Participant's Benefit Continuation Period, with the first installment commencing on the first payroll date to occur on or immediately after the date the Release becomes effective and irrevocable in accordance with its terms. The first such installment shall include all amounts accrued after the Date of Termination to the date of such installment and the remaining installments shall be payable as otherwise scheduled assuming that payments had begun on the first regular payroll date after the Date of Termination. Notwithstanding the foregoing, if the Participant's Qualified Termination occurs within two (2) years after a Change in Control that also constitutes a "change in control event" within the meaning of Treasury Regulation § 1.409A-3(i)(5), then such Participant's severance pay pursuant to this Section 4(b)(i) shall be paid in a single lump sum within seventy (70) days after the Date of Termination.

(ii) *Pro-Rated Annual Incentive*. The Participant shall be eligible to receive a lump sum payment (but only to the extent that the Participant is not otherwise entitled to receive a partial payment for the year of termination under the terms of the applicable annual incentive bonus plan for the period prior to the Date of Termination) equal to the product of (A) the Participant's Target Annual Bonus and (B) 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 (the " Pro-Rated Annual Incentive "), which amount shall be paid within seventy (70) days after the Date of Termination. Notwithstanding the foregoing, in the case of a Participant who participates in the Company's Management Incentive Plan and whose Qualified Termination occurs prior to a Change in Control, the Pro-Rated Annual Incentive of such Participant shall be paid at the same time that payments are made to other participants in the Company's Management Incentive Plan for the fiscal year during which the Date of Termination occurs whose employment did not terminate during such fiscal year, and subject to the terms and conditions of the Management Incentive Plan (including the Committee's determination of the Company's earnings before income taxes for the full fiscal year and certification of the amount payable thereunder, so that such Participant's Pro-Rated Annual Incentive may not exceed an amount equal to the applicable percentage (as set forth in the Management Incentive Plan) of the Company's actual earnings before income taxes for the full fiscal year as defined in such plan). The Pro-Rated Annual Incentive paid to a Participant hereunder shall be in lieu of any annual incentive bonus that the Participant otherwise would have been entitled to receive for that fiscal year.

(iii) *Health Care Coverage*. Subject to the Participant's timely election of continued medical, dental and vision care coverage under COBRA, the Company will subsidize the Participant's COBRA premiums to continue his or her coverage (including coverage for the Participant's eligible dependents, if applicable) (the " COBRA Premiums ") during the Benefit Continuation Period, such that Executive will only be obligated to pay the contributions required of active employees during the Benefit Continuation Period. The Benefit Continuation Period shall

run concurrently with the eighteen-month COBRA continuation period. During the Benefit Continuation Period, an amount equal to the applicable COBRA Premiums (or such other amounts as may be required by law) will be included in Participant's income for tax purposes and the Company may withhold taxes from the Participant's other compensation for this purpose. The Company specifically reserves the right at its sole discretion to amend, suspend, discontinue or terminate its medical, dental and vision care plan or any or all benefits under such plan at any time, without either the prior consent of, or any prior notice to, any Participant, and to make or amend rules for administration of such plan; *provided, however* , that if the Company terminates its medical, dental and vision care plan during a Participant's Benefit Continuation Period, then, within 30 calendar days after the termination of such plan, the Company will make a single lump sum cash payment to such Participant equal to the cost that the Company otherwise would have incurred hereunder (in the absence of the termination of such plan) to subsidize the Participant's COBRA Premiums for the period of time from the effective date of termination of such plan through the last day of the Participant's Benefit Continuation Period. After the Benefit Continuation Period and during the remainder of the eighteen-month COBRA continuation period, a Participant shall be entitled to elect continued medical, dental and vision care coverage as may be provided pursuant to COBRA (including coverage for his or her eligible dependents, if applicable), provided that the Participant pays the full premiums (*i.e.,* without subsidy from the Company) for such continued coverage after the Benefit Continuation Period.

(iv) *Outplacement* . During the Participant's Benefit Continuation Period, the Participant will be entitled to participate in the Company's outplacement assistance program for officers and senior executives, with outplacement services provided by the Company's selected outplacement services provider, and subject to the same terms and conditions as applicable to Company officers and senior executives in the event of a reduction-in-force.

(v) *Equity Awards* . Each outstanding equity award of the Company granted to the Participant shall be treated as provided in the applicable Company equity plan and award agreement; *provided, however* , that, unless the applicable equity plan and award agreement would provide a greater benefit: (i) the Participant shall be entitled to pro-rated vesting of all outstanding service-based and performance-based restricted share unit awards granted by the Company, determined under the pro-ration methodology employed by the Company from time-to-time and, in the case of any performance-based restricted share unit awards for which the applicable performance period has not been completed as of the Date of Termination, subject to actual achievement of the applicable performance goals, as determined by the Committee after the end of the applicable performance period; and (ii) if the Participant is at least age 55 at the time of his or her Qualifying Termination, the Participant shall receive an extra year of vesting credit for purposes of calculating the vesting of the Participant's outstanding service-based restricted share units and stock options granted by the Company (but not for purposes of calculating the vesting of the Participant's outstanding performance-based restricted share units granted by the Company).

(c) Other Terminations . If a Participant's employment is terminated by the Company (and any Affiliate) for Cause, for disability or as a result of the Participant's death, or if the Participant voluntarily terminates his or her employment for any reason (other than for Good Reason in a Qualifying Termination), then the Company shall pay or provide to the Participant the Accrued

Benefits, payable in accordance with Section 4(a)(i) of this Plan, and the Other Benefits set forth in Section 4(a)(ii) of this Plan, and no further amounts shall be payable to the Participant under this Section 4 after the Date of Termination.

(d) Notice of Termination . Any termination of a Participant's employment by the Company and its Affiliates for Cause shall be communicated by Notice of Termination to the Participant in accordance with Section 15. Any failure by the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause shall not waive any right of the Company hereunder or preclude the Company from asserting such fact or circumstance in enforcing the Company's rights under this Plan or in any other forum.

(e) Resignation from All Positions . Notwithstanding any other provision of this Plan, upon the termination of a Participant's employment for any reason, unless otherwise requested by the Company, the Participant shall immediately resign from all positions (including directorships) that he or she holds or has ever held with the Company and its Affiliates. By executing the Participation Agreement, each Participant agrees to execute any and all documentation to effectuate such resignations upon request by the Company, but he or she shall be treated for all purposes as having so resigned upon termination of his or her employment, regardless of when or whether he or she executes any such documentation.

(f) Reduction in Certain Payments Contingent on a Change in Control .

(i) In the event that it shall be determined by the Accounting Firm that any Payment to a Participant would be subject to the Excise Tax, the Accounting Firm shall determine whether to reduce the aggregate amount of the Payments payable to such Participant to the Reduced Amount. The Payments shall be reduced to the Reduced Amount only if the Accounting Firm determines that the Participant would have a greater Net After-Tax Benefit if the Participant's Payments were reduced to the Reduced Amount. If instead the Accounting Firm determines that the Participant would have a greater Net After-Tax Benefit if the Participant's Payments were not reduced to the Reduced Amount, the Participant shall receive all Payments to which the Participant is entitled.

(ii) If the Accounting Firm determines that the aggregate Payments otherwise payable to a Participant should be reduced to the Reduced Amount pursuant to this Section 4(f), the Company shall promptly give the Participant notice to that effect and a copy of the detailed calculation thereof. All determinations made by the Accounting Firm under this Section 4(f) shall be binding upon the Company and the Participant and shall be made within fifteen (15) days after receipt of notice from the Participant that there has been a Payment or such earlier time as is requested by the Company. The reduction of Payments hereunder, if applicable, shall be made by first reducing any Payments due under Section 4(b)(i) of this Plan, and then any Payments due under Section 4(b)(ii) of this Plan, and then any benefits due under Section 4(b)(iii) of this Plan, and then any benefits due under Section 4(b)(iv) of this Plan, and then by cancellation of any accelerated vesting of performance-based equity awards (based on the reverse order of the date of grant), and then by cancellation of accelerated vesting of other equity awards (based on the reverse order of the date of grant). All fees and expenses of the Accounting Firm pursuant to this Section 4(f) shall be borne solely by the Company. Notwithstanding anything in this Plan to the contrary, the Company's

obligations under this Section 4(f) 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 severance benefits under this Plan, but which causes the accelerated vesting of such Participant's equity awards under a separate plan giving rise to an Excise Tax, the Company's obligations under this Section 4(f) shall apply with respect to such accelerated vesting.

(iii) Definitions . The following terms shall have the following meanings for purposes of this Section 4(f).

(A) " Accounting Firm " shall mean 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, *provided* that 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 under this Section 4(f) (which accounting firm shall then be referred to as the Accounting Firm hereunder), *provided further* that in any case, the retention of the Accounting Firm for purposes of this Section 4(f) shall be subject to review and approval, as applicable, by the Audit Committee of the Board.

(B) " 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.

(C) " Net After-Tax Benefit " shall mean the aggregate Value of all Payments to a Participant, net of all taxes imposed on the Participant with respect thereto under Sections 1 and 4999 of the Code and under applicable state and local laws, as determined by the Accounting Firm.

(D) 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.

(E) " Reduced Amount " shall mean the greatest amount of Payments that can be paid to a Participant that would not result in the imposition of the Excise Tax upon the Participant if the Accounting Firm determines to reduce Payments to the Participant pursuant to this Section 4(f).

(F) " Value " of a Payment shall mean the economic present value of a Payment as of the date of the Change in Control (or such other date as required pursuant to Section 280G), as determined by the Accounting Firm pursuant to Section 280G of the Code using the discount rate required by Section 280G(d)(4) of the Code.

5. Release. Notwithstanding anything contained herein to the contrary, the Company shall not be obligated to provide any severance benefits to a Participant under Section 4(b) hereof

unless: (a) the Participant or the Participant's legal representative first executes within fifty (50) calendar days after the Date of Termination (or such earlier date as may be required by the Company) a release of claims agreement in the form attached hereto as Exhibit C , with such changes as the Company may determine to be required or reasonably advisable in order to make the release enforceable and otherwise compliant with applicable law (the " Release "), (b) the Participant does not revoke the Release, and (c) the Release becomes effective and irrevocable in accordance with its terms.

6. No Mitigation . 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.

7. Restrictive Covenants. As a condition to participation in this Plan, and by signing his or her Participation Agreement, each Participant shall acknowledge and agree as follows:

(a) Confidential and Trade Secret Information . Each Participant acknowledges and agrees that the Participant has access to highly confidential, proprietary and non-public information of the Company and its customers, including strategic plans, customer lists, research and development plans, and other information not made available to the general public and from which the Company derives value. For purposes of this Plan, this information is defined as " Trade Secret Information ." Each Participant further acknowledges and agrees that (A) he or she is subject to the confidentiality and non-disclosure obligations the Participant agreed to in connection with his or her employment with the Company, in which the Participant agreed not to disclose the Company's Trade Secret Information or confidential information during or following the termination of employment, and (B) state law and federal law (*e.g.* , the Economic Espionage Act, the Defend Trade Secrets Act) also prohibit the unlawful use or misappropriation of confidential or Trade Secret Information. By signing his or her Participation Agreement, each Participant shall reaffirm his or her obligations under these contractual, common law and statutory provisions not to disclose, use, or otherwise leverage any Company confidential, proprietary or Trade Secret Information or related documents in any capacity. For purposes of this Section 7, the term " Company " means the Company and its Affiliates.

(b) Non-Competition; Non-Solicitation . Each Participant acknowledges and agrees that, as a condition of receiving equity awards under the Company's equity compensation program (" Equity Awards ") and accepting benefits thereunder, the Participant agreed in the award agreements governing the Equity Awards (the " Equity Agreements ") that during his or her employment with the Company and, to the extent permitted by applicable law, for a period of 12 months after the Separation Date (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, the Participant will not, without the prior written consent of the Chief Executive Officer of the Company: (i) render services directly or indirectly to, or become employed by, any Competing Organization (as defined 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 the Company to its customers and upon

which the Participant worked or in which the Participant participated during the last twelve (12) months of employment with the Company (**PROVIDED THAT THE RESTRICTION SET FORTH IN THIS SECTION 7(b)(i) SHALL NOT APPLY TO A PARTICIPANT EMPLOYED BY THE COMPANY IN CALIFORNIA**); (ii) directly or indirectly recruit, hire, solicit or induce, or attempt to induce, any exempt employee of the Company to terminate his or her employment with or otherwise cease his or her relationship with the Company (**PROVIDED THAT THE RESTRICTION SET FORTH IN THIS SECTION 7(b)(ii) SHALL NOT APPLY TO A PARTICIPANT EMPLOYED BY THE COMPANY IN CALIFORNIA**); or (iii) solicit the business of any firm or company with which the Participant worked during the preceding twelve (12) months of employment at the Company, if such firm or company was a customer of the Company, using Trade Secret Information (Sections 7(b)(i)-(iii) collectively, and to the extent applicable to a Participant, the " Applicable Restrictions "). The Equity Agreements provide that if the Participant breaches any of the Applicable Restrictions, then in addition to any liability the Participant may have for damages arising from such breach and in addition to any other remedies available to the Company under the Equity Agreements or otherwise, and to the extent permitted under applicable law: (A) any unvested restricted share units will be immediately forfeited, and, to the extent permitted by applicable law, the Participant agreed to pay to the Company the fair market value of any share units that vested and that were paid during the 12 months prior to the Participant's Date of Termination, and (B) the Participant's outstanding stock options will be cancelled, and the Participant will pay to the Company the excess of the fair market value on the date of exercise over the exercise price of any option shares received in connection with the exercise of a stock option on or after the date which is 12 months prior to the date of the breach. By signing his or her Participation Agreement, each Participant shall agrees that if he or she breaches any of the Applicable Restrictions or any of the terms of this Section 7, the Company is entitled to seek all of the remedies provided in the Equity Agreements and any other remedies available to it.

(c) Competing Organization . As used in this Section 7 " Competing Organization " means a 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 the Company to its customers and is therefore a competitor of the Company. This includes but is not limited to persons or organizations identified as a "Competing Organization" in a list prepared by the Chief Executive Officer of the Company for the year in which the Participant's Date of Termination occurs. This list is maintained by the Company's Law Department.

(d) Non-Disparagement . A Participant shall not disparage the Company or any of its Affiliates or their respective directors, officers, employees, agents, shareholders, successors and assigns (both individually and in their official capacities with the Company and its Affiliates) or any of their goods, services, employees, customers, business relationships, reputation or financial condition. The Company agrees that, following the Date of Termination, it will instruct its executive officers not to disparage a Participant or the Participant's business relationships or reputation. For purposes of this Plan, to "disparage" means to make statements, whether oral or written, whether direct or indirect, whether true or false and whether acting alone or through any other person, that cast the subject of the statement in a critical or unfavorable light or that otherwise cause damage

to, or intend to embarrass, the subject of the statement. Nothing in the foregoing will preclude either party from providing truthful disclosures as required by, or to the extent, if any, expressly authorized or exempted by, applicable law or legal process, including participation in any proceeding or investigation of the Securities and Exchange Commission, the National Labor Relations Board, or other state or federal agency.

(e) Return of Property . At a Participant's Date of Termination, or at any time upon the Company's request, the Participant shall deliver to the Company, and the Participant shall cease all other use, copying, transfer, disclosure, alteration, damage, destruction and deletion to the extent not otherwise expressly provided pursuant to this Plan or expressly authorized in writing by an authorized representative of the Company, the original and all copies of all documents, electronic files, access registrations, access credentials, records, property and other assets of any nature whatsoever which are in the Participant's possession or control and which are the property of the Company and its Affiliates or which relate to the business activities, facilities or customers of the Company and its Affiliates, including any records, documents or property created by the Participant in said capacity. Further, each Participant agrees to attend an exit interview upon termination of employment to ensure compliance with the terms of this Plan.

(f) Cooperation . During his or her employment with the Company and its Affiliates and thereafter, each Participant shall cooperate with the Company and its Affiliates, without additional consideration, in any internal investigation or administrative, regulatory, or judicial proceeding as reasonably requested by the Company including, without limitation, the Participant's being available to the Company and its Affiliates upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information, and turning over to the Company all relevant and potentially relevant documents and records that are or may come into the Participant's possession, all at times and on schedules that are reasonably consistent with the Participant's other permitted activities and commitments, if the Participant is then employed by the Company, and otherwise taking into account the Participant's reasonable business obligations.

(g) Remedies . By signing his or her Participation Agreement, each Participant shall acknowledge and agree that, in the event of the Participant's breach of any provision of this Section 7, the Company will sustain irreparable injury and will not have an adequate remedy at law. Accordingly, by signing his or her Participation Agreement, each Participant shall agree that in the event of a breach or a threatened breach by the Participant of any of the provisions of this Section 7, the Company, in addition to any other rights and remedies existing in its favor, may (i) apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce or prevent any violations of the provisions hereof (without posting a bond or other security), (ii) cease any further payments or benefits under this Plan, and (iii) require the Participant to repay any severance benefits provided by the Company hereunder. Nothing in this Section 7(g) will be deemed to limit the Company's remedies at law or in equity for any breach by the Participant of any of the provisions of this Section 7 that may be pursued or availed of by the Company.

(h) Whistleblower Protections . Nothing contained in this Plan shall limit a Participant's ability to file a charge or complaint with any federal, state or local governmental agency or commission (a " Government Agency "). In addition, nothing in this Plan or any other Company agreement, policy, practice, procedure, directive or instruction shall prohibit a Participant from reporting possible violations of federal, state or local laws or regulations to any Government Agency or making other disclosures that are protected under the whistleblower provisions of federal, state or local laws or regulations. A Participant does not need prior authorization of any kind to make any such reports or disclosures, and a Participant is not required to notify the Company that the Participant has made such reports or disclosures. Nothing in this Plan shall limit any right a Participant may have to receive a whistleblower award or bounty for information provided to the Securities and Exchange Commission or other Government Agency.

8. Effect on Other Plans, Agreements and Benefits .

(a) Relation to Other Benefits . Unless otherwise provided herein, nothing in this Plan shall prevent or limit a Participant's continuing or future participation in any plan, program, policy or practice provided by the Company or its Affiliates for which the Participant may qualify, nor, except as explicitly set forth in this Plan, shall anything herein limit or otherwise affect such rights as a Participant may have under any other contract or agreement with the Company or any of its Affiliates. Any economic or other benefit to a Participant under this Plan will not be taken into account in determining any benefits to which the Participant may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company and its Affiliates (except to the extent provided otherwise in any such plan with respect to Accrued Benefits).

(b) Non-Duplication . Notwithstanding the foregoing provisions of this Section 8, and except as specifically provided below, any severance payments or benefits received by a Participant pursuant to this Plan shall be in lieu of any benefits under the Teradata Reduction-in-Force Program or any other severance or reduction-in-force plan, program, policy, agreement or arrangement maintained by the Company or an Affiliate (not including an equity award agreement, retirement or deferred compensation plan or similar plan or agreement which may contain provisions operative on a termination of the Participant's employment or which may incidentally refer to accelerated vesting or accelerated payment upon a termination of employment) and in lieu of in lieu of any severance or separation pay benefit that may be required under applicable law; provided, however, that if a Participant's employment with the Company and its Affiliates is terminated in circumstances under which the Participant becomes entitled to severance payments or benefits pursuant to the Teradata Change in Control Severance Plan or its successor (the " Change in Control Plan "), then the Participant shall not be entitled to any severance payments or benefits under this Plan as a result of such termination of employment and, in lieu of, and not in duplication of, any severance payments or benefits the Participant would otherwise to be entitled to receive under this Plan, the Participant shall receive the severance payments or benefits to which the Participant is entitled under the Change in Control Plan, payable or provided under the terms, and subject to the conditions, of the Change in Control Plan.

9. Administration . The Plan Committee shall have complete discretion to interpret where necessary all provisions of the Plan (including, without limitation, by supplying omissions

from, correcting deficiencies in, or resolving inconsistencies or ambiguities in, the language of the Plan), to make factual findings with respect to any issue arising under the Plan, to determine the rights and status under the Plan of Eligible Employees, Participants or other persons, to resolve questions (including factual questions) or disputes arising under the Plan and to make any determinations with respect to the benefits payable under the Plan and the persons entitled thereto as may be necessary for the purposes of the Plan. Without limiting the generality of the foregoing, the Plan Committee is hereby granted the authority (a) to determine whether a particular employee is an Eligible Employee or a Participant; and (b) to determine if a person is entitled to benefits hereunder and, if so, the amount and duration of such benefits. Any interpretation or construction of, or determination or action by, the Plan Committee with respect to the Plan and its administration shall be final and binding upon any and all parties and persons affected thereby, subject to the exclusive appeal procedure set forth herein. To the extent permitted by law, the Plan Committee may delegate to one or more officers of the Company, subject to such terms as the Plan Committee shall determine, authority to administer all or any portion of the Plan, or the authority to perform certain functions with respect to the Plan, including administrative functions. In the event of such delegation, all references to the Plan Committee in this Plan (other than such references in the immediately preceding sentence) shall be deemed references to such officers as it relates to those aspects of the Plan that have been delegated.

10. Claims for Benefits.

(a) Qualified Termination not in Connection with a Change in Control . Except to the extent otherwise provided in Section 10(b) hereof in the case of a Change in Control, any Participant or beneficiary who wishes to file a claim for benefits under the Plan shall file his or her claim in writing with the Teradata Benefits Committee (the " Benefits Committee "), and any such Claimant's rights to pursue or appeal such claim shall be governed exclusively by this Section 10(a). The Benefits Committee shall review any such 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 this Section 10(a). Any such Claimant who has had a claim for benefits denied by the Benefits Committee shall have the right to request further review by the Benefits Committee. Such request must be in writing, and must be made within sixty (60) 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 any such right to review. The Benefits Committee shall review claims that are appealed in accordance with this Section 10(a), 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 by the Benefits Committee upon such appeal shall be final and binding upon the Claimant and the Benefits Committee and all other persons involved.

(b) Qualified Termination in Connection with a Change in Control . If and only if a Change in Control has occurred, a Participant whose Qualified Termination occurred within two (2) years after or within six (6) months before the Change in Control (or such Participant's

beneficiary) who wishes to file a claim for benefits under the Plan shall file his or her claim in writing with the Benefits Committee, and any such Claimant's rights to pursue or appeal such claim shall be governed exclusively by this Section 10(b). The Benefits Committee shall review any such 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 this Section 10(b). Any such Claimant who has had a claim for benefits denied by the Benefits Committee shall have the right to request review by the Plan Committee. Such request must be in writing, and must be made within sixty (60) days after such person is advised of the denial of benefits (or, if later, within sixty (60) days after the Change in Control). If written request for review is not received within such sixty day period, the Claimant shall forfeit any such right to review. The Plan Committee shall review claims that are appealed in accordance with this Section 10(b), 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. Except as otherwise provided in Section 7(g) hereof, any dispute or controversy arising under or in connection with this Plan in circumstances covered by this Section 10(b) and not resolved through the foregoing process shall be settled exclusively by arbitration in the city of the Company's headquarters (except to the extent, if any, that the Participant objects in writing to that arbitration location within thirty (30) days after initiation of the arbitration claim and applicable law requires that the arbitration be held in the Participant's state of employment with the Company, in which event the arbitration shall be held in such state in conformity with such law at a location determined by the American Arbitration Association), in accordance with the then-current applicable rules of the American Arbitration Association then in effect. In addition, and as an exclusive alternative to the filing of a claim with the Benefits Committee, a Claimant whose Qualified Termination occurred within two (2) years after or within six (6) months before the Change in Control may seek to resolve a dispute or controversy by filing a claim in arbitration without first seeking the review of the Benefits Committee or the Plan Committee. The arbitrator may award only those payments 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.

11. Participants Deemed to Accept Plan. By accepting any payment or benefit under the Plan, each Participant and each person claiming under or through any such Participant shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and any action taken under the Plan by the Plan Committee, the Company or its Affiliates, in any case in accordance with the terms and conditions of the Plan.

12. Successors.

(a) Company Successors . This Plan shall bind any successor of 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.

(b) Participant Successors . The rights of a Participant to receive any benefits hereunder shall not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by his or her will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Section 12(b), the Company shall have no liability or obligation to pay any amount so attempted to be assigned, transferred or delegated.

13. Unfunded Status. All payments pursuant to the Plan shall be made from the general funds of the Company and no special or separate fund shall be established or other segregation of assets made to assure payment. No Participant or other person shall have under any circumstances any interest in any particular property or assets of the Company as a result of participating in the Plan.

14. Withholding. The Company and its Affiliates may withhold from any amounts payable under this Plan all federal, state, city or other taxes as the Company and its Affiliates are required to withhold pursuant to any law or government regulation or ruling.

15. Notices. Any notice provided for in this Plan shall be in writing and shall be either personally delivered, sent by reputable overnight carrier or mailed by first class mail, return receipt requested, to the recipient. Notices to the Participant shall be sent to the address of the Participant most recently provided to the Company.

Notices to the Company should be sent to:

General Counsel/Notices
Teradata Corporation
10000 Innovation Drive
Miamisburg, Ohio 45342
Attn: Legal Notices
Email: Law.notices@teradata.com

or to such other address as the Company may furnish to the Participant in writing in accordance herewith.

Notice and communications shall be effective on the date of delivery if delivered by hand or email, on the first business day following the date of dispatch if delivered utilizing overnight courier, or three business days after having been mailed, if sent by registered or certified mail.

16. Amendment and Termination. Except as otherwise provided herein, the Company expressly reserves the right to terminate the Plan and to amend the Plan in whole or in part, without

either the consent of or any prior notification to Participants, including, without limitation, to remove individuals as Participants or to modify all or any benefits under Section 4 hereof. Notwithstanding the foregoing, (a) no amendment of the Plan shall impair the rights of a Participant who previously has incurred a Qualified Termination unless such amendment is agreed to in a writing signed by the Participant (or his or her legal representative) and the Company; (b) the Company shall provide written notice to each affected Participant, in accordance with Section 15 hereof, at least one hundred eighty (180) calendar days prior to the effectiveness of the termination of the Plan or the removal of an individual as a Participant in the Plan; (c) in the event that a Change in Control occurs within one hundred eighty (180) calendar days following an amendment to the Plan that would adversely affect the rights or potential rights of Participants, the amendment will not be effective; and (d) in anticipation of or on or within two (2) years after a Change in Control, the Plan shall not be subject to amendment, change, substitution, deletion, revocation or termination in any respect which adversely affects the rights of Participants (including the removal of an individual as a Participant) without the consent of each Participant so affected.

17. Governing Law. This Plan shall be governed, construed, interpreted and enforced in accordance with the substantive laws of the State of Delaware, without regard to conflicts of law principles.

18. Severability. Whenever possible, each provision of this Plan shall be interpreted in such manner as to be effective and valid under applicable law, but if any part of any provision of this Plan is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such part shall be ineffective to the extent of such invalidity, illegality or unenforceability only, without in any way affecting the remaining parts of such provision or the remaining provisions of this Plan.

19. Headings . Headings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

20. Section 409A.

(a) In General . Section 409A of the Code (" Section 409A ") imposes payment restrictions on "nonqualified deferred compensation" (potentially including payments owed to a Participant upon termination of employment). Failure to comply with these restrictions could result in negative tax consequences to a Participant, including immediate taxation, interest and a 20% additional income tax. It is the Company's intent that this Plan be exempt from the application of, or otherwise comply with, the requirements of Section 409A. Specifically, any taxable benefits or payments provided under this Plan are intended to be separate payments that qualify for the "short-term deferral" exception to Section 409A to the maximum extent possible, and to the extent they do not so qualify, are intended to qualify for the separation pay exceptions to Section 409A to the maximum extent possible. To the extent that none of these exceptions applies, and to the extent that the Company determines it is necessary to comply with Section 409A (*e.g* ., if the Participant is a "specified employee" within the meaning of Section 409A), then notwithstanding any provision in this Plan to the contrary, all amounts that would otherwise be paid or provided to such Participant during the first six months following the Date of Termination shall instead be

accumulated through and paid or provided (without interest) on the first business day that is more than six months after the Participant's separation from service.

(b) Separation from Service. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Plan providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and the Participant is no longer providing services (at a level that would preclude the occurrence of a "separation from service" within the meaning of Section 409A) to the Company or its Affiliates as an employee or consultant, and for purposes of any such provision of this Plan, references to the "Date of Termination," a "termination," "termination of employment" or like terms shall mean "separation from service" within the meaning of Section 409A.

(c) In-Kind Benefits and Reimbursements. To the extent that any taxable in-kind benefit or reimbursement provided under this Plan is not exempt from the requirements of Section 409A, then the following rules shall apply: (i) the amount of any such in-kind benefit or reimbursement to which a Participant may be entitled during a calendar year will not affect the amount to be provided in any other calendar year, (ii) any such in-kind benefit or reimbursement shall not be subject to liquidation or exchange for another benefit, and (iii) any such reimbursement shall be paid no later than the last day of the calendar year following the calendar year in which the reimbursable expense, if any, was incurred.

(d) Payment Dates. Whenever a payment under this Plan specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company. In the event the payment period under this Plan for any nonqualified deferred compensation commences in one calendar year and ends in a second calendar year, the payments shall not be paid (or installments commenced) until the later of the first payroll date of the second calendar year, or the date that such Release becomes effective and irrevocable, to the extent necessary to comply with Section 409A. For purposes of Section 409A, a Participant's right to receive installment payments pursuant to this Plan shall be treated as a right to receive a series of separate and distinct payments.

(e) Acceleration, *etc*. The payments and benefits provided under this Plan may not be deferred, accelerated, extended, paid out or modified in a manner that would result in the imposition of an additional tax under Section 409A upon a Participant. To the extent that the Company determines that any payment under this Plan would be considered an impermissible acceleration or deferral of payment of nonqualified deferred compensation in violation of Section 409A, the Company will instead make such payment on the earliest date that it may be made without violating Section 409A. Further, to the extent that the Company determines that it is necessary, in order to comply with Section 409A with respect to any Participant who also participates (or participated) in the Change in Control Plan, the Company may require that any amount payable under this Plan be paid at the time and in the form applicable for payments of a similar type (even if in a different amount) under the Change in Control Plan.

(f) No Warranty or Guaranty of Tax Treatment . Although the Company will use its best efforts to avoid the imposition of taxation, interest and penalties under Section 409A, the tax treatment of the benefits provided under this Plan is not warranted or guaranteed. Neither the Company, its Affiliates nor their respective directors, officers, employees or advisers shall be held liable for any taxes, interest, penalties or other monetary amounts owed by a Participant (or any other individual claiming a benefit through the Participant) as a result of this Plan.

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EXHIBIT A

TERADATA EXECUTIVE SEVERANCE PLAN

SEVERANCE MULTIPLES AND BENEFIT CONTINUATION PERIODS

Participation Level	Severance Multiple	Benefit Continuation Period
Level I Participants	1.0	Twelve (12) months, commencing on the Date of Termination
Level II Participants	0.5	Six (6) months, commencing on the Date of Termination

EXHIBIT B
PARTICIPATION AGREEMENT

[Date]

Dear **[Name]** :

You have been selected to participate in the Teradata Executive Severance Plan (the " Plan "), subject to your execution and return of this agreement (this " Participation Agreement ") to Teradata Corporation (the " Company "). The Plan has been adopted by the Company effective as of February 1, 2017, and capitalized terms used without definition in this Participation Agreement have the meaning given to such terms in the Plan.

You have been designated as an Eligible Employee who is eligible to participate in the Plan as a Level [I] [II] Participant, subject to the terms and conditions of the Plan and this Participation Agreement.

By signing this Participation Agreement, you hereby acknowledge and agree as follows: (a) that you have read the Plan, including, but not limited to, the provisions contained in Section 7 of the Plan entitled " *Restrictive Covenants* " (the " Restrictive Covenants "); (b) that the Restrictive Covenants are intended to encourage conduct that protects the legitimate business interests of the Company and its subsidiaries and affiliates, including but not limited to protection of Teradata's Trade Secret Information; (c) that, as a condition to and in consideration of receiving the benefits set forth in the Plan, you hereby agree to be bound by and to comply with the terms and conditions of the Restrictive Covenants; and (d) that you will notify the Company in writing if you have, or reasonably should have, any questions regarding the applicability of the Restrictive Covenants. You further acknowledge that by signing this Participation Agreement, you have thereby willingly agreed to comply with the Restrictive Covenants, and that that you were free to reject this Participation Agreement and all benefits under the Plan with no adverse consequences to your employment with the Company and its Affiliates.

Note that the agreements you make by executing this Participation Agreement will be enforceable against you, regardless of whether or not your employment terminates in circumstances that entitle you to severance benefits under the Plan.

Please note that you are not required to participate in the Plan, and may decline participation in the Plan by not returning this Participation Agreement. If you want to accept participation in the Plan, you must execute this Participation Agreement and see that it is returned to the Company's [●] at [●] so that it is received no later than **[Date]** . This Participation Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

TERADATA CORPORATION

By: _____

Title: _____

ACCEPTED AND AGREED BY PARTICIPANT

Signed:_____

Dated:_____

EXHIBIT C
RELEASE OF CLAIMS

My employment with Teradata Corporation (" Teradata ") terminated effective as of [●], 20[●]. In exchange for the severance benefits provided under Section 4(b) of the Teradata Executive Severance Plan (the " Plan "), which shall be provided upon the terms, and subject to the conditions of the Plan, including, but not limited to, my compliance with Section 7 of the Plan, I acknowledge and agree to the following:

1. I may sign and submit this Release of Claims (" Release ") at any time during the [21] [45] days after my termination.

2. I understand this Release does not constitute an admission by Teradata of any liability, violation of any federal or state laws, or any other civil wrong.

3. I may revoke this Release during the seven days after I sign it by delivering written notice to Teradata in accordance with Section 15 of the Plan no later than the close of business on the seventh day after signature. This Release will not become effective or enforceable until the expiration of that seven-day period. I understand that my severance benefits will be processed after the expiration of the seven-day period.

4. I release and discharge Teradata, its affiliates, successors, and each of their fiduciaries, stockholders, directors, officers, agents, and employees (" Released Parties "), from all claims, causes of action, suits, damages, rights to monetary or equitable relief, known or unknown, including access to Teradata's internal dispute resolution process, for anything occurring up to and including the date on which I sign this Release. Without limiting the prior sentence, this release covers all claims I have, have ever had, or may now have, for or related in any way to my employment or the end of my employment with the Company, including but not limited to all claims for age discrimination under the Age Discrimination in Employment Act; Title VII of the Civil Rights Act of 1964; the Family and Medical Leave Act; the Employee Retirement Income Security Act (" ERISA "), any similar state or local Fair Employment statute or ordinance; any claim of wrongful discharge, discrimination, harassment, retaliation, breach of implied or express promises, defamation, invasion of privacy and intentional or negligent infliction of emotional distress; all claims for lost or unpaid wages, overtime, bonuses, or statutory penalties; and any claims of coverage under any of Teradata's commercial automobile liability insurance policies.

   Without limiting the foregoing Paragraph, I represent that I understand that this Release specifically releases and waives any claims of age discrimination, known or unknown, that I may have against the Released Parties as of the date I sign this Release. This Release specifically includes a waiver of rights and claims under the Age Discrimination in Employment Act of 1967, as amended **,** and the Older Workers Benefit Protection Act. I acknowledge that as of the date I sign this Release, I may have certain rights or claims under the Age Discrimination in Employment Act, 29 U.S.C. §626 and I voluntarily relinquish any such rights or claims by signing this Release.

5. **Teradata advises me to consult with an attorney prior to signing this Release. By signing this Release I understand I am giving up and waiving legal rights. I have either freely chosen not to consult with an attorney or I have decided to sign after discussing this Release with my attorney.**

6. This Release does not prevent me from responding accurately and fully to any question, inquiry or request for information when required by legal process, or disclosing information to regulatory bodies. Further, nothing contained in this Release limits my ability to file a charge or complaint with any federal, state or local governmental agency or commission (a " Government Agency "). In addition, nothing in this Release or any other Company agreement, policy, practice, procedure, directive or instruction shall prohibit me from reporting possible violations of federal, state or local laws or regulations to any Government Agency or making other disclosures that are protected under the whistleblower provisions of federal, state or local laws or regulations. I understand that I do not need prior authorization of any kind to make any such reports or disclosures, and that I am not required to notify the Company that I have made such reports or disclosures. However, if I file any charge or complaint with any Government Agency, and if the Government Agency pursues any claim on my behalf, or if any other third party pursues any claim on my behalf, I hereby waive any right to monetary or other individualized relief (either individually, or as part of any collective or class action) that arises out of alleged facts or circumstances on or before the effective date of this Release; provided that nothing in this Release limits any right I may have to receive a whistleblower award or bounty for information provided to the Securities and Exchange Commission or other Government Agency.

7. As used in this Release, "Teradata" includes its parents, subsidiaries, affiliates, divisions, past and present directors, officers, agents and employees.

8. This Release and the Plan represent the entire agreement between me and Teradata relating to the end of my employment and, with the exception of any agreements relating to arbitration of employment-related disputes, or trade secrets and preserving the confidentiality of Teradata information, supersedes all prior written or oral understandings, statements or agreements.

I have read this Release and I understand its terms. I enter into and sign this Release knowingly, voluntarily, and with full knowledge of its contents.

Signature of Associate	Social Security Number	Non-Teradata E-mail Address	Date
Associate Name (Printed)	Associate QuickLook ID	Non-Teradata Telephone Number	

Human Resources Acknowledgment of Receipt:

Human Resources Representative	Title	Date

NOTE: The original document, when signed by both employee and Human Resources Representative should be returned to the Teradata HR Service Center, for inclusion in the employee's Personnel File.

Teradata HR Service Center
10000 Innovation Drive
Miamisburg, Ohio 45342

Form of Stock Option Agreement
Under the Teradata 2012 Stock Incentive Plan
(Non-Statutory Stock Option)

You have been granted an option (the "Option") under the Teradata 2012 Stock Incentive Plan (the "Plan") to purchase a number of shares of common stock of Teradata Corporation ("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 Stock Option Agreement (this "Agreement") and the Plan. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

1. Your right to exercise this Option will expire on the tenth (10th) anniversary (the "Expiration Date") of the date of grant of this Option (the "Date of Grant"), 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 Date of Grant, such that all of the shares represented by this Option shall be vested on the fourth (4th) anniversary of the Date of Grant. This vesting schedule is contingent upon your continuous employment with Teradata Corporation 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 (4th) anniversary of the Date of Grant, 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, this Option may be exercised until the later of (x) the third (3 rd) anniversary of the date of death or Disability, or (y) the Expiration Date.

4. If your employment with Teradata terminates in connection with your Retirement (as defined in this Section 4), and not due to your death or Disability, 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 of your employment at or after age 55 other than (i) as a result of your death or Disability, (ii) for Cause, or (iii) following a Change in Control, without Cause or, if applicable to you, for Good Reason (as described below).

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, converted or replaced by the continuing entity, if Teradata terminates your employment other than for Cause or Disability 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 (1st) anniversary of your termination of employment.

6. If your Teradata employment is involuntarily terminated for Cause 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. Further, if your employment is terminated by Teradata for Cause, then, to the extent demanded by the Committee in its sole discretion and permitted by applicable law, you shall (a) return to Teradata all Option Shares that you have not disposed of that have been acquired pursuant to this Agreement, in exchange for payment by Teradata of any amount actually paid by you for the Option Shares; and (b) with respect to any Option Shares acquired pursuant to this Agreement that you have disposed of, pay to Teradata in cash the excess of (i) the Fair Market Value of such Option Shares on the date acquired, over (ii) any amount actually paid by you for the Option Shares.

7. In the event of a termination of 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 59th 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 or permitted 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. Notwithstanding the foregoing, nothing contained in this Agreement or any other Teradata agreement, policy, practice, procedure, directive or instruction shall prohibit you from reporting possible violations of federal, state or local laws or regulations to any federal, state or local governmental agency or commission (a "Government Agency") or from making other disclosures that are protected under the whistleblower provisions of federal, state or local laws or regulations. You do not need prior authorization of any kind to make any such reports or disclosures and you are not required to notify Teradata that you have made such reports or disclosures. Nothing in this Agreement limits any right you may have to receive a whistleblower award or bounty for information provided to any Government Agency.

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. As a recipient of this equity award, you recognize that you have access to highly confidential, proprietary and non-public information of Teradata and its customers, including strategic plans, customer lists, research and development plans, and other information not made available to the general public and from which Teradata derives value. For purposes of this Agreement, this information is defined as "Trade Secret Information."

To protect Teradata's investment in Trade Secret Information, and in exchange for this Option, you agree that the following restrictions will apply during your employment with Teradata and, to the extent permitted by applicable law, for a period of twelve (12) months after the date that you cease to be employed by Teradata for any reason (the "Termination Date") (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):

(a) You will not, without the prior written consent of the Chief Executive Officer of Teradata, render services directly or indirectly to, or become employed by, any Competing Organization of Teradata (as defined in this Section 15 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, marketed, serviced or otherwise provided by Teradata to its customers and upon which you worked or in which you participated during the last twelve (12) months of your Teradata employment. (This restriction is specifically intended to protect the value of and Teradata's investment in Trade Secret Information to which you had access as an employee of Teradata). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 15(a) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.**

(b) You will not, without the prior written consent of the Chief Executive Officer of Teradata, 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. (This restriction is specifically intended to protect the value of the information you obtained while a Teradata employee regarding the skills, experience and knowledge of Teradata employees, which is Trade Secret Information, and Teradata's investment in developing these employees). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 15(b) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.**

(c) You will not, without the prior written consent of the Chief Executive Officer of Teradata, solicit the business of any firm or company with which you worked during the preceding twelve (12) months of employment at Teradata, if such firm or company was a customer of Teradata, by using Teradata Trade Secret Information. (This restriction is specifically intended to protect the value of the identity of Teradata customers, their needs, interests, strategic plans, etc., all of which is Trade Secret Information you acquired as a Teradata employee with access to such information).

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, any unvested Option Shares will be immediately forfeited, and, to the extent permitted by applicable law, you agree to pay to Teradata the excess of (x) the Fair Market Value of any Option Shares that you acquired pursuant to the Option during the twelve (12) months prior to the Termination Date, over (y) the purchase price you paid to exercise the Option with respect to such Option Shares. The Fair Market Value of the Option Shares acquired shall be determined as of the applicable exercise date of the Option.

As used in this Section 15, "Competing Organization" means a 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 and is therefore a competitor of Teradata. This includes but is not limited to persons or organizations identified as a "Competing Organization" in a list prepared by the Chief Executive Officer of Teradata for the year in which your employment with Teradata terminates. This list 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 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 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. By accepting this award, you acknowledge and agree that, notwithstanding any other provision of this Agreement to the contrary, you may be required to forfeit or repay any or all of the Option Shares pursuant

to the terms of the Teradata Corporation Compensation Recovery Policy (or a successor policy), as the same may be amended to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act or any rules or regulations issued by the Securities and Exchange Commission rule or applicable securities exchange.

18. 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.

19. 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.

20. This Option and the number and kind of Shares covered by this Agreement shall be subject to adjustment as provided in Section 15 of the Plan.

21. Nothing contained in this Agreement shall confer upon you any right with respect to continuance of employment by Teradata, nor limit or affect in any manner the right of Teradata to terminate your employment or adjust your compensation.

22. 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.

23. By accepting any benefit under this Agreement, you and each person claiming under or through you shall be conclusively deemed to have indicated their acceptance and ratification of, and consent to, all of the terms and conditions of this Agreement and the Plan and any action taken under this Agreement or the Plan by the Committee, the Board of Directors or Teradata, in any case in accordance with the terms and conditions of this Agreement.

24. Teradata may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Teradata or a third party designated by Teradata.

Form of Stock Option Agreement
For Non-U.S. Employees
Under the Teradata 2012 Stock Incentive Plan
(Non-Statutory Stock Option)

You have been granted an option (the "Option") under the Teradata 2012 Stock Incentive Plan (the "Plan") to purchase a number of shares of common stock of Teradata Corporation ("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 Stock Option Agreement (this "Agreement") and the Plan. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

1. Your right to exercise this Option will expire on the tenth (10th) anniversary (the "Expiration Date") of the date of grant of this Option (the "Date of Grant"), unless sooner terminated due to the termination of your employment as described below and in Section 17(n). 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 Date of Grant, such that all of the shares represented by this Option shall be vested on the fourth (4th) anniversary of the Date of Grant. This vesting schedule is contingent upon your continuous employment with Teradata Corporation 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 (4th) anniversary of the Date of Grant, 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, this Option may be exercised until the later of (x) the third (3rd) anniversary of the date of death or Disability, or (y) the Expiration Date.

4. If your employment with Teradata terminates in connection with your Retirement (as defined in this Section 4), and not due to your death or Disability, 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 (3rd) anniversary of your Retirement, or (b) the Expiration Date. For purposes of this Agreement, "Retirement" means termination of your employment (other than (i) as a result of your death or Disability, (ii) for Cause, or (iii) following a Change in Control, without Cause or, if applicable to you, for Good Reason (as described below)) at or after age 55 with the consent of the Compensation & Human Resource Committee of the Teradata Board of Directors (the "Committee"), unless otherwise provided for by mandatory local law provisions.

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, converted or replaced by the continuing entity, if Teradata terminates your employment other than for Cause or Disability 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 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. Further, if your employment is terminated by Teradata for Cause, then, to the extent demanded by the Committee in its sole discretion and permitted by applicable law, you shall (a) return to Teradata all Option Shares that you have not disposed of that have been acquired pursuant to this Agreement, in exchange for payment by Teradata of any amount actually paid by you for the Option Shares; and (b) with respect to any Option Shares acquired pursuant to this Agreement that you have disposed of, pay to Teradata in cash the excess of (i) the Fair Market Value of such Option Shares on the date acquired, over (ii) any amount actually paid by you for the Option Shares.

7. In the event of a termination of your employment with Teradata for any other reason, including but not limited to reduction-in-force, this Option will automatically terminate, any unvested Options will be forfeited and the vested portion of this Option may be exercised no later than the earlier of (a) the 59th 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 heirs or your estate, 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 or permitted 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. Notwithstanding the foregoing, nothing contained in this Agreement or any other Teradata agreement, policy, practice, procedure, directive or instruction shall prohibit you from reporting possible violations of federal, state or local laws or regulations to any federal, state or local governmental agency or commission (a "Government Agency") or from making other disclosures that are protected under the whistleblower provisions of federal, state or local laws or regulations. You do not need prior authorization of any kind to make any such reports or disclosures and you are not required to notify Teradata that you have made such reports or disclosures. Nothing in this Agreement limits any right you may have to receive a whistleblower award or bounty for information provided to any Government Agency.

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.

12. Regardless of any action Teradata or your employer who is a Teradata affiliate (the "Employer") takes with respect to any or all income tax or withholdings, payroll tax, payment on account, social contributions, required deductions, other payments, or other tax-related items related to your participation in the Plan and legally applicable to you or deemed by Teradata or the Employer to be an appropriate charge

to you even if technically due by Teradata or the Employer ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by Teradata or the Employer. You also agree that you solely are responsible for filing all relevant documentation that may be required of you in relation to this Option or any Tax-Related Items, such as but not limited to personal income tax returns or reporting statements in relation to the grant, vesting or exercise of this Option, the holding of Shares or any bank or brokerage account, or the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends. You further acknowledge that Teradata and/or the Employer: (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option grant, including the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate your liability for such Tax-Related Items or to achieve any particular tax result. You also understand applicable laws may require varying Share or Option valuation methods for purposes of calculating Tax-Related Items, and Teradata assumes no responsibility or liability in relation to any such valuation or for any calculation or reporting of income or Tax-Related Items that may be required of you under applicable law. Further, if you have become subject to Tax-Related Items in more than one jurisdiction, you acknowledge that Teradata and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, you shall pay or make adequate arrangements satisfactory to Teradata or the Employer, to satisfy all Tax-Related Items. In this regard, you authorize Teradata and/or the Employer, or their respective agents, at their discretion and pursuant to such procedures as Teradata may specify from time to time, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(a) withholding from any wages or other cash compensation paid to you by Teradata and/or the Employer;

(b) withholding otherwise deliverable Shares to be issued upon exercise of the Option; or

(c) withholding from the proceeds of the sale of Shares acquired upon exercise of the Option either through a voluntary sale or through a mandatory sale arranged by Teradata (on your behalf pursuant to this authorization).

To avoid negative accounting treatment, Teradata may withhold or account for Tax-Related Items by considering applicable minimum and maximum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you shall be deemed to have been issued the full number of Shares subject to the exercised Option, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan. You shall pay to Teradata and/or the Employer any amount of Tax-Related Items that Teradata and/or the Employer may be required to withhold as a result of your participation in the Plan that cannot be satisfied by the means previously described. Teradata may refuse to honor the exercise and/or deliver to you any Shares pursuant to your Option if you fail to comply with your obligations in connection with the Tax-Related Items as described in this Section 12.

13. 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.

14. You understand and agree that any cross-border cash remittance made to exercise this Option or transfer of proceeds received upon the sale of Shares must be made through a locally authorized financial institution or registered foreign exchange agency and may require you to provide to such financial institution or agency certain information regarding the transaction. Moreover, you understand and agree that Teradata is neither responsible for any foreign exchange fluctuation between your local currency and the United States Dollar (US $) (or the selection by Teradata or the Employer in its sole discretion of an applicable foreign currency exchange rate) that may affect the value of this Option (or the calculation of income or any Tax-Related Items thereunder) nor liable for any decrease in the value of Shares or this Option. In addition, the ownership of Shares or assets and holding of a bank or brokerage account abroad may subject you to reporting requirements imposed by tax, banking, and/or other authorities in your country, and you understand and agree that you solely are responsible for complying with such requirements.

15. This Option is not transferable by you other than by 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.

16. As a recipient of this equity award, you recognize that you have access to highly confidential, proprietary and non-public information of Teradata and its customers, including strategic plans, customer lists, research and development plans, and other information not made available to the general public and from which Teradata derives value. For purposes of this Agreement, this information is defined as "Trade Secret Information."

To protect Teradata's investment in Trade Secret Information, and in exchange for the Option Shares, you agree that the following restrictions will apply during your employment with Teradata and, to the extent permitted by applicable law, for a period of twelve (12) months after the date that you cease to be employed by Teradata for any reason (the "Termination Date") (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):

(a) You will not, without the prior written consent of the Chief Executive Officer of Teradata, render services directly or indirectly to, or become employed by, any Competing Organization of Teradata (as defined in this Section 16 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, marketed, serviced or otherwise provided by Teradata to its customers and upon which you worked or in which you participated during the last twelve (12) months of your Teradata employment. (This restriction is specifically intended to protect the value of and Teradata's investment in Trade Secret Information to which you had access as an employee of Teradata). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 16(a) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.**

(b) You will not, without the prior written consent of the Chief Executive Officer of Teradata, 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. (This restriction is specifically intended to protect the value of the information you obtained while a Teradata employee regarding the skills, experience and knowledge of Teradata employees, which is Trade Secret Information, and Teradata's investment in developing these employees). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 16(b) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.**

(c) You will not, without the prior written consent of the Chief Executive Officer of Teradata, solicit the business of any firm or company with which you worked during the preceding twelve (12) months of employment at Teradata, if such firm or company was a customer of Teradata, by using Teradata Trade Secret Information. (This restriction is specifically intended to protect the value of the identity of Teradata customers, their needs, interests, strategic plans, etc., all of which is Trade Secret Information you acquired as a Teradata employee with access to such information).

If you breach the terms of this Section 16, you agree that in addition to any liability you may have for damages arising from such breach, any unvested Option Shares will be immediately forfeited, and, to the extent permitted by applicable law, you agree to pay to Teradata the excess of (x) the Fair Market Value of any Option Shares that you acquired pursuant to the Option during the twelve (12) months prior to the Termination Date, over (y) the purchase price you paid to exercise the Option with respect to such Option Shares. The Fair Market Value of the Option Shares acquired shall be determined as of the applicable exercise date of the Option.

As used in this Section 16, "Competing Organization" means a 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 and is therefore a competitor of Teradata. This includes but is not limited to persons or organizations identified as a "Competing Organization" in a list prepared by the Chief Executive Officer of Teradata for the year in which your employment with Teradata terminates. This list is maintained by the Teradata Law Department.

17. In accepting the grant, you acknowledge that: (a) the Plan is established voluntarily by Teradata, it is discretionary in nature and it may be modified, suspended or terminated by Teradata at any time; (b) the grant of the Options is voluntary and occasional and does not create any contractual or other right to receive future grants of Options, or benefits in lieu of Options, even if Options have been granted repeatedly in the past; (c) all decisions with respect to future Option grants, if any, will be at the sole discretion of Teradata; (d) your participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate your employment relationship at any time; (e) your participation in the Plan is voluntary; (f) the Option and the Shares subject to the Option are not intended to replace any pension rights or compensation; (g) the Option is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to Teradata and which is outside the scope of your employment contract, if any; (h) the Options are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way, to past services for Teradata; (i) the Option grant and your participation in the Plan will not be interpreted to form an employment contract or relationship with Teradata; (j) the future value of the underlying Shares is unknown and cannot be predicted with certainty; (k) if the underlying Shares do not increase in value, the Option will have no value; (l) if you exercise your Option and obtain Shares, the value of those Shares acquired upon exercise may increase or decrease in value, even below the exercise price; (m) in consideration of the grant of the Option, no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from termination of your employment by Teradata (for any reason whatsoever and whether or not in breach of local labor laws) and you irrevocably release Teradata from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting the Award, you shall be deemed irrevocably to have waived your entitlement to pursue such claim; (n) in the event of involuntary termination of your employment (whether or not in

breach of local labor laws), your right to receive Options and vest in Options under the Plan, if any, will terminate effective as of the date that you are no longer actively employed and will not be extended by any notice period mandated under local law (*e.g.,* active employment would not include any period of "garden leave" or similar period pursuant to local law); furthermore, in the event of involuntary termination of employment (whether or not in breach of local labor laws), your right to exercise the Option after termination of employment, if any, will be measured by the date of termination of your active employment and will not be extended by any notice period mandated under local law; the Committee shall have the exclusive discretion to determine when you are no longer actively employed for purposes of your Option grant; (o) Teradata is not providing any tax, legal or financial advice, nor is Teradata making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares; and (p) you are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

18. You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other Option grant materials by and among, as applicable, the Employer and Teradata for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that Teradata and the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in Teradata, details of all Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the purpose of implementing, administering and managing the Plan ("Data").

You understand that Data will be transferred to any third parties assisting Teradata with the implementation, administration and management of the Plan. You understand the recipients of the Data may be located in your country, in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than your country. You authorize Teradata and the recipients which may assist Teradata (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that refusing or withdrawing your consents herein may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

19. You understand and agree that you are responsible at all times for understanding and following Teradata's policies with respect to insider trading, as well as any insider trading restrictions imposed by local law.

20. The provisions of this Agreement are severable. If any provision of this Agreement is held to be unenforceable or invalid, in whole or in part, it shall be severed and shall not affect any other part of this Agreement, which will be enforced as permitted by law.

21. 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.

22. This Option and the number and kind of Shares covered by this Agreement shall be subject to adjustment as provided in Section 15 of the Plan.

23. 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.

24. The Option and the provisions of this Agreement are governed by, and subject to, the laws of the State of Delaware, U.S.A., without reference to principles of conflicts of law, as provided in the Plan.

For purposes of litigating any dispute that arises under this grant or this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the State of Ohio and agree that such litigation shall be conducted only in the courts of Montgomery County, Ohio or the federal courts for the United States for the Southern District of Ohio, and no other courts, where this grant of Options is made and/or to be performed.

25. Teradata may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Teradata or a third party designated by Teradata.

26. If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

27. Notwithstanding any provision herein, your participation in the Plan shall be subject to any special terms and conditions as set forth in any appendix for your country (the "Appendix"). Moreover, if you relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to you, to the extent Teradata determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.

28. Teradata reserves the right to impose other requirements on your participation in the Plan, on the Options and any Shares acquired under the Plan, to the extent Teradata determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

29. By accepting any benefit under this Agreement, you and each person claiming under or through you shall be conclusively deemed to have indicated their acceptance and ratification of, and consent to, all of the terms and conditions of this Agreement and the Plan and any action taken under this Agreement or the Plan by the Committee, the Board of Directors or Teradata, in any case in accordance with the terms and conditions of this Agreement.

30. By accepting this award, you acknowledge and agree that, notwithstanding any other provision of this Agreement to the contrary, you may be required to forfeit or repay any or all of the Option Shares pursuant to the terms of the Teradata Corporation Compensation Recovery Policy (or a successor policy), as the same may be amended to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act or any rules or regulations issued by the Securities and Exchange Commission rule or applicable securities exchange.

Form of Restricted Share Unit Agreement
Under the Teradata 2012 Stock Incentive Plan

You have been awarded a number of restricted Share Units (the "Share Units") under the Teradata 2012 Stock Incentive Plan (the "Plan"), as described on the restricted share unit information page on the website of Teradata's third party Plan administrator, subject to the terms and conditions of this Restricted Share Unit Agreement (this "Agreement") and the Plan. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

1. One-third of the Share Units will become non-forfeitable ("Vested") on each of the first three anniversaries of the Date of Grant (each such anniversary a "Vesting Date"), subject to such rounding conventions as may be implemented from time-to-time by the third party Plan administrator, and provided that you are continuously employed by Teradata or any of its affiliate companies (referred to collectively herein as "Teradata") until each such Vesting Date.

2. If your employment with Teradata terminates prior to a Vesting Date due to (i) your death, or (ii) 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 remaining unvested Share Units will become fully Vested. If your employment with Teradata terminates prior to a Vesting Date due to your Retirement then, upon such termination of employment, a pro rata portion of the Share Units will become fully Vested. For purposes of this Agreement, "Retirement" means termination by you of your employment with Teradata (other than, if applicable to you, for Good Reason (as described below) following a Change in Control) at or after age 55 with the consent of the Compensation & Human Resource Committee of the Teradata Board of Directors (the "Committee"). The pro rata portion of the Share Units that will become fully Vested upon Retirement will be determined by multiplying (x) the number of unvested Share Units that would have Vested on the next Vesting Date had you remained employed with Teradata by (y) a fraction, the numerator of which is the number of full and partial months of employment you completed commencing with the Vesting Date that occurred immediately prior to your termination (or, if none, commencing on the date of grant of this award ("Date of Grant")), and the denominator of which is twelve (12) months (subject to such rounding conventions as may be implemented from time-to-time by the third party Plan administrator). For purposes of determining any pro rata Vesting of your Share Units, your period of employment with Teradata shall not include any leave of absence, other than an approved leave of absence from which Teradata reasonably expects that you will return to perform services for Teradata.

Notwithstanding any provision in this Agreement to the contrary, in the event a Change in Control occurs and this restricted Share Unit award is not assumed, converted or replaced by the continuing entity, the remaining unvested Share Units shall become fully Vested immediately prior to the Change in Control. In the event of a Change in Control wherein this restricted Share Unit award is assumed, converted or replaced by the continuing entity, if your employment is terminated by Teradata other than for Cause or Disability during the twenty-four (24) months following the Change in Control, the remaining unvested Share 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 remaining unvested Share Units shall become fully Vested immediately upon your termination of employment.

To the extent that the Share Units have not yet vested pursuant to Sections 1 and 2 above, they shall be forfeited automatically without further action or notice, if you cease to be employed by Teradata prior to an applicable Vesting Date other than as provided in this Section 2.

3. Except as may be otherwise provided in this Section 3, when Vested, the Share Units will be paid to you within 30 days after each applicable Vesting Date in Shares (such that one Share Unit equals one Share).

To the extent that the Share Units become Vested pursuant to Section 2 of this Agreement and your right to receive payment of Vested Share Units constitutes a "deferral of compensation" within the meaning of Section 409A of the Code, then payment of such Share Units shall be subject to the following rules: (i) the Share Units will be paid to you within 30 days after the earlier of (a) your "separation from service" within the meaning of Section 409A of the Code, or (b) the applicable Vesting Date; (ii) notwithstanding the foregoing, if the Share Units become payable as a result of your "separation from service" within the meaning of Section 409A of the Code (other than as a result of death), and you are a "specified employee" as determined under Teradata's policy for determining specified employees on the date of separation from service, the Share Units shall 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; and (iii) Teradata may, in its sole discretion and to the extent permitted by Treasury Regulation § 1.409A-3(j)(4)(ix)(B), terminate this Agreement and pay all outstanding Share Units to you within 30 days before or 12 months after a "change in the ownership," a "change in the effective control" or a "change in the ownership of a substantial portion of the assets" of Teradata within the meaning of Section 409A of the Code.

4. By accepting this award, unless disclosure is required or permitted 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 Share Units will be forfeited if you violate the terms and conditions of this Section 4. Notwithstanding the foregoing, nothing contained in this Agreement or any other Teradata agreement, policy, practice, procedure, directive or instruction shall prohibit you from reporting possible violations of federal, state or local laws or regulations to any federal, state or local governmental agency or commission (a "Government Agency") or from making other disclosures that are protected under the whistleblower provisions of federal, state or local laws or regulations. You do not need prior authorization of any kind to make any such reports or disclosures and you are not required to notify Teradata that you have made such reports or disclosures. Nothing in this Agreement limits any right you may have to receive a whistleblower award or bounty for information provided to any Government Agency.

5. The Share 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 a Vesting Date, Teradata will instruct its Transfer Agent and/or its third party Plan administrator to record on your account the number of Shares underlying the number of Share Units to be paid to you in Shares and such Shares will be freely transferable.

6. Any cash dividends declared before an applicable Vesting Date on the Shares underlying the Share Units shall not be paid currently, but shall be converted into additional Share Units. Any Share Units resulting from such conversion (the "Dividend Units") will be considered Share 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 Share 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 Share 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 Share Units, any federal, state, local, foreign or other taxes required by the laws of the United States or any other country to be withheld or paid with respect to the Share 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 Share Units Vest, Teradata's stock plan administrator may withhold or sell the number of Share 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 Share Units will be forfeited if your employment is terminated by Teradata for Cause or if the Committee determines that you engaged in misconduct in connection with your employment with Teradata. Further, if your employment is terminated by Teradata for Cause, then, to the extent demanded by the Committee in its sole discretion and permitted by applicable law, you shall (a) return to Teradata all Shares that you have not disposed of that have been acquired pursuant to this Agreement during the twelve (12) months prior to the date of your termination of employment, and (b) with respect to any Shares acquired pursuant to this Agreement during the twelve (12) months prior to the date of your termination of employment and that you have disposed of, pay to Teradata in cash the Fair Market Value of such Shares on the date acquired.

9. As a recipient of this equity award, you recognize that you have access to highly confidential, proprietary and non-public information of Teradata and its customers, including strategic plans, customer lists, research and development plans, and other information not made available to the general public and from which Teradata derives value. For purposes of this Agreement, this information is defined as "Trade Secret Information."

To protect Teradata's investment in Trade Secret Information, and in exchange for the Share Units, you agree that the following restrictions will apply during your employment with Teradata and, to the extent permitted by applicable law, for a period of twelve (12) months after the date that you cease to be employed by Teradata for any reason (the "Termination Date") (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):

(a) You will not, without the prior written consent of the Chief Executive Officer of Teradata, render services directly or indirectly to, or become employed by, any Competing Organization of Teradata (as defined in this Section 9 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, marketed, serviced or otherwise provided by Teradata to its customers and upon which you worked or in which you participated during the last twelve (12) months of your Teradata employment. (This restriction is specifically intended to protect the value of and Teradata's investment in Trade Secret Information to which you had access as an employee of Teradata). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 9(a) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.**

(b) You will not, without the prior written consent of the Chief Executive Officer of Teradata, 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. (This restriction is specifically intended to protect the value of the information you obtained while a Teradata employee regarding the skills, experience and knowledge of Teradata employees, which is Trade Secret Information, and Teradata's investment in developing these employees). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 9(b) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.**

(c) You will not, without the prior written consent of the Chief Executive Officer of Teradata, solicit the business of any firm or company with which you worked during the preceding twelve (12) months of employment at Teradata, if such firm or company was a customer of Teradata, by using Teradata Trade Secret Information. (This restriction is specifically intended to protect the value of the identity of Teradata customers, their needs, interests, strategic plans, etc., all of which is Trade Secret Information you acquired as a Teradata employee with access to such information).

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 Share Units will be immediately forfeited, and, to the extent permitted by applicable law, you agree to pay to Teradata the Fair Market Value of any Share Units that Vested during the twelve (12) months prior to the Termination Date. Such Fair Market Value shall be determined as of each applicable Vesting Date.

As used in this Section 9, "Competing Organization" means a 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 and is therefore a competitor of Teradata. This includes but is not limited to persons or organizations identified as a "Competing Organization" in a list prepared by the Chief Executive Officer of Teradata for the year in which your employment with Teradata terminates. This list 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 equity program is administered, for any such proceedings.

11. You may designate one or more beneficiaries to receive all or part of any Share 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 Share 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 Share 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 Share Units in question may be transferred to your estate, in which event Teradata will have no further liability to anyone with respect to such Share 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 Share Units as evidenced by this Agreement may be amended by the Teradata Board of Directors or the Committee.

14. The number of Share Units and the number and kind of Shares covered by this Agreement shall be subject to adjustment as provided in Section 15 of the Plan.

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 10 of this Agreement shall prevail.

16. You shall not possess any incidents of ownership (including, without limitation, dividend and voting rights) in the Shares underlying the Share Units until such Shares have been delivered to you in accordance with this Agreement. The obligations of Teradata under this Agreement will be merely that of an unfunded and unsecured promise of Teradata to deliver Shares in the future following Vesting of the Share Units, and your rights will be no greater than those of an unsecured general creditor. No assets of Teradata will be held or set aside as security for the obligations of Teradata under this Agreement.

17. Nothing contained in this Agreement shall confer upon you any right with respect to continuance of employment by Teradata, nor limit or affect in any manner the right of Teradata to terminate your employment or adjust your compensation.

18. By accepting any benefit under this Agreement, you and each person claiming under or through you shall be conclusively deemed to have indicated their acceptance and ratification of, and consent to, all of the terms and conditions of this Agreement and the Plan and any action taken under this Agreement or the Plan by the Committee, the Board of Directors or Teradata, in any case in accordance with the terms and conditions of this Agreement.

19. Teradata may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Teradata or a third party designated by Teradata.

Form of Restricted Share Unit Agreement
Under the Teradata 2012 Stock Incentive Plan

You have been awarded a number of restricted Share Units (the "Share Units") under the Teradata 2012 Stock Incentive Plan (the "Plan"), as described on the restricted share unit information page on the website of Teradata's third party Plan administrator, subject to the terms and conditions of this Restricted Share Unit Agreement (this "Agreement") and the Plan. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

1. The Share Units will become non-forfeitable ("Vested") on the third anniversary of the Date of Grant (the "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 the Vesting Date due to (i) your death, or (ii) 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 Share Units will become fully Vested. If your employment with Teradata terminates prior to the Vesting Date due to (a) your Retirement, or (b) a reduction-in-force, then, upon such termination of employment, a pro rata portion of the Share Units will become fully Vested. For purposes of this Agreement, "Retirement" means termination by you of your employment with Teradata (other than, if applicable to you, for Good Reason (as described below) following a Change in Control) at or after age 55 with the consent of the Compensation & Human Resource Committee of the Teradata Board of Directors (the "Committee"). The pro rata portion of the Share Units that will become fully Vested in accordance with the preceding sentence will be determined by multiplying the total number of the Share 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 "Date of Grant"), and the denominator of which is the total number of months during the period beginning on the Date of Grant and ending on the Vesting Date (subject to such rounding conventions as may be implemented from time-to-time by the third party Plan administrator). For purposes of determining any pro rata Vesting of your Share Units, your period of employment with Teradata shall not include any leave of absence, other than an approved leave of absence from which Teradata reasonably expects that you will return to perform services for Teradata.

Notwithstanding any provision in this Agreement to the contrary, in the event a Change in Control occurs and this restricted Share Unit award is not assumed, converted or replaced by the continuing entity, the Share Units shall become fully Vested immediately prior to the Change in Control. In the event of a Change in Control wherein this restricted Share Unit award is assumed, converted or replaced by the continuing entity, if your employment is terminated by Teradata other than for Cause or Disability during the twenty-four (24) months following the Change in Control, the Share 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 Share Units shall become fully Vested immediately upon your termination of employment.

3. Except as may be otherwise provided in this Section 3, when Vested, the Share Units will be paid to you within 30 days after the Vesting Date in Shares (such that one Share Unit equals one Share).

To the extent that the Share Units become Vested pursuant to Section 2 of this Agreement and your right to receive payment of Vested Share Units constitutes a "deferral of compensation" within the meaning of Section 409A of the Code, then payment of such Share Units shall be subject to the following rules: (i) the Share Units will be paid to you within 30 days after the earlier of (a) your "separation from service" within the meaning of Section 409A of the Code, or (b) the Vesting Date; (ii) notwithstanding the foregoing, if the Share Units become payable as a result of your "separation from service" within the meaning of Section 409A of the Code (other than as a result of death), and you are a "specified employee" as determined under Teradata's policy for determining specified employees on the date of separation from service, the Share Units shall 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; and (iii) Teradata may, in its sole discretion and to the extent permitted by Treasury Regulation § 1.409A-3(j)(4)(ix)(B), terminate this Agreement and pay all outstanding Share Units to you within 30 days before or 12 months after a "change in the ownership," a "change in the effective control" or a "change in the ownership of a substantial portion of the assets" of Teradata within the meaning of Section 409A of the Code.

4. By accepting this award, unless disclosure is required or permitted 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 Share Units will be forfeited if you violate the terms and conditions of this Section 4. Notwithstanding the foregoing, nothing contained in this Agreement or any other Teradata agreement, policy, practice, procedure, directive or instruction shall prohibit you from reporting possible violations of federal, state or local laws or regulations to any federal, state or local governmental agency or commission (a "Government Agency") or from making other disclosures that are protected under the whistleblower provisions of federal, state or local laws or regulations. You do not need prior authorization of any kind to make any such reports or disclosures and you are not required to notify Teradata that you have made such reports or disclosures. Nothing in this Agreement limits any right you may have to receive a whistleblower award or bounty for information provided to any Government Agency.

5. The Share 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 the Vesting Date, Teradata will instruct its Transfer Agent and/or its third party Plan administrator to record on your account the number of Shares underlying the number of Share Units to be paid to you in Shares and such Shares will be freely transferable.

6. Any cash dividends declared before the Vesting Date on the Shares underlying the Share Units shall not be paid currently, but shall be converted into additional Share Units. Any Share Units resulting from such conversion (the "Dividend Units") will be considered Share 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 Share 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 Share 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 Share Units, any federal, state, local, foreign or other taxes required by the laws of the United States or any other country to be withheld or paid with respect to the Share 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 Share Units Vest, Teradata's stock plan administrator may withhold or sell the number of Share 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 Share Units will be forfeited if your employment is terminated by Teradata for Cause or if the Committee determines that you engaged in misconduct in connection with your employment with Teradata. Further, if your employment is terminated by Teradata for Cause, then, to the extent demanded by the Committee in its sole discretion and permitted by applicable law, you shall (a) return to Teradata all Shares that you have not disposed of that have been acquired pursuant to this Agreement during the twelve (12) months prior to the date of your termination of employment, and (b) with respect to any Shares acquired pursuant to this Agreement during the twelve (12) months prior to the date of your termination of employment and that you have disposed of, pay to Teradata in cash the Fair Market Value of such Shares on the date acquired.

9. As a recipient of this equity award, you recognize that you have access to highly confidential, proprietary and non-public information of Teradata and its customers, including strategic plans, customer lists, research and development plans, and other information not made available to the general public and from which Teradata derives value. For purposes of this Agreement, this information is defined as "Trade Secret Information."

To protect Teradata's investment in Trade Secret Information, and in exchange for the Share Units, you agree that the following restrictions will apply during your employment with Teradata and, to the extent permitted by applicable law, for a period of twelve (12) months after the date that you cease to be employed by Teradata for any reason (the "Termination Date") (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):

(a) You will not, without the prior written consent of the Chief Executive Officer of Teradata, render services directly or indirectly to, or become employed by, any Competing Organization of Teradata (as defined in this Section 9 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, marketed, serviced or otherwise provided by Teradata to its customers and upon which you worked or in which you participated during the last twelve (12) months of your Teradata employment. (This restriction is specifically intended to protect the value of and Teradata's investment in Trade Secret Information to which you had access as an employee of Teradata). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 9(a) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.**

(b) You will not, without the prior written consent of the Chief Executive Officer of Teradata, 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. (This restriction is specifically intended to protect the value of the information you obtained while a Teradata employee regarding the skills, experience and knowledge of Teradata employees, which is Trade Secret Information, and Teradata's investment in developing these employees). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 9(b) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.**

(c) You will not, without the prior written consent of the Chief Executive Officer of Teradata, solicit the business of any firm or company with which you worked during the preceding twelve (12) months of employment at Teradata, if such firm or company was a customer of Teradata, by using Teradata Trade Secret Information. (This restriction is specifically intended to protect the value of the identity of Teradata customers, their needs, interests, strategic plans, etc., all of which is Trade Secret Information you acquired as a Teradata employee with access to such information).

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 Share Units will be immediately forfeited, and, to the extent permitted by applicable law, you agree to pay to Teradata the Fair Market Value of any Share Units that Vested during the twelve (12) months prior to the Termination Date. Such Fair Market Value shall be determined as of the Vesting Date.

As used in this Section 9, "Competing Organization" means a 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 and is therefore a competitor of Teradata. This includes but is not limited to persons or organizations identified as a "Competing Organization" in a list prepared by the Chief Executive Officer of Teradata for the year in which your employment with Teradata terminates. This list 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 equity program is administered, for any such proceedings.

11. You may designate one or more beneficiaries to receive all or part of any Share 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 Share 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 Share 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 Share Units in question may be transferred to your estate, in which event Teradata will have no further liability to anyone with respect to such Share 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 Share Units as evidenced by this Agreement may be amended by the Teradata Board of Directors or the Committee.

14. The number of Share Units and the number and kind of Shares covered by this Agreement shall be subject to adjustment as provided in Section 15 of the Plan.

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 10 of this Agreement shall prevail.

16. You shall not possess any incidents of ownership (including, without limitation, dividend and voting rights) in the Shares underlying the Share Units until such Shares have been delivered to you in accordance with this Agreement. The obligations of Teradata under this Agreement will be merely that of an unfunded and unsecured promise of Teradata to deliver Shares in the future following Vesting of the Share Units, and your rights will be no greater than those of an unsecured general creditor. No assets of Teradata will be held or set aside as security for the obligations of Teradata under this Agreement.

17. Nothing contained in this Agreement shall confer upon you any right with respect to continuance of employment by Teradata, nor limit or affect in any manner the right of Teradata to terminate your employment or adjust your compensation.

18. By accepting any benefit under this Agreement, you and each person claiming under or through you shall be conclusively deemed to have indicated their acceptance and ratification of, and consent to, all of the terms and conditions of this Agreement and the Plan and any action taken under this Agreement or the Plan by the Committee, the Board of Directors or Teradata, in any case in accordance with the terms and conditions of this Agreement.

19. Teradata may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Teradata or a third party designated by Teradata.

Form of Restricted Share Unit Agreement
For Non-U.S. Employees
Under the Teradata 2012 Stock Incentive Plan

You have been awarded a number of restricted share units (the "Share Units") under the Teradata 2012 Stock Incentive Plan (the "Plan"), as described on the restricted share unit information page on the website of Teradata's third party Plan administrator, subject to the terms and conditions of this Restricted Share Unit Agreement (this "Agreement") and the Plan. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

1. One-third of the Share Units will become non-forfeitable ("Vested") on each of the first three anniversaries of the Date of Grant (each such anniversary a "Vesting Date"), subject to such rounding conventions as may be implemented from time-to-time by the third party Plan administrator, and provided that you are continuously and actively employed, as described in section 11(l) below, by Teradata or any of its affiliate companies (referred to collectively herein as "Teradata") until each such Vesting Date.

2. If your employment with Teradata terminates prior to a Vesting Date due to (i) your death, or (ii) 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 remaining unvested Share Units will become fully Vested. If your employment with Teradata terminates prior to a Vesting Date due to your Retirement then, upon such termination of employment, a pro rata portion of the Share Units will become fully Vested. For purposes of this Agreement, "Retirement" means termination by you of your employment with Teradata (other than, if applicable to you, for Good Reason (as described below) following a Change in Control) at or after age 55 with the consent of the Compensation & Human Resource Committee of the Teradata Board of Directors (the "Committee"), unless otherwise provided for by mandatory local law provisions. The pro rata portion of the Share Units that will become fully Vested upon Retirement will be determined by multiplying (x) the number of unvested Share Units that would have vested on the next Vesting Date had you remained employed with Teradata by (y) a fraction, the numerator of which is the number of full and partial months of employment you completed commencing with the Vesting Date that occurred immediately prior to your termination (or, if none, commencing on the date of grant of this award ("Date of Grant")), and the denominator of which is twelve (12) months (subject to such rounding conventions as may be implemented from time-to-time by the third party Plan administrator). For purposes of determining any pro rata Vesting of your Share Units, your period of employment with Teradata shall not include any leave of absence, other than an approved leave of absence from which Teradata reasonably expects that you will return to perform services for Teradata.

Notwithstanding any provision in this Agreement to the contrary, in the event a Change in Control occurs and this restricted Share Unit award is not assumed, converted or replaced by the continuing entity, the remaining unvested Share Units shall become fully Vested immediately prior to the Change in Control. In the event of a Change in Control wherein this restricted Share Unit award is assumed, converted or replaced by the continuing entity, if your employment is terminated by Teradata other than for Cause or Disability during the twenty-four (24) months following the Change in Control, the remaining unvested Share 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 remaining unvested Share Units shall become fully Vested immediately upon your termination of employment.

To the extent that the Share Units have not yet vested pursuant to Sections 1 and 2 above, they shall be forfeited automatically without further action or notice, if you cease to be employed by Teradata prior to an applicable Vesting Date other than as provided in this Section 2.

3. Except as may be otherwise provided in this Section 3, when Vested, the Share Units will be paid to you within 30 days after each applicable Vesting Date in Shares (such that one Share Unit equals one share of Teradata Common Stock).

To the extent that you are a U.S. taxpayer, the Share Units become Vested pursuant to Section 2 of this Agreement and your right to receive payment of Vested Share Units constitutes a "deferral of compensation" within the meaning of Section 409A of the Code, then payment of such Share Units shall be subject to the following rules: (i) the Share Units will be paid to you within 30 days after the earlier of (a) your "separation from service" within the meaning of Section 409A of the Code, or (b) the applicable Vesting Date; (ii) notwithstanding the foregoing, if the Share Units become payable as a result of your "separation from service" within the meaning of Section 409A of the Code (other than as a result of death), and you are a "specified employee" as determined under Teradata's policy for determining specified employees on the date of your separation from service, the Share Units shall 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; and (iii) Teradata may, in its sole discretion and to the extent permitted by Treasury Regulation § 1.409A-3(j)(4)(ix)(B), terminate this Agreement and pay all outstanding Share Units to you within 30 days before or 12 months after a "change in the ownership," a "change in the effective control" or a "change in the ownership of a substantial portion of the assets" of Teradata within the meaning of Section 409A of the Code.

4. By accepting this award, unless disclosure is required or permitted 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 Share Units will be forfeited if you violate the terms and conditions of this Section 4. Notwithstanding the foregoing, nothing contained in this Agreement or any other Teradata agreement, policy, practice, procedure, directive or instruction shall prohibit you from reporting possible violations of federal, state or local laws or regulations to any federal, state or local governmental agency or commission (a "Government Agency") or from making other disclosures that are protected under the whistleblower provisions of federal, state or local laws or regulations. You do not need prior authorization of any kind to make any such reports or disclosures and you are not required to notify Teradata that you have made such reports or disclosures. Nothing in this Agreement limits any right you may have to receive a whistleblower award or bounty for information provided to any Government Agency.

5. The Share Units may not be sold, transferred, pledged, assigned or otherwise alienated, except by will or by the laws of descent and distribution upon your death. As soon as practicable after a Vesting Date, Teradata will instruct its transfer agent and/or its third party Plan administrator to record on your account the number of Shares underlying the number of Share Units to be paid to you in Shares and such Shares will be freely transferable.

6. Any cash dividends declared before an applicable Vesting Date on the Shares underlying the Share Units shall not be paid currently, but shall be converted into additional Share Units. Any Share Units resulting from such conversion (the "Dividend Units") will be considered Share 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 Share 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 Share 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. Regardless of any action Teradata or your employer who is a Teradata affiliate (the "Employer") takes with respect to any or all income tax or withholdings, payroll tax, payment on account, social contributions, required deductions, other payments, or other tax-related items related to your participation in the Plan and legally applicable to you or deemed by Teradata or the Employer to be an appropriate charge to you even if technically due by Teradata or the Employer ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by Teradata or the Employer. You also agree that you solely are responsible for filing all relevant documentation that may be required of you in relation to this award or any Tax-Related Items, such as but not limited to personal income tax returns or reporting statements in relation to the grant or vesting of this award, the holding of Shares or any bank or brokerage account, or the subsequent sale of Shares acquired pursuant to such award and the receipt of any dividends or Dividend Units. You further acknowledge that Teradata and/or the Employer: (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Share Unit grant, including the grant, vesting or settlement of the Share Units, the issuance of Shares upon settlement of the Share Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or Dividend Units; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Share Units to reduce or eliminate your liability for such Tax-Related Items or to achieve any particular tax result. You also understand applicable laws may require varying Share or Option valuation methods for purposes of calculating Tax-Related Items, and Teradata assumes no responsibility or liability in relation to any such valuation or for any calculation or reporting of income or Tax-Related Items that may be required of you under applicable law. Further, if you have become subject to Tax-Related Items in more than one jurisdiction, you acknowledge that Teradata and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, you shall pay or make adequate arrangements satisfactory to Teradata or the Employer, to satisfy all Tax-Related Items. In this regard, you authorize Teradata and/or the Employer, or their respective agents, at their discretion and pursuant to such procedures as Teradata may specify from time to time, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(a) withholding from any wages or other cash compensation paid to you by Teradata and/or the Employer;

(b) withholding otherwise deliverable Shares to be issued upon vesting/settlement of the Share Units; or

(c) withholding from the proceeds of the sale of Shares acquired upon vesting/settlement of the Share Units either through a voluntary sale or through a mandatory sale arranged by Teradata (on your behalf pursuant to this authorization).

To avoid negative accounting treatment, Teradata may withhold or account for Tax-Related Items by considering applicable minimum and maximum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you shall be deemed to have been issued the full number of Shares subject to the Vested Share Units, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan. You shall pay to Teradata and/or the Employer any amount of Tax-Related Items that Teradata and/or the Employer may be required to withhold as a result of your participation in the Plan that cannot be satisfied by the means previously described.

Teradata may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if you fail to comply with your obligations in connection with the Tax-Related Items as described in this Section 7.

8. You understand and agree that any cross-border cash remittance made in relation to this award, including the transfer of proceeds received upon the sale of Shares, must be made through a locally authorized financial institution or registered foreign exchange agency and may require you to provide to such financial institution or agency certain information regarding the transaction. Moreover, you understand and agree that Teradata is neither responsible for any foreign exchange fluctuation between your local currency and the United States Dollar (or the selection by Teradata or the Employer in its sole discretion of an applicable foreign currency exchange rate) that may affect the value of this award (or the calculation of income or any Tax-Related Items thereunder) nor liable for any decrease in the value of Shares or this award. In addition, the ownership of Shares or assets and holding of bank or brokerage account abroad may subject you to reporting requirements imposed by tax, banking, and/or other authorities in your country, and you understand and agree that you solely are responsible for complying with such requirements.

9. The Share Units will be forfeited if your employment is terminated by Teradata for Cause or if the Committee determines that you engaged in misconduct in connection with your employment with Teradata. Further, if your employment is terminated by Teradata for Cause, then, to the extent demanded by the Committee in its sole discretion and permitted by applicable law, you shall (i) return to Teradata all Shares that you have not disposed of that have been acquired pursuant to this Agreement during the twelve (12) months prior to the date of your termination of employment, and (ii) with respect to any Shares acquired pursuant to this Agreement during the twelve (12) months prior to the date of your termination of employment and that you have disposed of, pay to Teradata in cash the Fair Market Value of such Shares on the date acquired.

10. As a recipient of this equity award, you recognize that you have access to highly confidential, proprietary and non-public information of Teradata and its customers, including strategic plans, customer lists, research and development plans, and other information not made available to the general public and from which Teradata derives value. For purposes of this Agreement, this information is defined as "Trade Secret Information."

To protect Teradata's investment in Trade Secret Information, and in exchange for the Share Units, you agree that the following restrictions will apply during your employment with Teradata and, to the extent permitted by applicable law, for a period of twelve (12) months after the date that you cease to be employed by Teradata for any reason (the "Termination Date") (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):

(a) You will not, without the prior written consent of the Chief Executive Officer of Teradata, render services directly or indirectly to, or become employed by, any Competing Organization of Teradata (as defined in this Section 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, marketed, serviced or otherwise provided by Teradata to its customers and upon which you worked or in which you participated during the last twelve (12) months of your Teradata employment. (This restriction is specifically intended to protect the value of and Teradata's investment in Trade Secret Information to which you had access as an employee of Teradata). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 10(a) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.**

(b) You will not, without the prior written consent of the Chief Executive Officer of Teradata, 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. (This restriction is specifically intended to protect the value of the information you obtained while a Teradata employee regarding the skills, experience and knowledge of Teradata employees, which is Trade Secret Information, and Teradata's investment in developing these employees). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 10(b) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.**

(c) You will not, without the prior written consent of the Chief Executive Officer of Teradata, solicit the business of any firm or company with which you worked during the preceding twelve (12) months of employment at Teradata, if such firm or company was a customer of Teradata, by using Teradata Trade Secret Information. (This restriction is specifically intended to protect the value of the identity of Teradata customers, their needs, interests, strategic plans, etc., all of which is Trade Secret Information you acquired as a Teradata employee with access to such information).

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 Share Units will be immediately forfeited, and, to the extent permitted by applicable law, you agree to pay to Teradata the Fair Market Value of any Share Units that Vested or cash paid to you in lieu of such Share Units during the twelve (12) months prior to the Termination Date. Such Fair Market Value shall be determined as of each applicable Vesting Date. You understand and agree that Teradata has the right to satisfy your obligation to refund the Fair Market Value of any Share Units that Vested or cash paid in lieu of such Share Units by any method or combination of methods described in Section 7.

As used in this Section 10, "Competing Organization" means a 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 and is therefore a competitor of Teradata. This includes but is not limited to persons or organizations identified as a "Competing Organization" in a list prepared by the Chief Executive Officer of Teradata for the year in which your employment with Teradata terminates. This list is maintained by the Teradata Law Department.

11. In accepting the grant, you acknowledge that: (a) the Plan is established voluntarily by Teradata, it is discretionary in nature and it may be modified, suspended or terminated by Teradata at any time; (b) the grant of the Share Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Share Units, or benefits in lieu of Share Units, even if Share Units have been granted repeatedly in the past; (c) all decisions with respect to future Share Unit grants, if any, will be at the sole discretion of Teradata; (d) your participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate your employment relationship at any time; (e) your participation in the Plan is voluntary; (f) the Share Unit grant and the Shares subject to the Share Units are not intended to replace any pension rights or compensation; (g) the Share Unit grant is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to Teradata and which is outside the scope of your employment contract, if any; (h) the Share Units are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way, to past services for Teradata; (i) the Share Unit grant and your participation in the Plan will not be interpreted to form an employment contract or relationship with Teradata; (j) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(k) in consideration of the grant of the Share Unit, no claim or entitlement to compensation or damages shall arise from forfeiture of the Share Unit resulting from termination of your employment by Teradata (for any reason whatsoever and whether or not in breach of local labor laws) and you irrevocably release Teradata from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting the award, you shall be deemed irrevocably to have waived your entitlement to pursue such claim; (l) in the event of involuntary termination of your employment (whether or not in breach of local labor laws), your right to receive Share Units and vest in Share Units under the Plan, if any, will terminate effective as of the date that you are no longer actively employed and will not be extended by any notice period mandated under local law (*e.g.,* active employment would not include any period of "garden leave" or similar period pursuant to local law); the Committee shall have the exclusive discretion to determine when you are no longer actively employed for purposes of your Share Unit grant; (m) Teradata is not providing any tax, legal or financial advice, nor is Teradata making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares; and (n) you are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

12. You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other Share Unit grant materials by and among, as applicable, the Employer and Teradata for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that Teradata and the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in Teradata, details of all Share Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the purpose of implementing, administering and managing the Plan ("Data").

You understand that Data will be transferred to any third parties assisting Teradata with the implementation, administration and management of the Plan. You understand the recipients of the Data may be located in your country, in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than your country. You authorize Teradata and the recipients which may assist Teradata (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that refusing or withdrawing your consents herein may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

13. You understand and agree that you are responsible at all times for understanding and following Teradata's policies with respect to insider trading, as well as any insider restrictions imposed by local law.

14. The provisions of this Agreement are severable. If any provision of this Agreement is held to be unenforceable or invalid, in whole or in part, it shall be severed and shall not affect any other part of this Agreement, which will be enforced as permitted by law.

15. The terms of this award of Share Units as evidenced by this Agreement may be amended by the Teradata Board of Directors or the Committee at any time.

16. The number of Share Units and the number and kind of Shares covered by this Agreement shall be subject to adjustment as provided in Section 15 of the Plan.

17. 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.

18. You shall not possess any incidents of ownership (including, without limitation, dividend and voting rights) in the Shares underlying the Share Units until such shares of common stock have been delivered to you in accordance with this Agreement. The obligations of Teradata under this Agreement will be merely that of an unfunded and unsecured promise of Teradata to deliver Shares in the future following Vesting of the Share Units, and your rights will be no greater than those of an unsecured general creditor. No assets of Teradata will be held or set aside as security for the obligations of Teradata under this Agreement.

19. The Share Units and the provisions of this Agreement are governed by, and subject to, the laws of the State of Delaware, U.S.A. without reference to principles of conflicts of law, as provided in the Plan.

For purposes of litigating any dispute that arises under this grant or this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the State of Ohio and agree that such litigation shall be conducted only in the courts of Montgomery County, Ohio or the federal courts for the United States for the Southern District of Ohio, and no other courts, where this grant of Share Units is made and/or to be performed.

20. Teradata may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Teradata or a third party designated by Teradata.

21. If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

22. Notwithstanding any provision herein, your participation in the Plan shall be subject to any special terms and conditions as set forth in any appendix for your country (the "Appendix"). Moreover, if you relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to you, to the extent Teradata determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.

23. By accepting any benefit under this Agreement, you and each person claiming under or through you shall be conclusively deemed to have indicated their acceptance and ratification of, and consent to, all of the terms and conditions of this Agreement and the Plan and any action taken under this Agreement or the Plan by the Committee, the Board of Directors or Teradata, in any case in accordance with the terms and conditions of this Agreement.

24. Teradata reserves the right to impose other requirements on your participation in the Plan, on the Share Units and any Shares acquired under the Plan, to the extent Teradata determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Form of Restricted Share Unit Agreement
For Non-U.S. Employees
Under the Teradata 2012 Stock Incentive Plan

You have been awarded a number of restricted share units (the "Share Units") under the Teradata 2012 Stock Incentive Plan (the "Plan"), as described on the restricted share unit information page on the website of Teradata's third party Plan administrator, subject to the terms and conditions of this Restricted Share Unit Agreement (this "Agreement") and the Plan. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

1. The Share Units will become non-forfeitable ("Vested") on the third anniversary of the Date of Grant ("Vesting Date"), provided that you are continuously and actively employed, as described in Section 11(l) below, 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 the Vesting Date due to (i) your death, or (ii) 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 Share Units will become fully Vested. If your employment with Teradata terminates prior to the Vesting Date due to (a) your Retirement, or (b) a reduction-in-force, then, upon such termination of employment, a pro rata portion of the Share Units will become fully Vested. For purposes of this Agreement, "Retirement" means termination by you of your employment with Teradata (other than, if applicable to you, for Good Reason (as described below) following a Change in Control) at or after age 55 with the consent of the Compensation & Human Resource Committee of the Teradata Board of Directors (the "Committee"), unless otherwise provided for by mandatory local law provisions. The pro rata portion of the Share Units that will become fully Vested in accordance with the preceding sentence will be determined by multiplying the total number of the Share 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 "Date of Grant"), and the denominator of which is the total number of months during the period beginning on the Date of Grant and ending on the Vesting Date (subject to such rounding conventions as may be implemented from time-to-time by the third party Plan administrator). For purposes of determining any pro rata Vesting of your Share Units, your period of employment with Teradata shall not include any leave of absence, other than an approved leave of absence from which Teradata reasonably expects that you will return to perform services for Teradata, subject to applicable law.

Notwithstanding any provision in this Agreement to the contrary, in the event a Change in Control occurs and this restricted Share Unit award is not assumed, converted or replaced by the continuing entity, the Share Units shall become fully Vested immediately prior to the Change in Control. In the event of a Change in Control wherein this restricted Share Unit award is assumed, converted or replaced by the continuing entity, if your employment is terminated by Teradata other than for Cause or Disability during the twenty-four (24) months following the Change in Control, the Share 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 Share Units shall become fully Vested immediately upon your termination of employment.

3. Except as may be otherwise provided in this Section 3, when Vested, the Share Units will be paid to you within 30 days after the Vesting Date in Shares (such that one Share Unit equals one share of Teradata Common Stock).

To the extent that you are a U.S. taxpayer, the Share Units become Vested pursuant to Section 2 of this Agreement and your right to receive payment of Vested Share Units constitutes a "deferral of compensation" within the meaning of Section 409A of the Code, then payment of such Share Units shall be subject to the following rules: (i) the Share Units will be paid to you within 30 days after the earlier of (a) your "separation from service" within the meaning of Section 409A of the Code, or (b) the Vesting Date; (ii) notwithstanding the foregoing, if the Share Units become payable as a result of your "separation from service" within the meaning of Section 409A of the Code (other than as a result of death), and you are a "specified employee" as determined under Teradata's policy for determining specified employees on the date of your separation from service, the Share Units shall 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; and (iii) Teradata may, in its sole discretion and to the extent permitted by Treasury Regulation § 1.409A-3(j)(4)(ix)(B), terminate this Agreement and pay all outstanding Share Units to you within 30 days before or 12 months after a "change in the ownership," a "change in the effective control" or a "change in the ownership of a substantial portion of the assets" of Teradata within the meaning of Section 409A of the Code.

4. By accepting this award, unless disclosure is required or permitted 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 Share Units will be forfeited if you violate the terms and conditions of this Section 4. Notwithstanding the foregoing, nothing contained in this Agreement or any other Teradata agreement, policy, practice, procedure, directive or instruction shall prohibit you from reporting possible violations of federal, state or local laws or regulations to any federal, state or local governmental agency or commission (a "Government Agency") or from making other disclosures that are protected under the whistleblower provisions of federal, state or local laws or regulations. You do not need prior authorization of any kind to make any such reports or disclosures and you are not required to notify Teradata that you have made such reports or disclosures. Nothing in this Agreement limits any right you may have to receive a whistleblower award or bounty for information provided to any Government Agency.

5. The Share Units may not be sold, transferred, pledged, assigned or otherwise alienated, except by will or by the laws of descent and distribution upon your death. As soon as practicable after the Vesting Date, Teradata will instruct its transfer agent and/or its third party Plan administrator to record on your account the number of Shares underlying the number of Share Units to be paid to you in Shares and such Shares will be freely transferable.

6. Any cash dividends declared before the Vesting Date on the Shares underlying the Share Units shall not be paid currently, but shall be converted into additional Share Units. Any Share Units resulting from such conversion (the "Dividend Units") will be considered Share 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 Share 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 Share 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. Regardless of any action Teradata or your employer who is a Teradata affiliate (the "Employer") takes with respect to any or all income tax or withholdings, payroll tax, payment on account, social contributions, required deductions, other payments or other tax-related items related to your participation in the Plan and legally applicable to you or deemed by Teradata or the Employer to be an appropriate charge to you even if technically due by Teradata or the Employer ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by Teradata or the Employer. You also agree that you solely are responsible for filing all relevant documentation that may be required of you in relation to this award or any Tax-Related Items, such as but not limited to personal income tax returns or reporting statements in relation to the grant or vesting of this award, the holding of Shares or any bank or brokerage account, or the subsequent sale of Shares acquired pursuant to such award and the receipt of any dividends or Dividend Units. You further acknowledge that Teradata and/or the Employer: (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Share Unit grant, including the grant, vesting or settlement of the Share Units, the issuance of Shares upon settlement of the Share Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or Dividend Units; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Share Units to reduce or eliminate your liability for such Tax-Related Items or to achieve any particular tax result. You also understand applicable laws may require varying Share or Option valuation methods for purposes of calculating Tax-Related Items, and Teradata assumes no responsibility or liability in relation to any such valuation or for any calculation or reporting of income or Tax-Related Items that may be required of you under applicable law. Further, if you have become subject to Tax-Related Items in more than one jurisdiction, you acknowledge that Teradata and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, you shall pay or make adequate arrangements satisfactory to Teradata or the Employer, to satisfy all Tax-Related Items. In this regard, you authorize Teradata and/or the Employer, or their respective agents, at their discretion and pursuant to such procedures as Teradata may specify from time to time, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(a) withholding from any wages or other cash compensation paid to you by Teradata and/or the Employer;

(b) withholding otherwise deliverable Shares to be issued upon vesting/settlement of the Share Units; or

(c) withholding from the proceeds of the sale of Shares acquired upon vesting/settlement of the Share Units either through a voluntary sale or through a mandatory sale arranged by Teradata (on your behalf pursuant to this authorization).

To avoid negative accounting treatment, Teradata may withhold or account for Tax-Related Items by considering applicable minimum and maximum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you shall be deemed to have been issued the full number of Shares subject to the Vested Share Units, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan. You shall pay to Teradata and/or the Employer any amount of Tax-Related Items that Teradata and/or the Employer may be required to withhold as a result of your participation in the Plan that cannot be satisfied by the means previously described. Teradata may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if you fail to comply with your obligations in connection with the Tax-Related Items as described in this Section 7.

8. You understand and agree that any cross-border cash remittance made in relation to this award, including the transfer of proceeds received upon the sale of Shares, must be made through a locally authorized

financial institution or registered foreign exchange agency and may require you to provide to such financial institution or agency certain information regarding the transaction. Moreover, you understand and agree that Teradata is neither responsible for any foreign exchange fluctuation between your local currency and the United States Dollar (or the selection by Teradata or the Employer in its sole discretion of an applicable foreign currency exchange rate) that may affect the value of this award (or the calculation of income or any Tax-Related Items thereunder) nor liable for any decrease in the value of Shares or this award. In addition, the ownership of Shares or assets and holding of bank or brokerage account abroad may subject you to reporting requirements imposed by tax, banking, and/or other authorities in your country, and you understand and agree that you solely are responsible for complying with such requirements.

9. The Share Units will be forfeited if your employment is terminated by Teradata for Cause or if the Committee determines that you engaged in misconduct in connection with your employment with Teradata. Further, if your employment is terminated by Teradata for Cause, then, to the extent demanded by the Committee in its sole discretion and permitted by applicable law, you shall (i) return to Teradata all Shares that you have not disposed of that have been acquired pursuant to this Agreement during the twelve (12) months prior to the date of your termination of employment, and (ii) with respect to any Shares acquired pursuant to this Agreement during the twelve (12) months prior to the date of your termination of employment and that you have disposed of, pay to Teradata in cash the Fair Market Value of such Shares on the date acquired.

10. As a recipient of this equity award, you recognize that you have access to highly confidential, proprietary and non-public information of Teradata and its customers, including strategic plans, customer lists, research and development plans, and other information not made available to the general public and from which Teradata derives value. For purposes of this Agreement, this information is defined as "Trade Secret Information."

To protect Teradata's investment in Trade Secret Information, and in exchange for the Share Units, you agree that the following restrictions will apply during your employment with Teradata and, to the extent permitted by applicable law, for a period of twelve (12) months after the date that you cease to be employed by Teradata for any reason (the "Termination Date") (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):

(a) You will not, without the prior written consent of the Chief Executive Officer of Teradata, render services directly or indirectly to, or become employed by, any Competing Organization of Teradata (as defined in this Section 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, marketed, serviced or otherwise provided by Teradata to its customers and upon which you worked or in which you participated during the last twelve (12) months of your Teradata employment. (This restriction is specifically intended to protect the value of and Teradata's investment in Trade Secret Information to which you had access as an employee of Teradata). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 10(a) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.**

(b) You will not, without the prior written consent of the Chief Executive Officer of Teradata, 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. (This restriction is specifically intended to protect the value of the information you obtained while a Teradata employee regarding the skills, experience and knowledge of Teradata employees, which is Trade Secret Information, and Teradata's investment in developing these employees). **NOTWITHSTANDING THE FOREGOING,**

THE RESTRICTION SET FORTH IN THIS SECTION 10(b) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.

(c) You will not, without the prior written consent of the Chief Executive Officer of Teradata, solicit the business of any firm or company with which you worked during the preceding twelve (12) months of employment at Teradata, if such firm or company was a customer of Teradata, by using Teradata Trade Secret Information. (This restriction is specifically intended to protect the value of the identity of Teradata customers, their needs, interests, strategic plans, etc., all of which is Trade Secret Information you acquired as a Teradata employee with access to such information).

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 Share Units will be immediately forfeited, and, to the extent permitted by applicable law, you agree to pay to Teradata the Fair Market Value of any Share Units that Vested or cash paid to you in lieu of such Share Units during the twelve (12) months prior to the Termination Date. Such Fair Market Value shall be determined as of the Vesting Date. You understand and agree that Teradata has the right to satisfy your obligation to refund the Fair Market Value of any Share Units that Vested or cash paid in lieu of such Share Units by any method or combination of methods described in Section 7.

As used in this Section 10, "Competing Organization" means a 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 and is therefore a competitor of Teradata. This includes but is not limited to persons or organizations identified as a "Competing Organization" in a list prepared by the Chief Executive Officer of Teradata for the year in which your employment with Teradata terminates. This list is maintained by the Teradata Law Department.

11. In accepting the grant, you acknowledge that: (a) the Plan is established voluntarily by Teradata, it is discretionary in nature and it may be modified, suspended or terminated by Teradata at any time; (b) the grant of the Share Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Share Units, or benefits in lieu of Share Units, even if Share Units have been granted repeatedly in the past; (c) all decisions with respect to future Share Unit grants, if any, will be at the sole discretion of Teradata; (d) your participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate your employment relationship at any time; (e) your participation in the Plan is voluntary; (f) the Share Unit grant and the Shares subject to the Share Units are not intended to replace any pension rights or compensation; (g) the Share Unit grant is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to Teradata and which is outside the scope of your employment contract, if any; (h) the Share Units are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way, to past services for Teradata; (i) the Share Unit grant and your participation in the Plan will not be interpreted to form an employment contract or relationship with Teradata; (j) the future value of the underlying Shares is unknown and cannot be predicted with certainty; (k) in consideration of the grant of the Share Unit, no claim or entitlement to compensation or damages shall arise from forfeiture of the Share Unit resulting from termination of your employment by Teradata (for any reason whatsoever and whether or not in breach of local labor laws) and you irrevocably release Teradata from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of

competent jurisdiction to have arisen, then, by accepting the award, you shall be deemed irrevocably to have waived your entitlement to pursue such claim; (l) in the event of involuntary termination of your employment (whether or not in breach of local labor laws), your right to receive Share Units and vest in Share Units under the Plan, if any, will terminate effective as of the date that you are no longer actively employed and will not be extended by any notice period mandated under local law (*e.g.,* active employment would not include any period of "garden leave" or similar period pursuant to local law); the Committee shall have the exclusive discretion to determine when you are no longer actively employed for purposes of your Share Unit grant; (m) Teradata is not providing any tax, legal or financial advice, nor is Teradata making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares; and (n) you are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

12. You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other Share Unit grant materials by and among, as applicable, the Employer and Teradata for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that Teradata and the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in Teradata, details of all Share Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the purpose of implementing, administering and managing the Plan ("Data").

You understand that Data will be transferred to any third parties assisting Teradata with the implementation, administration and management of the Plan. You understand the recipients of the Data may be located in your country, in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than your country. You authorize Teradata and the recipients which may assist Teradata (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that refusing or withdrawing your consents herein may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

13. You understand and agree that you are responsible at all times for understanding and following Teradata's policies with respect to insider trading, as well as any insider restrictions imposed by local law.

14. The provisions of this Agreement are severable. If any provision of this Agreement is held to be unenforceable or invalid, in whole or in part, it shall be severed and shall not affect any other part of this Agreement, which will be enforced as permitted by law.

15. The terms of this award of Share Units as evidenced by this Agreement may be amended by the Teradata Board of Directors or the Committee at any time.

16. The number of Share Units and the number and kind of Shares covered by this Agreement shall be subject to adjustment as provided in Section 15 of the Plan.

17. 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.

18. You shall not possess any incidents of ownership (including, without limitation, dividend and voting rights) in the Shares underlying the Share Units until such shares of common stock have been delivered to you in accordance with this Agreement. The obligations of Teradata under this Agreement will be merely that of an unfunded and unsecured promise of Teradata to deliver Shares in the future following Vesting of the Share Units, and your rights will be no greater than those of an unsecured general creditor. No assets of Teradata will be held or set aside as security for the obligations of Teradata under this Agreement.

19. The Share Units and the provisions of this Agreement are governed by, and subject to, the laws of the State of Delaware, U.S.A. without reference to principles of conflicts of law, as provided in the Plan.

For purposes of litigating any dispute that arises under this grant or this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the State of Ohio and agree that such litigation shall be conducted only in the courts of Montgomery County, Ohio or the federal courts for the United States for the Southern District of Ohio, and no other courts, where this grant of Share Units is made and/or to be performed.

20. Teradata may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Teradata or a third party designated by Teradata.

21. If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

22. Notwithstanding any provision herein, your participation in the Plan shall be subject to any special terms and conditions as set forth in any appendix for your country (the "Appendix"). Moreover, if you relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to you, to the extent Teradata determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.

23. By accepting any benefit under this Agreement, you and each person claiming under or through you shall be conclusively deemed to have indicated their acceptance and ratification of, and consent to, all of the terms and conditions of this Agreement and the Plan and any action taken under this Agreement or the Plan by the Committee, the Board of Directors or Teradata, in any case in accordance with the terms and conditions of this Agreement.

24. Teradata reserves the right to impose other requirements on your participation in the Plan, on the Share Units and any Shares acquired under the Plan, to the extent Teradata determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

PERFORMANCE-BASED RESTRICTED SHARE UNIT AGREEMENT
Under the Teradata 2012 Stock Incentive Plan
(2017 Performance Period Award)

You have been awarded the contingent right to receive a credit of share units (the "Share Units") under the Teradata 2012 Stock Incentive Plan (the "Plan"), upon the terms and subject to the conditions of this Performance-Based Restricted Share Unit Agreement (this "Agreement") and the Plan. Please refer to the share unit information page on the website of Teradata's third party Plan administrator for your "Target Number of Share Units." Teradata Corporation and its affiliate companies are referred to collectively herein as "Teradata." Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan. It is intended that, if you are a "covered employee" within the meaning of Section 162(m) of the Code, any Share Units payable to you under this Agreement will qualify as "performance-based compensation" within the meaning of Section 162(m)(4)(C) of the Code, and this Agreement shall be interpreted and administered in accordance with such intent.

1. **Crediting of Share Units** .

(a) In General . Your right to receive a credit of all, a portion, or a multiple of the Target Number of Share Units shall be contingent upon the extent to which Teradata Corporation (the "Company") achieves the performance goals set forth on the attached Exhibit A (the "Performance Goals") for the performance period commencing January 1, 2017 and ending December 31, 2017 (the "Performance Period"), in accordance with the payout levels set forth on the attached Exhibit A (the "Performance Metrics"). The Compensation and Human Resource Committee of the Company's Board of Directors (the "Committee") may establish special adjustments that will be applied in calculating the extent to which the Performance Goals have been satisfied, provided that the adjustments are set forth in writing no later than 90 days after the beginning of the Performance Period.

(b) Crediting to Account . After the end of the Performance Period, the Committee shall determine in writing the extent, if any, to which the Performance Goals have been satisfied and shall determine the percentage, if any, of the Target Number of Share Units that shall be credited to a book entry account established on your behalf (the "Account"), based on the payout level identified in the Performance Metrics. Each Share Unit credited to your Account under this Section 1(b) shall represent the contingent right to receive one Share and shall at all times be equal in value to one Share. Share Units will be credited effective on the day in which the Committee certifies the achievement of the Performance Goals as provided in this Section 1(b) (the "Crediting Date"). If, upon the conclusion of the Performance Period, the Company achieves less than the threshold level of all of the Performance Goals, then you shall not receive a credit of any Share Units hereunder and this Agreement shall terminate immediately without further action or notice.

2. **Vesting, Forfeiture and Payment of Share Units** .

(a) Vesting . The Share Units, if any, credited to your Account in accordance with Section 1 above shall be subject to the following vesting schedule:

(i) One-third of the Share Units shall vest on each of the following dates (subject to such rounding conventions as may be implemented from time to time by Teradata's third party Plan administrator): (A) the Crediting Date, (B) the first anniversary of the Crediting Date, and (C) the second anniversary of the Crediting Date (each a "Vesting Date"), provided that you are continuously employed by Teradata until the applicable Vesting Date.

(ii) If you cease to be employed by Teradata due to (A) your death, or (B) your Disability (defined by reference to Teradata's long-term disability plan that covers you), in either case after the end of the Performance Period but prior to a Vesting Date, then the Share Units shall become fully vested upon such termination.

(iii) If you cease to be employed by Teradata prior to a Change in Control due to your Retirement (defined as termination by you of your employment with Teradata at or after age 55 with the consent of the Committee) after the end of the Performance Period but prior to a Vesting Date, then a portion of the Share Units credited to your Account that have not yet vested shall become fully vested upon such termination, determined by multiplying (I) the number of unvested Share Units credited to your Account on the date of termination that would have vested on the next Vesting Date had you remained employed with Teradata through such date, by (II) a fraction, the numerator of which is the number of full and partial months of employment you completed commencing with the Vesting Date that occurred immediately prior to your termination, and the denominator of which is 12 months (subject to such rounding conventions as may be implemented from time-to-time by Teradata's third party Plan administrator); provided that if your termination occurs during the period commencing immediately after the end of the Performance Period but prior to the Crediting Date, the fraction described above shall be deemed to be 12/12. For purposes of determining any pro rata vesting of your Share Units, your period of employment with Teradata shall not include any leave of absence, other than an approved leave of absence from which Teradata reasonably expects that you will return to perform services for Teradata. The remaining number of Share Units shall be forfeited without further action or notice.

(iv) If a Change in Control occurs after the end of the Performance Period and prior to a Vesting Date, and the Share Units are not assumed, converted or replaced by the continuing entity, then the Share Units shall vest upon the Change in Control.

(v) If a Change in Control occurs after the end of the Performance Period and prior to a Vesting Date, and the Share Units are assumed, converted or replaced by the continuing entity, then the Share Units shall continue to vest in accordance with Section 2(a)(i); provided, however, that if you cease to be employed by Teradata due to (A) termination of your employment by Teradata without Cause, (B) termination of your employment with Teradata on account of death, Disability, or Retirement, or (C) 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 (a "CIC Plan"), termination of your employment with Teradata for "Good Reason" as defined in the CIC Plan within the two-year period commencing on the Change in Control, then the Share Units credited to your Account that have not yet vested shall vest in full upon such termination.

(b) Forfeiture . Except as otherwise provided in Section 3, your right to receive a credit of Share Units shall be forfeited automatically without further action or notice in the event that you cease to be employed by Teradata through the end of the Performance Period. The Share Units credited to your Account that have not yet vested pursuant to Section 2(a) shall be forfeited automatically without further action or notice if you cease to be employed by Teradata prior to a Vesting Date other than as provided in Sections 2(a)(ii), (iii) or (v).

(c) Payment . Except as otherwise provided in Section 3 or Section 4 of this Agreement, the Company shall deliver the Shares underlying the vested Share Units credited to your Account in accordance with this Agreement within seventy (70) days after the earlier of (i) the applicable Vesting Date(s), or (ii) your termination of employment.

3. **Certain Events During Performance Period** .

(a) Certain Terminations . If during the Performance Period you cease to be employed by Teradata prior to a Change in Control due to death, Disability, or Retirement then the Company shall credit to your Account a pro-rated number of Share Units, which shall be fully vested, and which shall be calculated by multiplying (i) the actual number of Share Units that would have been credited to your Account in accordance with Section 1 of this Agreement had you continued in employment throughout the Performance Period, determined by the Committee based on the actual performance of the Company during such Performance Period, by (ii) a fraction, the numerator of which is the number of full and partial months of employment you completed commencing with January 1, 2017, and the denominator of which is 36 months (subject to such rounding conventions as may be implemented from time-to-time by Teradata's third party Plan administrator). For purposes of determining any pro rata vesting of your Share Units, your period of employment with Teradata shall not include any leave of absence, other than an approved leave of absence from which Teradata reasonably expects that you will return to perform services for Teradata. Except as otherwise provided in Section 4 of this Agreement, the Company shall deliver to you the Shares underlying the pro-rated number of Share Units within seventy (70) days after the end of the Performance Period.

(b) Change in Control .

(i) If a Change in Control occurs during the Performance Period, and this award is not assumed, converted or replaced by the continuing entity, then the Target Number of Share Units shall be credited to your Account, as of the date of the Change in Control, and the units shall be fully vested at that time. The Company shall deliver to you the Shares underlying the Target Number of Share Units within 30 days after such Change in Control. Notwithstanding the foregoing, to the extent that your right to receive such Shares constitutes a "deferral of compensation" within the meaning of Section 409A of the Code ("Section 409A"), the Company shall deliver to you the Shares underlying the Target Number of Share Units within seventy (70) days after the earlier of (A) the end of the Performance Period, or (B) your termination of employment (except as otherwise provided in Section 4 of this Agreement).

(ii) If a Change in Control occurs during the Performance Period, and this award is assumed, converted or replaced by the continuing entity, then the Target Number of

Share Units shall be credited to your Account, as of the date of the Change in Control, and the Share Units shall continue to vest in accordance with Section 2(a)(i); provided, however, that if you cease to be employed by Teradata due to (A) termination of your employment by Teradata without Cause, (B) termination of your employment with Teradata on account of death, Disability, or Retirement, or (C) if you are a participant in a CIC Plan, termination of your employment with Teradata for "Good Reason" as defined in the CIC Plan within the two-year period commencing on the Change in Control, then the Share Units credited to your Account that have not yet vested shall vest in full upon such termination. If the Target Number of Share Units credited to your Account in accordance with this Section 3(b)(ii) becomes vested by reason of a termination of your employment that occurs on or prior to the end of the Performance Period, then, except as otherwise provided in Section 4 of this Agreement, the Company shall deliver to you the Shares underlying the Target Number of Share Units within seventy (70) days after the end of the Performance Period. If the Target Number of Share Units credited to your Account in accordance with this Section 3(b)(ii) becomes vested after the end of the Performance Period, then except as otherwise provided in Section 4 of this Agreement, the Company shall deliver the Shares underlying the vested Target Number of Share Units credited to your Account within seventy (70) days after the earlier of (x) the applicable Vesting Date(s), or (y) your termination of employment.

4. **Section 409A Compliance** . The intent of the parties is that payments under this Agreement comply with Section 409A or are exempt therefrom and this Agreement shall be interpreted, administered and governed in accordance with such intent.

(a) Termination of Employment . To the extent that you are a U.S. taxpayer, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of Shares subject to Section 409A upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and you are no longer providing services (at a level that would preclude the occurrence of a "separation from service" within the meaning of Section 409A) to Teradata as an employee or consultant, and for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service" within the meaning of Section 409A.

(b) Payment Delay for Specified Employees . If you are a "specified employee," as determined under the Company's policy for identifying specified employees on the date of termination, then to the extent required in order to comply with Section 409A, all payments made under this Agreement that constitute a "deferral of compensation" within the meaning of Section 409A that are provided as a result of a "separation from service" within the meaning of Section 409A for any reason other than your death and that would otherwise be paid or provided during the first six months following such separation from service shall be accumulated through and paid within 30 days after the first business day that is more than six months after the date of your separation from service (or, if you die during such six-month period, within 30 days after your death).

(c) Acceleration of Payment . Notwithstanding anything to the contrary contained in this Agreement, the Committee shall have the right, at any time in its sole discretion, to accelerate the time of a payment under this Agreement to a time otherwise permitted under Section

409A in accordance with the requirements, restrictions and limitations of Treasury Regulation Section 1.409A-3(j).

5. **Confidentiality** . By accepting this award, unless disclosure is required or permitted 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 Share Units will be forfeited if you violate the terms and conditions of this Section 5. Notwithstanding the foregoing, nothing contained in this Agreement or any other Teradata agreement, policy, practice, procedure, directive or instruction shall prohibit you from reporting possible violations of federal, state or local laws or regulations to any federal, state or local governmental agency or commission (a "Government Agency") or from making other disclosures that are protected under the whistleblower provisions of federal, state or local laws or regulations. You do not need prior authorization of any kind to make any such reports or disclosures and you are not required to notify Teradata that you have made such reports or disclosures. Nothing in this Agreement limits any right you may have to receive a whistleblower award or bounty for information provided to any Government Agency.

6. **Transferability** . The Share 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. Any purported transfer or encumbrance in violation of the provisions of this Section 6 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such Share Units.

7. **Dividend Equivalents** . From and after the Crediting Date and until the earlier of (a) the time when the Share Units are paid in accordance with this Agreement or (b) the time when your rights in the Share Units are forfeited in accordance with Section 2(b) hereof, on the date that Teradata pays a cash dividend (if any) to holders of Shares generally, you shall receive additional Share Units equal to (x) the number of Share Units held by you as of the date of record for such dividend, provided that the record date occurs on or after the Crediting Date; multiplied by (y) the per Share cash dividend amount; divided by (z) the Fair Market Value per Share on the dividend payment date. The additional Share Units shall be subject to the same terms and conditions as the Share Units covered by this Agreement, including without limitation the forfeiture provisions of Section 2(b) of this Agreement; provided, however, that for purposes of Section 2(a)(i) of this Agreement (i) any such additional Share Units issued between the Crediting Date and the first anniversary of the Crediting Date shall vest in two equal installments on the first anniversary of the Crediting Date and the second anniversary of the Crediting Date, provided that you are continuously employed by Teradata through each such date, and (ii) any such additional Share Units issued between the first anniversary of the Crediting Date and the second anniversary of the Crediting Date shall vest on the second anniversary of the Crediting Date, provided that you are continuously employed by Teradata through such date.

8. **Misconduct; Termination for Cause** . The Share Units will be forfeited if your employment is terminated by Teradata for Cause or if the Committee determines that you engaged in misconduct in connection with your employment with Teradata. Further, if your employment is

terminated by Teradata for Cause, then, to the extent demanded by the Committee in its sole discretion and permitted by applicable law, you shall (a) return to Teradata all Shares that you have not disposed of that have been acquired pursuant to this Agreement during the twelve (12) months prior to the date of termination of your employment, and (b) with respect to any Shares acquired pursuant to this Agreement during the twelve (12) months prior to the date of termination of your employment and that you have disposed of, pay to Teradata in cash the Fair Market Value of such Shares on the date acquired.

9. **Tax-Related Items and Withholding** . Teradata has the right to deduct or cause to be deducted, or collect or cause to be collected, with respect to the taxation of any Share Units, the issuance or sale of Shares, and the receipt of dividends or dividend equivalents, if any, or otherwise in relation to you participation in the Plan, any federal, state, local, foreign or other taxes, social contributions, required deductions, or other payments required by the laws of the United States or any other country to be withheld or paid with respect to the Share Units or related to or resulting from your participation in the Plan ("Tax-Related Items"), 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 Share Units are settled, Teradata's stock plan administrator will withhold or sell the number of Shares underlying the Share Units as Teradata, in its sole discretion, deems necessary to satisfy such Tax-Related Items; provided, however, that if Teradata is required to withhold any taxes prior to settlement of the Share Units, then you agree that Teradata may satisfy those 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. In no event shall the Fair Market Value of the Shares of common stock to be surrendered pursuant to this Section 9 to satisfy applicable withholding taxes exceed the minimum amount of taxes required to be withheld or such other amount that will not result in a negative accounting impact. If you are paid through a non-United States Teradata payroll system, you agree that Teradata may satisfy any Tax-Related Items by withholding cash from your compensation otherwise due to you or by any other action as it may deem necessary to satisfy the Tax-Related Items. Regardless of any action Teradata or your employer takes with regards to any Tax-Related Items, you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by Teradata or the employer. You also agree that you solely are responsible for filing all relevant documentation that may be required of you in relation to this award or any Tax-Related Items, such as but not limited to personal income tax returns or reporting statements in relation to the grant or vesting of this award or the subsequent sale of Shares acquired pursuant to such award and the receipt of any dividends or dividend equivalents.

10. **Restrictive Covenants** . As a recipient of this equity award, you recognize that you have access to highly confidential, proprietary and non-public information of Teradata and its customers, including strategic plans, customer lists, research and development plans, and other information not made available to the general public and from which Teradata derives value. For purposes of this Agreement, this information is defined as "Trade Secret Information."

To protect Teradata's investment in Trade Secret Information, and in exchange for the Share Units, you agree that the following restrictions will apply during your employment with Teradata and, to the extent permitted by applicable law, for a period of twelve (12) months after the date that

you cease to be employed by Teradata for any reason (the "Termination Date") (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):

(a) You will not, without the prior written consent of the Chief Executive Officer of Teradata, render services directly or indirectly to, or become employed by, any Competing Organization of Teradata (as defined in this Section 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, marketed, serviced or otherwise provided by Teradata to its customers and upon which you worked or in which you participated during the last twelve (12) months of your Teradata employment. (This restriction is specifically intended to protect the value of and Teradata's investment in Trade Secret Information to which you had access as an employee of Teradata). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 10(a) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.**

(b) You will not, without the prior written consent of the Chief Executive Officer of Teradata, 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. (This restriction is specifically intended to protect the value of the information you obtained while a Teradata employee regarding the skills, experience and knowledge of Teradata employees, which is Trade Secret Information, and Teradata's investment in developing these employees). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 10(b) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.**

(c) You will not, without the prior written consent of the Chief Executive Officer of Teradata, solicit the business of any firm or company with which you worked during the preceding twelve (12) months of employment at Teradata, if such firm or company was a customer of Teradata, by using Teradata Trade Secret Information. (This restriction is specifically intended to protect the value of the identity of Teradata customers, their needs, interests, strategic plans, etc., all of which is Trade Secret Information you acquired as a Teradata employee with access to such information).

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 Share Units will be immediately forfeited, and, to the extent permitted by applicable law, you agree to pay to Teradata the Fair Market Value of any Share Units that vested during the twelve (12) months prior to the Termination Date. Such Fair Market Value shall be determined as of each applicable Vesting Date.

As used in this Section 10, "Competing Organization" means a 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 and is therefore a competitor of Teradata. This includes but is not limited to persons or organizations identified as a "Competing Organization" in a list prepared

by the Chief Executive Officer of Teradata for the year in which your employment with Teradata terminates. This list is maintained by the Teradata Law Department.

11. **Arbitration** . 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 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. **Compensation Recovery Policy** . By accepting this award, you acknowledge and agree that, notwithstanding any other provision of this Agreement to the contrary, you may be required to forfeit or repay any or all of the Share Units or Shares delivered hereunder pursuant to the terms of the Teradata Corporation Compensation Recovery Policy (or a successor policy), as the same may be amended to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act or any rules or regulations issued by the Securities and Exchange Commission or applicable securities exchange.

13. **Beneficiaries; Successors** .

(a) Without limiting Section 6 of this Agreement, you may designate one or more beneficiaries to receive all or part of any Share 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 Share 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 Share 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 Share Units in question may be transferred to your estate, in which event Teradata will have no further liability to anyone with respect to such Share Units.

(b) The provisions of this Agreement shall inure to the benefit of, and be binding upon, your successors, administrators, heirs, legal representatives and assigns, and the successors and assigns of the Company.

14. **Severability** . 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.

15. **Amendment** . The terms of this award of Share Units as evidenced by this Agreement may be amended by the Teradata Board of Directors or the Committee.

16. **Adjustments** . The number of Share Units and the number and kind of shares of stock covered by this Agreement shall be subject to adjustment as provided in Section 15 of the Plan.

17. **Plan Governs** . 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.

18. **Dividend; Voting Rights** . You shall not possess any incidents of ownership (including, without limitation, dividend and voting rights) in the Shares underlying the Share Units credited to your Account until such Shares have been delivered to you in accordance with this Agreement. The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver Shares in the future, and your rights will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.

19. **No Employment Contract or Acquired Rights** . Nothing contained in this Agreement shall confer upon you any right with respect to continuance of employment by Teradata, nor limit or affect in any manner the right of Teradata to terminate your employment or adjust your compensation, subject to applicable law. Furthermore, nothing contained in this Agreement shall confer upon you any right to receive any future Share Units or awards under the Plan or the inclusion of the value of any awards in the calculation of severance payments, if any, upon termination of employment. The Share Units are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way, to past services for Teradata.

20. **Non-U.S. Employees** . Notwithstanding any provision herein, if the Plan or your employment with Teradata or your participation in the Plan is subject to the rules and regulations of one or more non-United States jurisdictions, then your participation in the Plan shall be subject to any such rules and regulations and any disclosures or special terms and conditions as may be set forth in (but are not limited to) any appendix for your country (the “Appendix”). Moreover, if you

relocate to one of the countries included in the Appendix, the disclosures and special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such disclosures, terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Company also reserves the right to impose other requirements on your participation in the Plan to the extent the Company determines it necessary or advisable in order to comply with local law or facilitate the administration of the Plan and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. The Appendix constitutes part of this Agreement.

For purposes of the vesting and forfeiture provisions above, the termination of your employment will be deemed effective as of the date that you are no longer actively employed and will not be extended by any notice period or "garden leave" that may be mandated contractually or under applicable law; the Committee shall have the exclusive discretion to determine when you are no longer actively employed for purposes of your Share Unit grant.

You also understand and agree that any cross-border cash remittance made in relation to this award, including the transfer of proceeds received upon the sale of Shares, must be made through a locally authorized financial institution or registered foreign exchange agency and may require you to provide to such financial institution or agency certain information regarding the transaction. Moreover, you understand and agree that the future value of Shares is unknown and the Company is neither responsible for any foreign exchange fluctuation between your local currency and the United States Dollar (or the selection by Teradata or the employer in its sole discretion of an applicable foreign currency exchange rate) that may affect the value of this award (or the calculation of income or any Tax-Related Items thereunder) nor liable for any decrease in the value of Shares or this award. In addition, the ownership of Shares or assets and holding of bank or brokerage account abroad may subject you to reporting requirements imposed by tax, banking, and/or other authorities in your country, and you understand and agree that you solely are responsible for complying with such requirements.

You further acknowledge that Teradata and your employer: (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Share Unit grant, including the grant, crediting, vesting or settlement of the Share Units, the issuance of Shares upon settlement of the Share Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Share Units to reduce or eliminate your liability for such Tax-Related Items or to achieve any particular tax result. You also understand applicable laws may require varying Share or Share Unit valuation methods for purposes of calculating Tax-Related Items, and Teradata assumes no responsibility or liability in relation to any such valuation or for any calculation or reporting of income or Tax-Related Items that may be required of you under applicable law. Further, if you have become subject to Tax-Related Items in more than one jurisdiction, you acknowledge that Teradata and/or your employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

21. **Acceptance of Terms** . By accepting any benefit under this Agreement, you and each person claiming under or through you shall be conclusively deemed to have indicated their acceptance and ratification of, and consent to, all of the terms and conditions of this Agreement and the Plan and any action taken under this Agreement or the Plan by the Committee, the Board or Teradata, in any case in accordance with the terms and conditions of this Agreement.

22. **Communications and Electronic Delivery** . Teradata may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Teradata or a third party designated by Teradata. If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

23. **Data Privacy Consent** . You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other Share Unit grant materials by and among, as applicable, the employer and Teradata for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that Teradata and the employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in Teradata, details of all Share Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the purpose of implementing, administering and managing the Plan ("Data").

You understand that Data will be transferred to any third parties assisting Teradata with the implementation, administration and management of the Plan. You understand the recipients of the Data may be located in your country, in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than your country. You authorize Teradata and the recipients which may assist Teradata (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that refusing or withdrawing your consents herein may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

APPENDIX

This Appendix includes additional country-specific notices, disclaimers, terms and conditions that govern the Share Units granted to you under the Plan if you work or reside outside the U.S. and/or in one of the countries listed below. Such terms and conditions and disclosures may also apply, as from the date of grant, if you move to or otherwise are or become subject to applicable laws or Company policies of a specified country. Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or the Agreement. This Appendix forms part of the Agreement and should be read in conjunction with the Agreement and the Plan.

This Appendix may also include information you should be aware of with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws in effect as of November 2016; however, such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the Appendix as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time that your Share Units vest or you sell Shares acquired under the Plan. In addition, the information contained herein is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of any particular result. Accordingly, you are advised to seek appropriate professional legal and tax advice as to how the relevant laws in your country may apply to your situation. Finally, if you are a citizen or resident of a country other than the one in which you are currently working, the information contained herein may not be applicable to you.

Securities Law Notice: Unless otherwise noted, neither the Company nor the Shares are registered with any local stock exchange or under the control of any local securities regulator outside the U.S. This Agreement (of which this Appendix is a part), the Plan, and any other communications or materials that you may receive regarding participation in the Plan do not constitute advertising or an offering of securities outside the U.S. The issuance of securities described in any Plan-related documents is not intended for offering or public circulation in your jurisdiction.

European Union	**Data Privacy.** The following supplements Section 23 of the Agreement: ***You understand that Personal Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view your Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data without cost or refuse or withdraw the consents herein by contacting in writing your local human resources representative.***

Denmark	**Foreign Account Reporting.** Danish resident holders of non-Danish bank accounts or accounts with non-Danish brokers should submit certain forms to the Danish tax authorities: Erklæring V regarding shares deposited with a non-Danish bank or broker (www.skat.dk/getFile.aspx?Id=82915) Erklæring K regarding money deposited with a non-Danish bank or broker (www.skat.dk/getFile.aspx?Id=109434)

EXHIBIT A
PERFORMANCE-BASED RESTRICTED SHARE UNIT AGREEMENT
(2017 PERFORMANCE PERIOD AWARD)

PERFORMANCE METRICS

PERFORMANCE-BASED RESTRICTED SHARE UNIT AGREEMENT
Under the Teradata 2012 Stock Incentive Plan
(Relative TSR Award)

You have been awarded the contingent right to receive a credit of share units (the "Share Units") under the Teradata 2012 Stock Incentive Plan (the "Plan"), upon the terms and subject to the conditions of this Performance-Based Restricted Share Unit Agreement (this "Agreement") and the Plan. Please refer to the share unit information page on the website of Teradata's third party Plan administrator for your "Target Number of Share Units." Teradata Corporation and its affiliate companies are referred to collectively herein as "Teradata." Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan. It is intended that, if you are a "covered employee" within the meaning of Section 162(m) of the Code, any Share Units payable to you under this Agreement will qualify as "performance-based compensation" within the meaning of Section 162(m)(4)(C) of the Code, and this Agreement shall be interpreted and administered in accordance with such intent.

1. **Crediting of Share Units** .

(a) Relative TSR Performance Objective . Your right to receive a credit of all, a portion, or a multiple of the Target Number of Share Units shall be contingent upon Teradata's Relative TSR (as defined below) for the period commencing January 1, 2017 and ending December 31, 2019 (the "Performance Period"), as determined in accordance with the performance matrix attached as Exhibit A (the "Performance Matrix"), and the satisfaction of the other terms and conditions of this Agreement. For purposes of this Agreement:

(i) "Relative TSR" means the percentile ranking of Teradata's TSR relative to the TSR of the other companies included in the S&P Composite 1500 Information Technology Index for the entirety of the Performance Period (the "Peer Companies"). Relative TSR will be determined by ranking Teradata and the Peer Companies from highest to lowest according to their respective TSRs. After this ranking, the percentile performance of Teradata relative to the Peer Companies will be determined as follows:

$$P = \frac{N - R}{N - 1}$$

where: "P" represents the percentile performance which will be rounded, if necessary, to the nearest whole percentile by application of regular rounding.

"N" represents the remaining number of Peer Companies, plus Teradata.

"R" represents Teradata's ranking among the Peer Companies.

Example: If there are 239 Peer Companies, and Teradata ranked 67 th , the performance would be at the 72 nd percentile: .72 = (240 – 67)/(240 – 1)

(ii) "TSR" means, with respect to any company, the percentage growth in total stockholder return, determined by dividing (A) the appreciation in price of a share of the company's common stock from the Opening Value (as defined below) to the Closing

Value (as defined below), plus any dividends paid during the Performance Period (which shall be deemed reinvested in the company's common stock on the ex-dividend date), by (B) the Opening Value;

(iii) "Opening Value" means, with respect to any company, the average of the closing prices per share of the company's common stock for all trading days in the 90 calendar day period ending on and including December 31, 2016, assuming any dividends paid during the 90 calendar day period are reinvested in the company's common stock on the ex-dividend date; and

(iv) "Closing Value" means, with respect to any company, the average of the closing prices per share of the company's common stock for all trading days in the 90 calendar day period ending on and including the last day of the Performance Period, assuming any dividends paid during the 90 calendar day period are reinvested in the company's common stock on the ex-dividend date.

(b) Additional Limitations. The number of Share Units (if any) credited to your account under the Agreement will be determined in accordance with the Performance Matrix; provided, however, that (i) if Teradata's (absolute) TSR for the Performance Period is negative, then the number of Share Units credited to your account under the Agreement will not exceed the Target Number of Share Units; and (ii) in no event will the value of the Share Units credited to your account hereunder, determined based on the closing price per Share on December 31, 2019 (or, if applicable, the date immediately prior to a Change in Control described in Section 2(c) below), exceed four (4) times the value of the Target Number of Share Units determined based on the closing price on the Date of Grant (as adjusted by the Committee in the event of a stock dividend, stock split, reverse stock split, recapitalization or similar transaction after the Date of Grant and during the Performance Period). An illustration of the limitation imposed by clause (ii) of this Section 1(b) is provided in Exhibit B.

(c) Crediting to Account. After the end of the Performance Period, the Committee shall determine in writing Teradata's (absolute) TSR and Relative TSR for the Performance Period and the number of Share Units (if any) earned in accordance with this Agreement, which Share Units shall be credited to a book entry account established on your behalf (the "Account"). Each Share Unit credited to your Account under this Section 1(b) shall represent the contingent right to receive one Share and shall at all times be equal in value to one Share.

(d) Forfeiture of Share Units. Except as otherwise provided in Section 2, your right to receive a credit of Share Units shall be forfeited automatically without further action or notice in the event that Teradata's Relative TSR for the Performance Period is below the threshold level specified in the Performance Matrix.

2. **Vesting, Forfeiture and Payment of Share Units**.

(a) Vesting. Provided that you are continuously employed by Teradata through December 31, 2019, the Share Units (if any) credited to your Account in accordance with Section

1 above shall be fully vested, and the Company will deliver the Shares underlying the vested Share Units within seventy (70) days after December 31, 2019.

(b) Certain Terminations . If during the Performance Period and prior to a Change in Control you cease to be employed by Teradata due to death, Disability (defined by reference to Teradata's long-term disability plan that covers you), Retirement (defined as termination by you of your employment with Teradata at or after age 55 with the consent of the Committee) or a reduction-in-force, then the Company shall credit to your Account a pro-rated number of Share Units, which shall be fully vested, and which shall be calculated by multiplying (i) the actual number of Share Units (if any) that would have been credited to your Account in accordance with Section 1 of this Agreement had you continued in employment throughout the Performance Period, determined by the Committee based on the actual performance of the Company during the Performance Period, by (ii) a fraction, the numerator of which is the number of full and partial months of employment you completed commencing with January 1, 2017, and the denominator of which is 36 months (subject to such rounding conventions as may be implemented from time-to-time by Teradata's third party Plan administrator). For purposes of determining any pro rata vesting of your Share Units, your period of employment with Teradata shall not include any leave of absence, other than an approved leave of absence from which Teradata reasonably expects that you will return to perform services for Teradata. The Company shall deliver to you the Shares underlying the pro-rated number of Share Units (if any) that become vested pursuant to this Section 2(b) within seventy (70) days after December 31, 2019.

(c) Change in Control .

(i) If a Change in Control occurs prior to December 31, 2019 and this award is not assumed, converted or replaced by the continuing entity, then the Company shall credit to your Account, as of the date of the Change in Control, a number of fully vested Share Units determined as follows: (A) if the Change in Control occurs during 2017, the number of fully vested Share Units credited to your Account hereunder shall be the Target Number of Share Units, and (B) if the Change in Control occurs during 2018 or 2019, the number of fully vested Share Units credited to your Account hereunder shall be determined based on the actual performance of the Company during the period commencing January 1, 2017 and ending immediately prior to the Change in Control (which period shall be treated as the "Performance Period" for all purposes under this Agreement). The Company shall deliver to you the Shares underlying the Target Number of Share Units within 30 days after such Change in Control. Notwithstanding the foregoing, to the extent that your right to receive such Shares constitutes a "deferral of compensation" within the meaning of Section 409A of the Code ("Section 409A"), the Company shall deliver to you the Shares underlying the vested Share Units credited to your Account within seventy (70) days after the earlier of (A) December 31, 2019, or (B) your termination of employment (except as otherwise provided in Section 3 of this Agreement).

(ii) If a Change in Control occurs prior to December 31, 2019 and this award is assumed, converted or replaced by the continuing entity, then the Company shall credit to your Account, as of the date of the Change in Control, a number of Share Units determined as follows: (A) if the Change in Control occurs during 2017, the number of Share Units credited to

your Account hereunder shall be the Target Number of Share Units, and (B) if the Change in Control occurs during 2018 or 2019, the number of Share Units credited to your Account hereunder shall be determined based on the actual performance of the Company during the period commencing January 1, 2017 and ending immediately prior to the Change in Control (which period shall be treated as the "Performance Period" for all purposes under this Agreement). Any Share Units credited to your Account in accordance with this Section 2(c)(ii) shall continue to vest based solely upon your continued employment in accordance with Section 2(a); provided, however, that if you cease to be employed by Teradata due to (x) termination of your employment by Teradata without Cause, (y) termination of your employment with Teradata on account of death, Disability, Retirement or a reduction-in-force, or (z) if you are a participant in a CIC Plan, termination of your employment with Teradata for "Good Reason" as defined in the CIC Plan within the two-year period commencing on the Change in Control, then the Share Units credited to your Account in accordance with this Section 2(c)(ii) that have not yet vested shall vest in full upon such termination. If the Share Units credited to your Account in accordance with this Section 2(c)(ii) become vested by reason of a termination of your employment, then, except as otherwise provided in Section 3 of this Agreement, the Company shall deliver the Shares underlying the vested Share Units credited to your Account within seventy (70) days after the earlier of (I) December 31, 2019, or (II) your termination of employment.

(d) Forfeiture . Except as otherwise provided above, your right to receive a credit of Share Units shall be forfeited automatically without further action or notice in the event that you cease to be continuously employed by Teradata through December 31, 2019.

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

(a) Termination of Employment . To the extent that you are a U.S. taxpayer, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of Shares subject to Section 409A upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and you are no longer providing services (at a level that would preclude the occurrence of a "separation from service" within the meaning of Section 409A) to Teradata as an employee or consultant, and for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service" within the meaning of Section 409A.

(b) Payment Delay for Specified Employees . If you are a "specified employee," as determined under the Company's policy for identifying specified employees on the date of termination, then to the extent required in order to comply with Section 409A, all payments made under this Agreement that constitute a "deferral of compensation" within the meaning of Section 409A that are provided as a result of a "separation from service" within the meaning of Section 409A for any reason other than your death and that would otherwise be paid or provided during the first six months following such separation from service shall be accumulated through and paid

within 30 days after the first business day that is more than six months after the date of your separation from service (or, if you die during such six-month period, within 30 days after your death).

(c) Acceleration of Payment . Notwithstanding anything to the contrary contained in this Agreement, the Committee shall have the right, at any time in its sole discretion, to accelerate the time of a payment under this Agreement to a time otherwise permitted under Section 409A in accordance with the requirements, restrictions and limitations of Treasury Regulation Section 1.409A-3(j).

4. **Confidentiality** . By accepting this award, unless disclosure is required or permitted 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 Share Units will be forfeited if you violate the terms and conditions of this Section 4. Notwithstanding the foregoing, nothing contained in this Agreement or any other Teradata agreement, policy, practice, procedure, directive or instruction shall prohibit you from reporting possible violations of federal, state or local laws or regulations to any federal, state or local governmental agency or commission (a "Government Agency") or from making other disclosures that are protected under the whistleblower provisions of federal, state or local laws or regulations. You do not need prior authorization of any kind to make any such reports or disclosures and you are not required to notify Teradata that you have made such reports or disclosures. Nothing in this Agreement limits any right you may have to receive a whistleblower award or bounty for information provided to any Government Agency.

5. **Transferability** . The Share 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. Any purported transfer or encumbrance in violation of the provisions of this Section 5 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such Share Units.

6. **Dividend Equivalents** . From and after the date that any vested Share Units are credited to your Account pursuant to Section 1 hereof (the "Crediting Date") and until the time when the Share Units are paid in accordance with this Agreement, on the date that Teradata pays a cash dividend (if any) to holders of Shares generally, you shall receive additional Share Units equal to (x) the number of Share Units held by you as of the date of record for such dividend, provided that the record date occurs on or after the Crediting Date; multiplied by (y) the per Share cash dividend amount; divided by (z) the Fair Market Value per Share on the dividend payment date. The additional Share Units shall be subject to the same terms and conditions as the Share Units covered by this Agreement, including without limitation the forfeiture and repayment provisions of Sections 7 and 11 of this Agreement.

7. **Misconduct; Termination for Cause** . The Share Units will be forfeited if your employment is terminated by Teradata for Cause or if the Committee determines that you engaged in misconduct in connection with your employment with Teradata. Further, if your employment is terminated by Teradata for Cause, then, to the extent demanded by the Committee in its sole discretion and permitted by applicable law, you shall (a) return to Teradata all Shares that you have

not disposed of that have been acquired pursuant to this Agreement during the twelve (12) months prior to the date of termination of your employment, and (b) with respect to any Shares acquired pursuant to this Agreement during the twelve (12) months prior to the date of termination of your employment and that you have disposed of, pay to Teradata in cash the Fair Market Value of such Shares on the date acquired.

8. **Tax-Related Items and Withholding** . Teradata has the right to deduct or cause to be deducted, or collect or cause to be collected, with respect to the taxation of any Share Units, the issuance or sale of Shares, and the receipt of dividends or dividend equivalents, if any or otherwise in relation to participation in the Plan, any federal, state, local, foreign or other taxes, social contributions, required deductions, or other payments required by the laws of the United States or any other country to be withheld or paid with respect to the Share Units or related to or resulting from your participation in the Plan ("Tax-Related Items"), 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 Share Units are settled, Teradata's stock plan administrator will withhold or sell the number of Shares underlying the Share Units as Teradata, in its sole discretion, deems necessary to satisfy such Tax-Related Items; provided, however, that if Teradata is required to withhold any taxes prior to settlement of the Share Units, then you agree that Teradata may satisfy those 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. If you are paid through a non-United States Teradata payroll system, you agree that Teradata may satisfy any Tax-Related Items by withholding cash from your compensation otherwise due to you or by any other action as it may deem necessary to satisfy the Tax-Related Items. The value of any Shares withheld to satisfy tax withholding requirements hereunder will not exceed the minimum amount of taxes required to be withheld or such other amount that will not result in a negative accounting impact. Regardless of any action Teradata or your employer takes with regards to any Tax-Related Items, you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by Teradata or the employer. You also agree that you solely are responsible for filing all relevant documentation that may be required of you in relation to this award or any Tax-Related Items, such as but not limited to personal income tax returns or reporting statements in relation to the grant or vesting of this award or the subsequent sale of Shares acquired pursuant to such award and the receipt of any dividends or dividend equivalents.

9. **Restrictive Covenants** . As a recipient of this equity award, you recognize that you have access to highly confidential, proprietary and non-public information of Teradata and its customers, including strategic plans, customer lists, research and development plans, and other information not made available to the general public and from which Teradata derives value. For purposes of this Agreement, this information is defined as "Trade Secret Information."

To protect Teradata's investment in Trade Secret Information, and in exchange for the Share Units, you agree that the following restrictions will apply during your employment with Teradata and, to the extent permitted by applicable law, for a period of twelve (12) months after the date that you cease to be employed by Teradata for any reason (the "Termination Date") (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):

(a) You will not, without the prior written consent of the Chief Executive Officer of Teradata, render services directly or indirectly to, or become employed by, any Competing Organization of Teradata (as defined in this Section 9 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, marketed, serviced or otherwise provided by Teradata to its customers and upon which you worked or in which you participated during the last twelve (12) months of your Teradata employment. (This restriction is specifically intended to protect the value of and Teradata's investment in Trade Secret Information to which you had access as an employee of Teradata). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 9(a) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.**

(b) You will not, without the prior written consent of the Chief Executive Officer of Teradata, 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. (This restriction is specifically intended to protect the value of the information you obtained while a Teradata employee regarding the skills, experience and knowledge of Teradata employees, which is Trade Secret Information, and Teradata's investment in developing these employees). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 9(b) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.**

(c) You will not, without the prior written consent of the Chief Executive Officer of Teradata, solicit the business of any firm or company with which you worked during the preceding twelve (12) months of employment at Teradata, if such firm or company was a customer of Teradata, by using Teradata Trade Secret Information. (This restriction is specifically intended to protect the value of the identity of Teradata customers, their needs, interests, strategic plans, etc., all of which is Trade Secret Information you acquired as a Teradata employee with access to such information).

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 Share Units will be immediately forfeited, and, to the extent permitted by applicable law, you agree to pay to Teradata the Fair Market Value of any Share Units that vested during the twelve (12) months prior to the Termination Date. Such Fair Market Value shall be determined as of the applicable vesting date of the Share Units.

As used in this Section 9, "Competing Organization" means a 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 and is therefore a competitor of Teradata. This includes but is not limited to persons or organizations identified as a "Competing Organization" in a list prepared

by the Chief Executive Officer of Teradata for the year in which your employment with Teradata terminates. This list is maintained by the Teradata Law Department.

10. **Arbitration** . 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 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 equity programs are administered, for any such proceedings.

11. **Compensation Recovery Policy** . By accepting this award, you acknowledge and agree that, notwithstanding any other provision of this Agreement to the contrary, you may be required to forfeit or repay any or all of the Share Units or Shares delivered hereunder pursuant to the terms of the Teradata Corporation Compensation Recovery Policy (or a successor policy), as the same may be amended to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act or any rules or regulations issued by the Securities and Exchange Commission or applicable securities exchange.

12. **Beneficiaries; Successors** .

(a) Without limiting Section 5 of this Agreement, you may designate one or more beneficiaries to receive all or part of any Share 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 Share 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 Share 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 Share Units in question may be transferred to your estate, in which event Teradata will have no further liability to anyone with respect to such Share Units.

(b) The provisions of this Agreement shall inure to the benefit of, and be binding upon, your successors, administrators, heirs, legal representatives and assigns, and the successors and assigns of the Company.

13. **Severability** . 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. **Amendment** . The terms of this award of Share Units as evidenced by this Agreement may be amended by the Teradata Board of Directors or the Committee.

15. **Adjustments** . The number of Share Units and the number and kind of shares of stock covered by this Agreement shall be subject to adjustment as provided in Section 15 of the Plan.

16. **Plan Governs** . 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.

17. **Dividend; Voting Rights** . You shall not possess any incidents of ownership (including, without limitation, dividend and voting rights) in the Shares underlying the Share Units credited to your Account until such Shares have been delivered to you in accordance with this Agreement. The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver Shares in the future, and your rights will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.

18. **No Employment Contract or Acquired Rights** . Nothing contained in this Agreement shall confer upon you any right with respect to continuance of employment by Teradata, nor limit or affect in any manner the right of Teradata to terminate your employment or adjust your compensation, subject to applicable law. Furthermore, nothing contained in this Agreement shall confer upon you any right to receive any future Share Units or awards under the Plan or the inclusion of the value of any awards in the calculation of severance payments, if any, upon termination of employment. The Share Units are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way, to past services for Teradata.

19. **Non-U.S. Employees** . Notwithstanding any provision herein, if the Plan or your employment with Teradata or your participation in the Plan is subject to the rules and regulations of one or more non-United States jurisdictions, then your participation in the Plan shall be subject to any such rules and regulations and any disclosures or special terms and conditions as set forth in (but not limited to) any appendix for your country (the " Appendix "). Moreover, if you relocate

to one of the countries included in the Appendix, the disclosures and special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such disclosures, terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Company also reserves the right to impose other requirements on your participation in the Plan to the extent the Company determines it necessary or advisable in order to comply with local law or facilitate the administration of the Plan and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. The Appendix constitutes part of this Agreement.

For purposes of the vesting and forfeiture provisions above, the termination of your employment will be deemed effective as of the date that you are no longer actively employed and will not be extended by any notice period or "garden leave" that may be mandated contractually or under applicable law; the Committee shall have the exclusive discretion to determine when you are no longer actively employed for purposes of your Share Unit grant.

You also understand and agree that any cross-border cash remittance made in relation to this award, including the transfer of proceeds received upon the sale of Shares, must be made through a locally authorized financial institution or registered foreign exchange agency and may require you to provide to such financial institution or agency certain information regarding the transaction. Moreover, you understand and agree that the future value of Shares is unknown and the Company is neither responsible for any foreign exchange fluctuation between your local currency and the United States Dollar (or the selection by Teradata or the employer in its sole discretion of an applicable foreign currency exchange rate) that may affect the value of this award (or the calculation of income or any Tax-Related Items thereunder) nor liable for any decrease in the value of Shares or this award. In addition, the ownership of Shares or assets and holding of bank or brokerage account abroad may subject you to reporting requirements imposed by tax, banking, and/or other authorities in your country, and you understand and agree that you solely are responsible for complying with such requirements.

You further acknowledge that Teradata and your employer: (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Share Unit grant, including the grant, crediting, vesting or settlement of the Share Units, the issuance of Shares upon settlement of the Share Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Share Units to reduce or eliminate your liability for such Tax-Related Items or to achieve any particular tax result. You also understand applicable laws may require varying Share or Share Unit valuation methods for purposes of calculating Tax-Related Items, and Teradata assumes no responsibility or liability in relation to any such valuation or for any calculation or reporting of income or Tax-Related Items that may be required of you under applicable law. Further, if you have become subject to Tax-Related Items in more than one jurisdiction, you acknowledge that Teradata and/or your employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

20. **Acceptance of Terms** . By accepting any benefit under this Agreement, you and each person claiming under or through you shall be conclusively deemed to have indicated their acceptance and ratification of, and consent to, all of the terms and conditions of this Agreement and the Plan and any action taken under this Agreement or the Plan by the Committee, the Board or Teradata, in any case in accordance with the terms and conditions of this Agreement.

21. **Communications and Electronic Delivery** . Teradata may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Teradata or a third party designated by Teradata. If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

22. **Data Privacy Consent** . You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other Share Unit grant materials by and among, as applicable, the employer and Teradata for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that Teradata and the employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in Teradata, details of all Share Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the purpose of implementing, administering and managing the Plan (“Data”).

You understand that Data will be transferred to any third parties assisting Teradata with the implementation, administration and management of the Plan. You understand the recipients of the Data may be located in your country, in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than your country. You authorize Teradata and the recipients which may assist Teradata (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that refusing or withdrawing your consents herein may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

APPENDIX

This Appendix includes additional country-specific notices, disclaimers, terms and conditions that govern the Share Units granted to you under the Plan if you work or reside outside the U.S. and/or in one of the countries listed below. Such terms and conditions and disclosures may also apply, as from the date of grant, if you move to or otherwise are or become subject to applicable laws or Company policies of a specified country. Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or the Agreement. This Appendix forms part of the Agreement and should be read in conjunction with the Agreement and the Plan.

This Appendix may also include information you should be aware of with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws in effect as of November 2016; however, such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the Appendix as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time that your Share Units vest or you sell Shares acquired under the Plan. In addition, the information contained herein is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of any particular result. Accordingly, you are advised to seek appropriate professional legal and tax advice as to how the relevant laws in your country may apply to your situation. Finally, if you are a citizen or resident of a country other than the one in which you are currently working, the information contained herein may not be applicable to you.

Securities Law Notice: Unless otherwise noted, neither the Company nor the Shares are registered with any local stock exchange or under the control of any local securities regulator outside the U.S. This Agreement (of which this Appendix is a part), the Plan, and any other communications or materials that you may receive regarding participation in the Plan do not constitute advertising or an offering of securities outside the U.S. The issuance of securities described in any Plan-related documents is not intended for offering or public circulation in your jurisdiction.

European Union

Data Privacy. The following supplements Section 22 of the Agreement: ***You understand that Personal Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view your Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data without cost or refuse or withdraw the consents herein by contacting in writing your local human resources representative.***

Denmark

Foreign Account Reporting. Danish resident holders of non-Danish bank accounts or accounts with non-Danish brokers should submit certain forms to the Danish tax authorities:

Erklæring V regarding shares deposited with a non-Danish bank or broker (www.skat.dk/getFile.aspx?Id=82915)

Erklæring K regarding money deposited with a non-Danish bank or broker (www.skat.dk/getFile.aspx?Id=109434)

EXHIBIT A
PERFORMANCE-BASED RESTRICTED SHARE UNIT AGREEMENT
(RELATIVE TSR AWARD)

PERFORMANCE MATRIX

EXHIBIT B
ILLUSTRATION OF THE VEST DATE VALUE LIMITATION
(RELATIVE TSR AWARD)

CEO PERFORMANCE-BASED RESTRICTED SHARE UNIT AGREEMENT
Under the Teradata 2012 Stock Incentive Plan
(2017 Performance Period Award)

You have been awarded the contingent right to receive a credit of share units (the "Share Units") under the Teradata 2012 Stock Incentive Plan (the "Plan"), upon the terms and subject to the conditions of this Performance-Based Restricted Share Unit Agreement (this "Agreement") and the Plan. Please refer to the share unit information page on the website of Teradata's third party Plan administrator for your "Target Number of Share Units." Teradata Corporation and its affiliate companies are referred to collectively herein as "Teradata." Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan. It is intended that, if you are a "covered employee" within the meaning of Section 162(m) of the Code, any Share Units payable to you under this Agreement will qualify as "performance-based compensation" within the meaning of Section 162(m)(4)(C) of the Code, and this Agreement shall be interpreted and administered in accordance with such intent.

1. **Crediting of Share Units** .

(a) In General . Your right to receive a credit of all, a portion, or a multiple of the Target Number of Share Units shall be contingent upon the extent to which Teradata Corporation (the "Company") achieves the performance goals set forth on the attached Exhibit A (the "Performance Goals") for the performance period commencing January 1, 2017 and ending December 31, 2017 (the "Performance Period"), in accordance with the payout levels set forth on the attached Exhibit A (the "Performance Metrics"). The Compensation and Human Resource Committee of the Company's Board of Directors (the "Committee") may establish special adjustments that will be applied in calculating the extent to which the Performance Goals have been satisfied, provided that the adjustments are set forth in writing no later than 90 days after the beginning of the Performance Period.

(b) Crediting to Account . After the end of the Performance Period, the Committee shall determine in writing the extent, if any, to which the Performance Goals have been satisfied and shall determine the percentage, if any, of the Target Number of Share Units that shall be credited to a book entry account established on your behalf (the "Account"), based on the payout level identified in the Performance Metrics. Each Share Unit credited to your Account under this Section 1(b) shall represent the contingent right to receive one Share and shall at all times be equal in value to one Share. Share Units will be credited effective on the day in which the Committee certifies the achievement of the Performance Goals as provided in this Section 1(b) (the "Crediting Date"). If, upon the conclusion of the Performance Period, the Company achieves less than the threshold level of all of the Performance Goals, then you shall not receive a credit of any Share Units hereunder and this Agreement shall terminate immediately without further action or notice.

2. **Vesting, Forfeiture and Payment of Share Units** .

(a) Vesting . Provided that you are continuously employed by Teradata through December 31, 2017, the Share Units, if any, credited to your Account in accordance with Section 1 above shall be fully vested.

(b) Forfeiture . Except as otherwise provided in Section 3, your right to receive a credit of Share Units shall be forfeited automatically without further action or notice in the event that you cease to be employed by Teradata through the end of the Performance Period.

(c) Payment . Except as otherwise provided in Section 3 or Section 4 of this Agreement, the Company shall deliver the Shares underlying one-third of the vested Share Units credited to your Account pursuant to Section 1 of this Agreement within seventy (70) days after each of (i) the Crediting Date, (ii) the first anniversary of the Crediting Date, and (iii) the second anniversary of the Crediting Date (each a "Payment Date"); provided, however, that if your employment with Teradata terminates for any reason (other than a termination of your employment by Teradata for Cause) after the end of the Performance Period and prior to a Payment Date, the Company shall deliver the Shares underlying all vested but outstanding Share Units credited to your Account within seventy (70) days after your termination of employment (or at such later time as may be required pursuant to Section 4 of this Agreement).

3. **Certain Events During Performance Period** .

(a) Certain Terminations . If during the Performance Period you cease to be employed by Teradata prior to a Change in Control for any reason other than a termination of your employment by Teradata for Cause, the Company shall credit to your Account a pro-rated number of Share Units, which shall be fully vested, and which shall be calculated by multiplying (i) the actual number of Share Units that would have been credited to your Account in accordance with Section 1 of this Agreement had you continued in employment throughout the Performance Period, determined by the Committee based on the actual performance of the Company during such Performance Period, by (ii) a fraction, the numerator of which is the number of full and partial months of employment you completed commencing with January 1, 2017, and the denominator of which is 12 months (subject to such rounding conventions as may be implemented from time-to-time by Teradata's third party Plan administrator). For purposes of determining any pro rata vesting of your Share Units, your period of employment with Teradata shall not include any leave of absence, other than an approved leave of absence from which Teradata reasonably expects that you will return to perform services for Teradata. Except as otherwise provided in Section 4 of this Agreement, the Company shall deliver to you the Shares underlying the pro-rated number of Share Units within seventy (70) days after the end of the Performance Period.

(b) Change in Control .

(i) If a Change in Control occurs during the Performance Period, and this award is not assumed, converted or replaced by the continuing entity, then the Target Number of Share Units shall be credited to your Account, as of the date of the Change in Control, and the units shall be fully vested at that time. If such Change in Control constitutes a "change in control event" within the meaning of Treasury Regulation § 1.409A-3(i)(5), the Company shall deliver to you the Shares underlying the Target Number of Share Units within 30 days after such Change in Control. If such Change in Control does not constitute a "change in control event" within the meaning of Treasury Regulation § 1.409A-3(i)(5), the Company shall deliver to you the Shares underlying the Target Number of Share Units within seventy (70) days after the earlier of (A) the applicable Payment Dates (in accordance with the payment schedule of Section 2(c) of this

Agreement) or (B) your termination of employment (subject to Section 4 of this Agreement), except that if your termination of employment occurs during the Performance Period, the Company shall deliver such Shares within seventy (70) days after the end of the Performance Period.

(ii) If a Change in Control occurs during the Performance Period and this award is assumed, converted or replaced by the continuing entity, then the Target Number of Share Units shall be credited to your Account, as of the date of the Change in Control, and the Share Units shall continue to vest in accordance with Section 2(a); provided, however, that if you cease to be employed by Teradata for any reason other than a termination of your employment by Teradata for Cause, then any Share Units credited to your Account that have not yet vested shall vest in full upon such termination. The Company shall deliver the Target Number of Share Units credited to your Account in accordance with this Section 3(b)(ii) within seventy (70) days after the earlier of (A) the applicable Payment Dates (in accordance with the payment schedule of Section 2(c) of this Agreement) or (B) your termination of employment (subject to Section 4 of this Agreement), except that if your termination of employment occurs during the Performance Period, the Company shall deliver such Shares within seventy (70) days after the end of the Performance Period.

4. **Section 409A Compliance** . The intent of the parties is that payments under this Agreement comply with Section 409A or are exempt therefrom and this Agreement shall be interpreted, administered and governed in accordance with such intent.

(a) Termination of Employment . To the extent that you are a U.S. taxpayer, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of Shares subject to Section 409A upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and you are no longer providing services (at a level that would preclude the occurrence of a "separation from service" within the meaning of Section 409A) to Teradata as an employee or consultant, and for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service" within the meaning of Section 409A.

(b) Payment Delay for Specified Employees . If you are a "specified employee," as determined under the Company's policy for identifying specified employees on the date of termination, then to the extent required in order to comply with Section 409A, all payments made under this Agreement that constitute a "deferral of compensation" within the meaning of Section 409A that are provided as a result of a "separation from service" within the meaning of Section 409A for any reason other than your death and that would otherwise be paid or provided during the first six months following such separation from service shall be accumulated through and paid within 30 days after the first business day that is more than six months after the date of your separation from service (or, if you die during such six-month period, within 30 days after your death).

(c) Acceleration of Payment . Notwithstanding anything to the contrary contained in this Agreement, the Committee shall have the right, at any time in its sole discretion, to accelerate the time of a payment under this Agreement to a time otherwise permitted under Section 409A in accordance with the requirements, restrictions and limitations of Treasury Regulation Section 1.409A-3(j).

5. **Confidentiality** . By accepting this award, unless disclosure is required or permitted 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 Share Units will be forfeited if you violate the terms and conditions of this Section 5. Notwithstanding the foregoing, nothing contained in this Agreement or any other Teradata agreement, policy, practice, procedure, directive or instruction shall prohibit you from reporting possible violations of federal, state or local laws or regulations to any federal, state or local governmental agency or commission (a "Government Agency") or from making other disclosures that are protected under the whistleblower provisions of federal, state or local laws or regulations. You do not need prior authorization of any kind to make any such reports or disclosures and you are not required to notify Teradata that you have made such reports or disclosures. Nothing in this Agreement limits any right you may have to receive a whistleblower award or bounty for information provided to any Government Agency.

6. **Transferability** . The Share 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. Any purported transfer or encumbrance in violation of the provisions of this Section 6 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such Share Units.

7. **Dividend Equivalents** . From and after the Crediting Date and until the earlier of (a) the time when the Share Units are paid in accordance with this Agreement or (b) the time when your rights in the Share Units are forfeited in accordance with Section 2(b) hereof, on the date that Teradata pays a cash dividend (if any) to holders of Shares generally, you shall receive additional Share Units equal to (x) the number of Share Units held by you as of the date of record for such dividend, provided that the record date occurs on or after the Crediting Date; multiplied by (y) the per Share cash dividend amount; divided by (z) the Fair Market Value per Share on the dividend payment date. The additional Share Units shall be subject to the same terms and conditions as the Share Units covered by this Agreement, including without limitation the forfeiture provisions of Section 2(b) of this Agreement.

8. **Misconduct; Termination for Cause** . The Share Units will be forfeited if your employment is terminated by Teradata for Cause or if the Committee determines that you engaged in misconduct in connection with your employment with Teradata. Further, if your employment is terminated by Teradata for Cause, then, to the extent demanded by the Committee in its sole discretion and permitted by applicable law, you shall (a) return to Teradata all Shares that you have not disposed of that have been acquired pursuant to this Agreement during the twelve (12) months prior to the date of termination of your employment, and (b) with respect to any Shares acquired pursuant to this Agreement during the twelve (12) months prior to the date of termination of your employment and that you have disposed of, pay to Teradata in cash the Fair Market Value of such Shares on the date acquired.

9. **Withholding** . 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 Share Units, any federal, state,

local, foreign or other taxes required by the laws of the United States or any other country to be withheld or paid with respect to the Share 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 Share Units are settled, Teradata's stock plan administrator will withhold or sell the number of Shares underlying the Share Units as Teradata, in its sole discretion, deems necessary to satisfy such withholding requirements; provided, however, that if Teradata is required to withhold any taxes prior to settlement of the Share Units, then you agree that Teradata may satisfy those 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. In no event shall the Fair Market Value of the Shares of common stock to be surrendered pursuant to this Section 9 to satisfy applicable withholding taxes exceed the minimum amount of taxes required to be withheld or such other amount that will not result in a negative accounting impact. 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. You acknowledge that the ultimate liability for all taxes and tax-related items is and remains your responsibility and may exceed the amount actually withheld by Teradata or the employer. You also agree that you solely are responsible for filing all relevant documentation that may be required of you in relation to this award or any tax-related items, such as but not limited to personal income tax returns or reporting statements in relation to the grant or vesting of this award or the subsequent sale of Shares acquired pursuant to such award and the receipt of any dividends or dividend equivalents.

10. **Restrictive Covenants** . As a recipient of this equity award, you recognize that you have access to highly confidential, proprietary and non-public information of Teradata and its customers, including strategic plans, customer lists, research and development plans, and other information not made available to the general public and from which Teradata derives value. For purposes of this Agreement, this information is defined as "Trade Secret Information."

To protect Teradata's investment in Trade Secret Information, and in exchange for the Share Units, you agree that the following restrictions will apply during your employment with Teradata and, to the extent permitted by applicable law, for a period of twelve (12) months after the date that you cease to be employed by Teradata for any reason (the "Termination Date") (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):

(a) You will not, without the prior written consent of the Committee, render services directly or indirectly to, or become employed by, any Competing Organization of Teradata (as defined in this Section 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, marketed, serviced or otherwise provided by Teradata to its customers and upon which you worked or in which you participated during the last twelve (12) months of your Teradata employment. (This restriction is specifically intended to protect the value of and Teradata's investment in Trade Secret Information to which you had access as an employee of Teradata). **NOTWITHSTANDING**

THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 10(a) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.

(b) You will not, without the prior written consent of the Committee, 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. (This restriction is specifically intended to protect the value of the information you obtained while a Teradata employee regarding the skills, experience and knowledge of Teradata employees, which is Trade Secret Information, and Teradata's investment in developing these employees). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 10(b) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.**

(c) You will not, without the prior written consent of the Committee, solicit the business of any firm or company with which you worked during the preceding twelve (12) months of employment at Teradata, if such firm or company was a customer of Teradata, by using Teradata Trade Secret Information. (This restriction is specifically intended to protect the value of the identity of Teradata customers, their needs, interests, strategic plans, etc., all of which is Trade Secret Information you acquired as a Teradata employee with access to such information).

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 Share Units will be immediately forfeited, and, to the extent permitted by applicable law, you agree to pay to Teradata the Fair Market Value of any Share Units that vested during the twelve (12) months prior to the Termination Date. Such Fair Market Value shall be determined as of each applicable Vesting Date.

As used in this Section 10, "Competing Organization" means a 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 and is therefore a competitor of Teradata. This includes but is not limited to persons or organizations identified as a "Competing Organization" in a list prepared by the Committee for the year in which your employment with Teradata terminates.

11. **Arbitration** . 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 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. **Compensation Recovery Policy** . By accepting this award, you acknowledge and agree that, notwithstanding any other provision of this Agreement to the contrary, you may be required to forfeit or repay any or all of the Share Units or Shares delivered hereunder pursuant to the terms of the Teradata Corporation Compensation Recovery Policy (or a successor policy), as the same may be amended to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act or any rules or regulations issued by the Securities and Exchange Commission or applicable securities exchange.

13. **Beneficiaries; Successors** .

(a) Without limiting Section 6 of this Agreement, you may designate one or more beneficiaries to receive all or part of any Share 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 Share 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 Share 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 Share Units in question may be transferred to your estate, in which event Teradata will have no further liability to anyone with respect to such Share Units.

(b) The provisions of this Agreement shall inure to the benefit of, and be binding upon, your successors, administrators, heirs, legal representatives and assigns, and the successors and assigns of the Company.

14. **Severability** . 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.

15. **Amendment** . The terms of this award of Share Units as evidenced by this Agreement may be amended by the Teradata Board of Directors or the Committee.

16. **Adjustments** . The number of Share Units and the number and kind of shares of stock covered by this Agreement shall be subject to adjustment as provided in Section 15 of the Plan.

17. **Plan Governs** . 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.

18. **Dividend; Voting Rights** . You shall not possess any incidents of ownership (including, without limitation, dividend and voting rights) in the Shares underlying the Share Units credited to your Account until such Shares have been delivered to you in accordance with this Agreement. The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver Shares in the future, and your rights will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.

19. **No Employment Contract or Acquired Rights** . Nothing contained in this Agreement shall confer upon you any right with respect to continuance of employment by Teradata, nor limit or affect in any manner the right of Teradata to terminate your employment or adjust your compensation. Furthermore, nothing contained in this Agreement shall confer upon you any right to receive any future Share Units or awards under the Plan or the inclusion of the value of any awards in the calculation of severance payments, if any, upon termination of employment.

20. **Non-U.S. Employees** . Notwithstanding any provision herein, if the Plan or your employment with Teradata is subject to the rules and regulations of one or more non-United States jurisdictions, then your participation in the Plan shall be subject to any such rules and regulations and any special terms and conditions as set forth in any appendix for your country (the "Appendix"). Moreover, if you relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Company also reserves the right to impose other requirements on your participation in the Plan to the extent the Company determines it necessary or advisable in order to comply with local law or facilitate the administration of the Plan and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. The Appendix constitutes part of this Agreement.

You also understand and agree that any cross-border cash remittance made in relation to this award, including the transfer of proceeds received upon the sale of Shares, must be made through a locally authorized financial institution or registered foreign exchange agency and may require you to provide to such financial institution or agency certain information regarding the transaction. Moreover, you understand and agree that the Company is neither responsible for any foreign exchange fluctuation between your local currency and the United States Dollar (or the selection by Teradata or the employer in its sole discretion of an applicable foreign currency exchange rate) that may affect the value of this award (or the calculation of income or any Tax-Related Items thereunder) nor liable for any decrease in the value of Shares or this award. In addition, the ownership of Shares or assets and holding of bank or brokerage account abroad may subject you to reporting requirements imposed by tax, banking, and/or other authorities in your country, and you understand and agree that you solely are responsible for complying with such requirements.

21. **Acceptance of Terms** . By accepting any benefit under this Agreement, you and each person claiming under or through you shall be conclusively deemed to have indicated their acceptance and ratification of, and consent to, all of the terms and conditions of this Agreement and the Plan and any action taken under this Agreement or the Plan by the Committee, the Board or Teradata, in any case in accordance with the terms and conditions of this Agreement.

22. **Communications and Electronic Delivery** . Teradata may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Teradata or a third party designated by Teradata. If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

23. **Data Privacy Consent** . You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other Share Unit grant materials by and among, as applicable, the employer and Teradata for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that Teradata and the employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in Teradata, details of all Share Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the purpose of implementing, administering and managing the Plan ("Data").

You understand that Data will be transferred to any third parties assisting Teradata with the implementation, administration and management of the Plan. You understand the recipients of the Data may be located in your country, in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than your country. You authorize Teradata and the recipients which may assist Teradata (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that refusing or withdrawing your consents herein may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

EXHIBIT A
PERFORMANCE-BASED RESTRICTED SHARE UNIT AGREEMENT
(2017 PERFORMANCE PERIOD AWARD)

PERFORMANCE METRICS

CEO PERFORMANCE-BASED RESTRICTED SHARE UNIT AGREEMENT
Under the Teradata 2012 Stock Incentive Plan
(Relative TSR Award)

You have been awarded the contingent right to receive a credit of share units (the "Share Units") under the Teradata 2012 Stock Incentive Plan (the "Plan"), upon the terms and subject to the conditions of this Performance-Based Restricted Share Unit Agreement (this "Agreement") and the Plan. Please refer to the share unit information page on the website of Teradata's third party Plan administrator for your "Target Number of Share Units." Teradata Corporation and its affiliate companies are referred to collectively herein as "Teradata." Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan. It is intended that, if you are a "covered employee" within the meaning of Section 162(m) of the Code, any Share Units payable to you under this Agreement will qualify as "performance-based compensation" within the meaning of Section 162(m)(4)(C) of the Code, and this Agreement shall be interpreted and administered in accordance with such intent.

1. **Crediting of Share Units** .

(a) Relative TSR Performance Objective . Your right to receive a credit of all, a portion, or a multiple of the Target Number of Share Units shall be contingent upon Teradata's Relative TSR (as defined below) for the period commencing January 1, 2017 and ending December 31, 2019 (the "Performance Period"), as determined in accordance with the performance matrix attached as Exhibit A (the "Performance Matrix"), and the satisfaction of the other terms and conditions of this Agreement. For purposes of this Agreement:

(i) "Relative TSR" means the percentile ranking of Teradata's TSR relative to the TSR of the other companies included in the S&P Composite 1500 Information Technology Index for the entirety of the Performance Period (the "Peer Companies"). Relative TSR will be determined by ranking Teradata and the Peer Companies from highest to lowest according to their respective TSRs. After this ranking, the percentile performance of Teradata relative to the Peer Companies will be determined as follows:

$$P = \frac{N - R}{N - 1}$$

where: "P" represents the percentile performance which will be rounded, if necessary, to the nearest whole percentile by application of regular rounding.

"N" represents the remaining number of Peer Companies, plus Teradata.

"R" represents Teradata's ranking among the Peer Companies.

Example: If there are 239 Peer Companies, and Teradata ranked 67 th , the performance would be at the 72 nd percentile: .72 = (240 – 67)/(240 – 1)

(ii) "TSR" means, with respect to any company, the percentage growth in total stockholder return, determined by dividing (A) the appreciation in price of a share of the company's common stock from the Opening Value (as defined below) to the Closing

Value (as defined below), plus any dividends paid during the Performance Period (which shall be deemed reinvested in the company's common stock on the ex-dividend date), by (B) the Opening Value;

(iii) "Opening Value" means, with respect to any company, the average of the closing prices per share of the company's common stock for all trading days in the 90 calendar day period ending on and including December 31, 2016, assuming any dividends paid during the 90 calendar day period are reinvested in the company's common stock on the ex-dividend date; and

(iv) "Closing Value" means, with respect to any company, the average of the closing prices per share of the company's common stock for all trading days in the 90 calendar day period ending on and including the last day of the Performance Period, assuming any dividends paid during the 90 calendar day period are reinvested in the company's common stock on the ex-dividend date.

(b) Additional Limitations . The number of Share Units (if any) credited to your account under the Agreement will be determined in accordance with the Performance Matrix; provided, however, that (i) if Teradata's (absolute) TSR for the Performance Period is negative, then the number of Share Units credited to your account under the Agreement will not exceed the Target Number of Share Units; and (ii) in no event will the value of the Share Units credited to your account hereunder, determined based on the closing price per Share on December 31, 2019 (or, if applicable, the date immediately prior to a Change in Control described in Section 2(c) below), exceed four (4) times the value of the Target Number of Share Units determined based on the closing price on the Date of Grant (as adjusted by the Compensation and Human Resource Committee of the Company's Board of Directors (the "Committee") in the event of a stock dividend, stock split, reverse stock split, recapitalization or similar transaction after the Date of Grant and during the Performance Period). An illustration of the limitation imposed by clause (ii) of this Section 1(b) is provided in Exhibit B.

(c) Crediting to Account . After the end of the Performance Period, the Committee shall determine in writing Teradata's (absolute) TSR and Relative TSR for the Performance Period and the number of Share Units (if any) earned in accordance with this Agreement, which Share Units shall be credited to a book entry account established on your behalf (the "Account"). Each Share Unit credited to your Account under this Section 1(b) shall represent the contingent right to receive one Share and shall at all times be equal in value to one Share.

(d) Forfeiture of Share Units . Except as otherwise provided in Section 2, your right to receive a credit of Share Units shall be forfeited automatically without further action or notice in the event that Teradata's Relative TSR for the Performance Period is below the threshold level specified in the Performance Matrix.

2. **Vesting, Forfeiture and Payment of Share Units** .

(a) Vesting . Provided that you are continuously employed by Teradata through December 31, 2017, the Share Units (if any) credited to your Account in accordance with Section

1 above shall be fully vested, and, except as otherwise provided in Section 2(c) or Section 3 of this Agreement, the Company will deliver the Shares underlying the vested Share Units within seventy (70) days after December 31, 2019.

(b) Certain Terminations .

(i) If during the first year of the Performance Period (fiscal 2017) and prior to a Change in Control you cease to be employed by Teradata for any reason other than a termination of your employment by Teradata for Cause, then the Company shall credit to your Account a pro-rated number of Share Units, which shall be fully vested, and which shall be calculated by multiplying (i) the actual number of Share Units (if any) that would have been credited to your Account in accordance with Section 1 of this Agreement had you continued in employment through December 31, 2017, determined by the Committee based on the actual performance of the Company during the entire Performance Period, by (ii) a fraction, the numerator of which is the number of full and partial months of employment you completed commencing with January 1, 2017, and the denominator of which is 12 months (subject to such rounding conventions as may be implemented from time-to-time by Teradata's third party Plan administrator). For purposes of determining any pro rata vesting of your Share Units, your period of employment with Teradata shall not include any leave of absence, other than an approved leave of absence from which Teradata reasonably expects that you will return to perform services for Teradata. The Company shall deliver to you the Shares underlying the pro-rated number of Share Units (if any) that become vested pursuant to this Section 2(b) within seventy (70) days after December 31, 2019.

(ii) If during the second or third year of the Performance Period (fiscal 2018 or 2019) and prior to a Change in Control you cease to be employed by Teradata for any reason other than a termination of your employment by Teradata for Cause, then, following the completion of the full Performance Period, the Company shall credit to your Account the number of Share Units earned pursuant to this Agreement, determined by the Committee based on the actual performance of the Company during the entire Performance Period, which Share Units shall be fully vested (without pro-ration). The Company shall deliver to you the Shares underlying the number of Share Units (if any) that become vested pursuant to this Section 2(b) within seventy (70) days after December 31, 2019.

(c) Change in Control .

(i) If a Change in Control occurs prior to December 31, 2019 and this award is not assumed, converted or replaced by the continuing entity, then the Company shall credit to your Account, as of the date of the Change in Control, a number of fully vested Share Units determined as follows: (A) if the Change in Control occurs during 2017, the number of fully vested Share Units credited to your Account hereunder shall be the Target Number of Share Units, and (B) if the Change in Control occurs during 2018 or 2019, the number of fully vested Share Units credited to your Account hereunder shall be determined based on the actual performance of the Company during the period commencing January 1, 2017 and ending immediately prior to the Change in Control (which period shall be treated as the "Performance Period" for all purposes under this Agreement). If such Change in Control constitutes a "change in control event" within the meaning of Treasury Regulation § 1.409A-3(i)(5), the Company shall deliver to you the Shares underlying

the vested Share Units credited to your Account within 30 days after such Change in Control. If such Change in Control does not constitute a "change in control event" within the meaning of Treasury Regulation § 1.409A-3(i)(5), the Company shall deliver to you the Shares underlying the vested Share Units credited to your Account within seventy (70) days after the earlier of (A) December 31, 2019, or (B) your termination of employment (except as otherwise provided in Section 3 of this Agreement).

(ii) If a Change in Control occurs prior to December 31, 2019 and this award is assumed, converted or replaced by the continuing entity, then the Company shall credit to your Account, as of the date of the Change in Control, a number of Share Units determined as follows: (A) if the Change in Control occurs during 2017, the number of Share Units credited to your Account hereunder shall be the Target Number of Share Units, and (B) if the Change in Control occurs during 2018 or 2019, the number of Share Units credited to your Account hereunder shall be determined based on the actual performance of the Company during the period commencing January 1, 2017 and ending immediately prior to the Change in Control (which period shall be treated as the "Performance Period" for all purposes under this Agreement). Any Share Units credited to your Account in accordance with this Section 2(c)(ii) shall continue to vest based solely upon your continued employment in accordance with Section 2(a); provided, however, that if you cease to be employed by Teradata for any reason other than a termination of your employment by Teradata for Cause, then any Share Units credited to your Account in accordance with this Section 2(c)(ii) that have not yet vested shall vest in full upon such termination. If the Share Units credited to your Account in accordance with this Section 2(c)(ii) become vested by reason of a termination of your employment, then, except as otherwise provided in Section 3 of this Agreement, the Company shall deliver the Shares underlying the vested Share Units credited to your Account within seventy (70) days after the earlier of (x) December 31, 2019, or (y) your termination of employment.

(d) Forfeiture . Except as otherwise provided above, your right to receive a credit of Share Units shall be forfeited automatically without further action or notice in the event that you cease to be continuously employed by Teradata through December 31, 2017.

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

(a) Termination of Employment . To the extent that you are a U.S. taxpayer, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of Shares subject to Section 409A upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and you are no longer providing services (at a level that would preclude the occurrence of a "separation from service" within the meaning of Section 409A) to Teradata as an employee or consultant, and for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service" within the meaning of Section 409A.

(b) Payment Delay for Specified Employees . If you are a "specified employee," as determined under the Company's policy for identifying specified employees on the date of

termination, then to the extent required in order to comply with Section 409A, all payments made under this Agreement that constitute a "deferral of compensation" within the meaning of Section 409A that are provided as a result of a "separation from service" within the meaning of Section 409A for any reason other than your death and that would otherwise be paid or provided during the first six months following such separation from service shall be accumulated through and paid within 30 days after the first business day that is more than six months after the date of your separation from service (or, if you die during such six-month period, within 30 days after your death).

(c) Acceleration of Payment . Notwithstanding anything to the contrary contained in this Agreement, the Committee shall have the right, at any time in its sole discretion, to accelerate the time of a payment under this Agreement to a time otherwise permitted under Section 409A in accordance with the requirements, restrictions and limitations of Treasury Regulation Section 1.409A-3(j).

4. **Confidentiality** . By accepting this award, unless disclosure is required or permitted 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 Share Units will be forfeited if you violate the terms and conditions of this Section 4. Notwithstanding the foregoing, nothing contained in this Agreement or any other Teradata agreement, policy, practice, procedure, directive or instruction shall prohibit you from reporting possible violations of federal, state or local laws or regulations to any federal, state or local governmental agency or commission (a "Government Agency") or from making other disclosures that are protected under the whistleblower provisions of federal, state or local laws or regulations. You do not need prior authorization of any kind to make any such reports or disclosures and you are not required to notify Teradata that you have made such reports or disclosures. Nothing in this Agreement limits any right you may have to receive a whistleblower award or bounty for information provided to any Government Agency.

5. **Transferability** . The Share 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. Any purported transfer or encumbrance in violation of the provisions of this Section 5 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such Share Units.

6. **Dividend Equivalents** . From and after the date that any vested Share Units are credited to your Account pursuant to Section 1 hereof (the "Crediting Date") and until the time when the Share Units are paid in accordance with this Agreement, on the date that Teradata pays a cash dividend (if any) to holders of Shares generally, you shall receive additional Share Units equal to (x) the number of Share Units held by you as of the date of record for such dividend, provided that the record date occurs on or after the Crediting Date; multiplied by (y) the per Share cash dividend amount; divided by (z) the Fair Market Value per Share on the dividend payment date. The additional Share Units shall be subject to the same terms and conditions as the Share Units covered by this Agreement, including without limitation the forfeiture and repayment provisions of Sections 7 and 11 of this Agreement.

7. **Misconduct; Termination for Cause** . The Share Units will be forfeited if your employment is terminated by Teradata for Cause or if the Committee determines that you engaged in misconduct in connection with your employment with Teradata. Further, if your employment is terminated by Teradata for Cause, then, to the extent demanded by the Committee in its sole discretion and permitted by applicable law, you shall (a) return to Teradata all Shares that you have not disposed of that have been acquired pursuant to this Agreement during the twelve (12) months prior to the date of termination of your employment, and (b) with respect to any Shares acquired pursuant to this Agreement during the twelve (12) months prior to the date of termination of your employment and that you have disposed of, pay to Teradata in cash the Fair Market Value of such Shares on the date acquired.

8. **Withholding** . 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 Share Units, any federal, state, local, foreign or other taxes required by the laws of the United States or any other country to be withheld or paid with respect to the Share 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 Share Units are settled, Teradata's stock plan administrator will withhold or sell the number of Shares underlying the Share Units as Teradata, in its sole discretion, deems necessary to satisfy such withholding requirements; provided, however, that if Teradata is required to withhold any taxes prior to settlement of the Share Units, then you agree that Teradata may satisfy those 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. 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. The value of any Shares withheld to satisfy tax withholding requirements hereunder will not exceed the minimum amount of taxes required to be withheld or such other amount that will not result in a negative accounting impact. You acknowledge that the ultimate liability for all taxes and tax-related items is and remains your responsibility and may exceed the amount actually withheld by Teradata or the employer. You also agree that you solely are responsible for filing all relevant documentation that may be required of you in relation to this award or any tax-related items, such as but not limited to personal income tax returns or reporting statements in relation to the grant or vesting of this award or the subsequent sale of Shares acquired pursuant to such award and the receipt of any dividends or dividend equivalents.

9. **Restrictive Covenants** . As a recipient of this equity award, you recognize that you have access to highly confidential, proprietary and non-public information of Teradata and its customers, including strategic plans, customer lists, research and development plans, and other information not made available to the general public and from which Teradata derives value. For purposes of this Agreement, this information is defined as "Trade Secret Information."

To protect Teradata's investment in Trade Secret Information, and in exchange for the Share Units, you agree that the following restrictions will apply during your employment with Teradata and, to the extent permitted by applicable law, for a period of twelve (12) months after the date that you cease to be employed by Teradata for any reason (the "Termination Date") (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):

(a) You will not, without the prior written consent of the Committee, render services directly or indirectly to, or become employed by, any Competing Organization of Teradata (as defined in this Section 9 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, marketed, serviced or otherwise provided by Teradata to its customers and upon which you worked or in which you participated during the last twelve (12) months of your Teradata employment. (This restriction is specifically intended to protect the value of and Teradata's investment in Trade Secret Information to which you had access as an employee of Teradata). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 9(a) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.**

(b) You will not, without the prior written consent of the Committee, 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. (This restriction is specifically intended to protect the value of the information you obtained while a Teradata employee regarding the skills, experience and knowledge of Teradata employees, which is Trade Secret Information, and Teradata's investment in developing these employees). **NOTWITHSTANDING THE FOREGOING, THE RESTRICTION SET FORTH IN THIS SECTION 9(b) SHALL NOT APPLY IF YOU ARE EMPLOYED BY TERADATA IN CALIFORNIA.**

(c) You will not, without the prior written consent of the Committee, solicit the business of any firm or company with which you worked during the preceding twelve (12) months of employment at Teradata, if such firm or company was a customer of Teradata, by using Teradata Trade Secret Information. (This restriction is specifically intended to protect the value of the identity of Teradata customers, their needs, interests, strategic plans, etc., all of which is Trade Secret Information you acquired as a Teradata employee with access to such information).

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 Share Units will be immediately forfeited, and, to the extent permitted by applicable law, you agree to pay to Teradata the Fair Market Value of any Share Units that vested during the twelve (12) months prior to the Termination Date. Such Fair Market Value shall be determined as of the applicable vesting date of the Share Units.

As used in this Section 9, "Competing Organization" means a 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 and is therefore a competitor of Teradata. This includes but is not limited to persons or organizations identified as a "Competing Organization" in a list prepared by the Committee for the year in which your employment with Teradata terminates.

10. **Arbitration** . 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 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 equity programs are administered, for any such proceedings.

11. **Compensation Recovery Policy** . By accepting this award, you acknowledge and agree that, notwithstanding any other provision of this Agreement to the contrary, you may be required to forfeit or repay any or all of the Share Units or Shares delivered hereunder pursuant to the terms of the Teradata Corporation Compensation Recovery Policy (or a successor policy), as the same may be amended to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act or any rules or regulations issued by the Securities and Exchange Commission or applicable securities exchange.

12. **Beneficiaries; Successors** .

(a) Without limiting Section 5 of this Agreement, you may designate one or more beneficiaries to receive all or part of any Share 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 Share 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 Share 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 Share Units in question may be transferred to your estate, in which event Teradata will have no further liability to anyone with respect to such Share Units.

(b) The provisions of this Agreement shall inure to the benefit of, and be binding upon, your successors, administrators, heirs, legal representatives and assigns, and the successors and assigns of the Company.

13. **Severability** . 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. **Amendment** . The terms of this award of Share Units as evidenced by this Agreement may be amended by the Teradata Board of Directors or the Committee.

15. **Adjustments** . The number of Share Units and the number and kind of shares of stock covered by this Agreement shall be subject to adjustment as provided in Section 15 of the Plan.

16. **Plan Governs** . 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.

17. **Dividend; Voting Rights** . You shall not possess any incidents of ownership (including, without limitation, dividend and voting rights) in the Shares underlying the Share Units credited to your Account until such Shares have been delivered to you in accordance with this Agreement. The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver Shares in the future, and your rights will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.

18. **No Employment Contract or Acquired Rights** . Nothing contained in this Agreement shall confer upon you any right with respect to continuance of employment by Teradata, nor limit or affect in any manner the right of Teradata to terminate your employment or adjust your compensation. Furthermore, nothing contained in this Agreement shall confer upon you any right to receive any future Share Units or awards under the Plan or the inclusion of the value of any awards in the calculation of severance payments, if any, upon termination of employment.

19. **Non-U.S. Employees** . Notwithstanding any provision herein, if the Plan or your employment with Teradata is subject to the rules and regulations of one or more non-United States jurisdictions, then your participation in the Plan shall be subject to any such rules and regulations and any special terms and conditions as set forth in any appendix for your country (the " Appendix "). Moreover, if you relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Company also reserves the right to impose other requirements on your participation in the Plan to the extent the Company determines it necessary or advisable in order to comply with local law or facilitate the administration of the Plan

and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. The Appendix constitutes part of this Agreement.

You also understand and agree that any cross-border cash remittance made in relation to this award, including the transfer of proceeds received upon the sale of Shares, must be made through a locally authorized financial institution or registered foreign exchange agency and may require you to provide to such financial institution or agency certain information regarding the transaction. Moreover, you understand and agree that the Company is neither responsible for any foreign exchange fluctuation between your local currency and the United States Dollar (or the selection by Teradata or the employer in its sole discretion of an applicable foreign currency exchange rate) that may affect the value of this award (or the calculation of income or any Tax-Related Items thereunder) nor liable for any decrease in the value of Shares or this award. In addition, the ownership of Shares or assets and holding of bank or brokerage account abroad may subject you to reporting requirements imposed by tax, banking, and/or other authorities in your country, and you understand and agree that you solely are responsible for complying with such requirements.

20. **Acceptance of Terms** . By accepting any benefit under this Agreement, you and each person claiming under or through you shall be conclusively deemed to have indicated their acceptance and ratification of, and consent to, all of the terms and conditions of this Agreement and the Plan and any action taken under this Agreement or the Plan by the Committee, the Board or Teradata, in any case in accordance with the terms and conditions of this Agreement.

21. **Communications and Electronic Delivery** . Teradata may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by Teradata or a third party designated by Teradata. If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

22. **Data Privacy Consent** . You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other Share Unit grant materials by and among, as applicable, the employer and Teradata for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that Teradata and the employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in Teradata, details of all Share Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the purpose of implementing, administering and managing the Plan (“Data”).

You understand that Data will be transferred to any third parties assisting Teradata with the implementation, administration and management of the Plan. You understand the recipients of the Data may be located in your country, in the United States or elsewhere, and that the recipients’

country (e.g., the United States) may have different data privacy laws and protections than your country. You authorize Teradata and the recipients which may assist Teradata (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that refusing or withdrawing your consents herein may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

EXHIBIT A
PERFORMANCE-BASED RESTRICTED SHARE UNIT AGREEMENT
(RELATIVE TSR AWARD)

PERFORMANCE MATRIX

EXHIBIT B
ILLUSTRATION OF THE VEST DATE VALUE LIMITATION
(RELATIVE TSR AWARD)

NCR

Teradata
a division of NCR

August 15, 2007

John Dinning
224 Volusia Ave
Dayton OH 45409-2225

Dear John:

On January 8, 2007, we announced the decision of the NCR Corporation Board of Directors to implement the strategic separation of NCR Corporation and the Teradata Division of NCR Corporation. In preparation for the separation, NCR Corporation has established the legal entity, Teradata Corporation. It will operate as an independent subsidiary until the actual public separation of the two companies.

This letter confirms the transfer of your employment from NCR Corporation to Teradata Corporation, effective, September 24, 2007. Your current position, VP TD Sol & Alliance Mktg, at the annual base salary of $218,835.74 ($284,486.46 Global Total Target Cash) within NCR Corporation will end, effective September 23, 2007. Your employment with Teradata Corporation in the position, VP TD Sol & Alliance Mktg, at the annual base salary of $218,835.74 ($284,486.46 Global Total Target Cash) will begin on September 24, 2007. Your employment with NCR Corporation will be recognized as service credit within Teradata Corporation for purposes of seniority, vacation, and other benefits where length of service is a variable.

Attachment A. includes employment documents using the Teradata Corporation name. These documents are part of your consideration for the position, salary and benefits you will receive from the new Teradata Corporation. Please sign, date, and return them no later than August 31, 2007 to your local HR Consultant.

Please sign and date this letter in the area provided below, and return it to your local HR Consultant no later than August 31, 2007, to acknowledge this confirmation of the transfer of your employment.

We are very optimistic about the opportunities ahead for Teradata Corporation. We look forward to your enthusiastic contributions to Teradata Corporation's continuing success.

Sincerely,

Bill Nuti
CEO, NCR

Sincerely,

Mike Koehler
CEO, Teradata

Attachment A: Teradata Corporation CORPORATE Employment Documents

****

I understand my employment is being transferred from NCR Corporation to Teradata Corporation.

John Dinning SIGNATURE — DATE (MM/DD/YYYY): 09/04/2007

For Teradata Corporation: HR CONSULTANT SIGNATURE — DATE (MM/DD/YYYY): 9/25/07

Signed Document Destination: Employee Personnel File

ATTACHMENT A.

Teradata Corporation

IMPORTANT ! REQUIRED DOCUMENTS CHECKLIST IMPORTANT !

Teradata Corporation REQUIRED PAPERWORK CHECKLIST

√	CORPORATE- Required Forms	Action Required
☐	- Teradata Confirmation of Employment Letter	Please sign and date the "Confirmation of Employment" letter, indicating your understanding of the transfer. Return the signed and dated original in the envelope provided **within 3 business days to: Local HR Office/HR Consultant**
☐	- Teradata Employment Agreement	Please review and sign the agreement and return the original document.
☐	- Teradata Consent to the Collection of Personal Data -	Please review and sign the agreement and return the original document.
☐	- Teradata Non-Disclosure agreement	Please review and sign the agreement and return the original document.
☐	- Teradata Variable Pay Summary – 2007 - - Business Performance Plan - - Solutions Compensation Plan	Please review and sign the agreement and return the original document.
☐	- Code of Conduct Document	Please review and sign the agreement and return the original document.

Teradata Corporation

Protection of Trade Secrets Agreement

1. **Special Position:** The Employee recognizes that the Employee shall be employed in a sensitive position that involves a relationship of trust and confidence. During the course of the Employee's employment or hiring, the Employee may receive, develop, otherwise acquire, have access to or become acquainted with trade secrets or other confidential and sensitive information relating to the business of Teradata Corporation. In this regard, the Employee understands and hereby agrees that the term "trade secrets" shall include, but not be limited to, customer lists, all information stored in Teradata Corporation database such as notes, and proposals, historical sales, pricing strategies, marketing campaigns that were executed for customers, overall pricing strategy, customer contracts, revenue share percentages, all devices, methods, techniques, compilations, processes, product specifications, future plans, costs, financial information and data, training materials and information, customer files, pricing structure, pricing lists, job lists, bidding information, software data, vendor suppliers' lists and contact persons, market analysis, marketing plans, cost and pricing information, labor rates and piece-work prices, the names, buying habits or practices of any of Teradata Corporation's customers, know-how, vendors, suppliers, or employees, information regarding association memberships that includes but is not limited to information about trade and insurance associations, the costs of materials, written business records, business files, computer data, business operating forms, documents, specifications, plans, and compilations of information concerning the business, customers or employees of Teradata Corporation. If it is at any time determined that any of the information or materials identified above are, in whole or in part, not entitled to protection as trade secrets, the parties agree that they shall nevertheless be considered and treated as confidential information that is protected under this Agreement, in the same manner as trade secrets, to the maximum extent permitted by law. The Employee understands and acknowledges that all such trade secrets or other confidential information, or any copy, extract or summary thereof, whether originated or prepared by or for the Employee or otherwise coming into the Employee's knowledge or possession, is and shall remain the exclusive property of Teradata Corporation. The Employee agrees that the Employee will not directly or indirectly use or cause the use of any trade secret or confidential information in a manner that conflicts with the best interests of Teradata Corporation.

2. **Agreement Not To Disclose.** The Employee shall not, at any time during the term of this Agreement or after its termination, disclose to others, either directly or indirectly, or take or use for the Employee's own purposes or the purposes of others, either directly or indirectly, any trade secret or any confidential information, knowledge, data or know-how of Teradata Corporation. The Employee understands and acknowledges that these restrictions shall also apply to trade secrets, confidential information, knowledge, data or know-how conceived, originated, discovered or developed by the Employee within the scope of the Employee's employment or hiring. The Employee understands and acknowledges that this obligation applies not only to technical information and customer information, but also to any business information that Teradata Corporation treats as confidential.

3. **Property Of Teradata Corporation.** All trade secrets and confidential information, whether prepared by the Employee or otherwise coming into the Employee's possession or control, shall remain the exclusive property of Teradata Corporation. The Employee understands and acknowledges that all company documents including but not limited to reports, drawings, designs, business plans and proposals, or contracts that come into the Employee's possession by reason of the Employee's employment or hiring by Teradata Corporation are the exclusive property of Teradata Corporation, and shall not be used in any way that is or may be adverse to Teradata Corporation's interests. The Employee shall not deliver, transfer, reproduce, copy, or provide any

such property of Teradata Corporation to any third party, nor cause any such occurrence, without the specific written consent of an officer of Teradata Corporation. Upon the termination of the Employee's employment or whenever required by Teradata Corporation, the Employee shall immediately deliver to Teradata Corporation all property and materials in the Employee's possession or under the Employee's control belonging to Teradata Corporation, including, but not limited to, all trade secrets and confidential information of Teradata Corporation and any documents or materials that describe or refer to such trade secrets and/or confidential information.

4. **Trade Secrets**. The Employee acknowledges that the information listed as "trade secrets" above, as well as other information regarding Teradata Corporation's customers and business, is confidential and constitutes trade secret, commercially sensitive, and proprietary information. While employed by Teradata Corporation, and following separation of employment from Teradata Corporation, Employee will not, directly or indirectly, use this or any other trade secret information to solicit any of Teradata Corporation's customers or use Teradata Corporation's trade secret information to negotiate with any of Teradata Corporation's customers, or to disrupt, damage, impair, or interfere with Teradata Corporation's business. Employee acknowledges that Teradata Corporation's business is international in scope and, consequently, the restriction on the Employee's use of trade secrets shall apply without regard to geography. Subject to the limitations noted herein, the Employee is not, however, restricted from being employed by or engaged in any type of business following the termination of the Employee's employment relationship with Teradata Corporation.

5. **Equitable Relief.** The Employee understands and acknowledges that the trade secrets and confidential information of Teradata Corporation are of a special, unique, unusual, extraordinary, and intellectual character, which gives them a particular value, the loss of which cannot be reasonably compensated in damages in an action at law. The Employee understands and acknowledges that in addition to any other rights or remedies that Teradata Corporation may possess, Teradata Corporation shall be entitled to injunctive and other equitable relief to prevent a breach of this Agreement by the Employee.

Employee Signature: _____

Name Printed: John Dinning

Date: 09/04/2007

MM/DD/YYYY

For Teradata Corporation:

Signature: _____

Name Printed: ERIC DELL

Date 9/25/07

MM/DD/YYYY

Document Destination: Teradata Corporation Employee Personnel File

Teradata Corporation

Employment Agreement

In consideration of my employment, and unless otherwise agreed upon in writing, I agree:

1. Teradata agrees to employ me, as a full or part-time employee, with duties and responsibilities as may be determined by Teradata from time-to-time at its sole discretion. I agree to devote my entire time and best efforts to performing the tasks and duties of my position.

2. Teradata may change the rate, form and frequency of compensation at any time at its discretion. Teradata and I hope the employment relationship will be successful and long lasting, but I recognize that it is impossible to predict the future or to be assured of permanent job security. I understand that my employment is at will and can be ended by either Teradata or myself, with or without cause at any time or for any reason, and nothing in this document or other employment document modifies the at-will nature of my employment.

3. To the extent permitted by law, Teradata may deduct and retain from any compensation due me, at any time, the value of all property of Teradata which may be broken, destroyed or lost by my negligence or carelessness and the amount of any indebtedness owed by me to Teradata.

4. Teradata has rules and policies that are guides to assist the company. I understand the company can change those rules and policies as necessary, and without notice.

5. If a non-exempt employee, I will not perform work on an overtime basis, or outside the regular working hours established by Teradata, unless I am specifically authorized to perform such work by a supervisor.

6. I will devote my full time and energy toward the performance of the duties and responsibilities assigned to me, which may be changed at any time and from time to time; and I will refrain from engaging directly or indirectly in any activity or business transaction for myself or for any other person, whether or not for remuneration, direct or indirect, contingent or otherwise adversely affect the proper discharge of my duties with, and responsibilities to Teradata.

7. **(A.)** That, both during and after my employment, (a) I will fully disclose to Teradata or its successors, designees, or assigns all inventions and creations which I may make or conceive during my employment, both alone and jointly with others, where such inventions or creations (i) are made or conceived during company time or with company resources, or (ii) relate to the business or activities of Teradata, without regard to the place or time at which they are made or conceived; (b) I will assign to Teradata or its successors, designees, or assigns all rights, title and interest in such inventions and creations and in all patents, patent applications, and the like that result from such inventions and creations; (c) I will sign all papers and perform all acts requested by Teradata or its successors, designees, or assigns for the purposes of securing, perfecting, asserting and defending its rights in and resulting from such inventions and creations; and (d) Teradata, at its discretion, may choose not to pursue certain actions (such as filing patent applications) to which it might be entitled with respect to such inventions and creations and, in so choosing, does not release me from any of the obligations set forth above.

   (B.) That all works of authorship I may make in the course or within the scope of my employment constitute works made for hire under applicable copyright law; and (b) that, in the event that applicable law holds otherwise with respect to any of such works of

authorship, I hereby grant to Teradata (including its successors, designees, and assigns) in exchange for such employment an exclusive, worldwide, royalty-free, irrevocable, and perpetual license to reproduce, publicly display (and perform), distribute, and create derivative works of all such works of authorship, and to sublicense, transfer, and assign this license to others in whole or in part.

(C.) To respect all trade and service marks owned or used by Teradata and to use such marks only as prescribed by Teradata's corporate policies and procedures.

(D.) To keep strictly confidential and to treat as trade secret, both during and after my employment, (i) all information of any type related to the business or activities of Teradata, where such information is not otherwise publicly available, and (ii) all information of any type related to the business or activities of any third party, where Teradata has an obligation to safeguard such information; (b) when instructed in the course of my job duties to disclose any such information to any person or entity, (i) to disclose only the information necessary for achieving the business purpose for which disclosure is required, and (ii) to do so only in a manner that complies with Teradata's corporate policies and procedures; and (c)during my employment, (i) to refrain from receiving or using any confidential information from any source where such receipt or use would constitute misappropriation of such information, and (ii) to immediately report to the Teradata law department the receipt of any information for which I suspect such receipt or use might constitute misappropriation.

8. That upon termination of my employment, I will comply with the Nondisclosure Agreement, and will surrender to Teradata all material which I then possess or have under my control which relates in any way to the business or activities of Teradata or its customers, or which is developed during company time or with company resources, and that I will not destroy, retain, transfer or copy any such material.

9. For one year after termination, I will not, on behalf of myself or any other party, solicit for hire or hire any employee of Teradata or Teradata's affiliate companies, or any former employee who was employed by Teradata or its affiliates during the last two years of my employment with Teradata.

10. This document, along with the other documents included in the Confirmation of Employment Package, sets out the employment agreement with Teradata. If there is a conflict between this document and any other document or oral promise, the terms of this document govern.

11. The failure of Teradata at any time to require performance of any of my obligations under this Agreement shall not affect Teradata's right to enforce any provision of this Agreement at subsequent time.

12. Unless otherwise prohibited by local law, this Agreement shall be governed by the laws of the State of Ohio, in the United States of America.

Employee:

Signature

Printed Name

Date: 09/04/2007

For Teradata Corporation:

By: _____
Signature

Printed Name

Date: 9/25/07

Document Destination: Teradata Corporation Employee Personnel File

Teradata Corporation

Consent to Collection of Personal Data - Policy Statement

During the course of your employment with Teradata Corporation ("Teradata"), Teradata will collect personal data concerning you and maintain such data in both automated and paper form. Such data will be transferred to centralized, automated systems at Teradata's headquarters in United States of America.

The personal data contained in these records will be supplied by both you and agents of Teradata, such as Human Resources Personnel and your managers. These records will be maintained solely for business purposes, including, but not limited to, payroll and compensation processing, identifying your business location and the departmental unit to which you are assigned, the nature of your work assignments, the area of your expertise or experience, your performance appraisals, your career progression, your completion of skill assessments or coursework, and any other data necessary for administration of personnel-related functions.

Teradata is committed to maintaining the privacy and accuracy of its employees' personnel records. In accordance with Teradata Corporation's Data Protection Policy, you have the right to review records maintained by the company containing your personal data. You also have the right to correct any data or records pertaining to you which contain inaccurate data. You should direct your request to view the company's records containing your personal data to the Human Resources Consultant for your organization or facility, who may in turn forward your request to the appropriate Systems Administrator or Records Custodian.

Teradata Corporation maintains the privacy of personnel records by limiting access to such records. Access is limited to those within the company having a valid business "need to know". In some limited situations, such as employee benefits programs and payroll administration, Teradata Corporation engages outside firms to assist Teradata in the administration of employee-related programs. In those cases, Teradata only transfers to third parties such employee personal data as is necessary for the administration of the particular program. Teradata Corporation maintains a high level of system security on its automated systems containing employee personal data, and similarly requires such security from any third party firms to which Teradata transfers employee personal data.

By signing below, you consent to the company's maintenance of personnel records on you, and acknowledge your right to review and correct any such records. You additionally consent to the transfer of any personal data to Teradata that has been collected and maintained by NCR Corporation in automated and paper form.

EMPLOYEE:

Signature: _____ **Date:** 09/04/2007
MM/DD/YYYY

Employee Printed Name: John Dunning

For Teradata Corporation:

Signature: _____ **Date:** 9/25/07
MM/DD/YYYY

Printed Name: T/L Dell

Document Destination: Teradata Corporation Employee Personnel File

Teradata Corporation

Variable Pay Summary

Business Performance Plan

If you have been or will be provided a confirmation of employment with Teradata Corporation, and your variable pay is currently determined through the NCR Business Performance Plan, (BPP) this memorandum will confirm that the components of that plan are incorporated by reference for the remainder of the 2007 compensation period. The BPP target incentive percentage attached to your position and grade is further incorporated by reference as part of the transfer of your employment from NCR Corporation, Teradata Division, to Teradata Corporation.

Following the public spin-off of Teradata Corporation, the BPP Plan and incentive target percentage will continue as your operative variable pay compensation document with Teradata Corporation for the reminder of the 2007 calendar year. Since Teradata will be an independently traded company metrics based on the performance of Teradata Corporation will be applied for the remainder of 2007 and going forward.

I understand the BPP and target incentive percentage in effect on the date of spin-off will continue as operative documents for my employment with Teradata Corporation through the remainder of the 2007 compensation period, and that any bases of measurement will be revised and converted to Teradata Corporation metrics.

Employee:

Signature: _____ Date: 09/04/2007
MM/DD/YYYY

Printed Name: _____

Document Destination: Teradata Corporation Employee Personnel File

Teradata Corporation

Code of Conduct

This memorandum will confirm that the components of the Code of Conduct are incorporated by reference for the remainder of the 2007 calendar year. The Code of Conduct document you signed during Q1, 2007, indicating review and approval of the NCR Code of Conduct, is further incorporated by reference as part of the transfer of your employment from NCR Corporation, Teradata Division to Teradata Corporation.

Following the public spin-off of Teradata Corporation, the Code of Conduct document signed in early 2007 will continue as your operative guidance with Teradata Corporation for the reminder of the 2007 calendar year.

I understand the Code of Conduct documents executed during my employment with NCR Corporation in effect on the date of public spin-off will continue as operative documents for my employment with Teradata Corporation through the remainder of the 2007 calendar year.

Employee:

Signature: _____ Date: 09/04/2007
MM/DD/YYYY

Printed Name: _____ Date: _____

Document Destination: Teradata Corporation Employee Personnel File

TERADATA
Raising Intelligence

CONFIDENTIAL

December 9, 2011

Dear John Dinning,

I am delighted to notify you that you have been selected for the Product Marketing & Management, VP vacancy within Teradata. I am certain that you will be a key contributor to this organization. On behalf of my team, we look forward to having you join us.

Job Title:	Product Marketing & Management, VP
Job Grade:	17
Reports To:	Scott Gnau
Anticipated Start Date:	December 19, 2011
Work Location:	San Diego, CA – CA1238

Base Salary and Incentives: Your new gross salary will be $260,000.00 annually; this equates to a weekly rate of $5,000.00.

In addition to your base salary, you will be eligible to participate in Teradata's Annual Incentive Plan (AIP). Teradata's AIP is a performance-based annual incentive program based on year-end revenue and profit results achieved by Teradata, as well as your individual performance against your business objectives. As such, AIP awards are subject to discretionary adjustment based on performance as outlined in the guidelines. You have an AIP target incentive opportunity of 30% of your eligible earnings, pro-rated for the number of months in role, which would bring your total targeted annual compensation to $338,000.00. The bonus is paid in the first calendar quarter following the plan year. The AIP calculation and payment process is fully outlined in the AIP guidelines, which are incorporated by reference.

Geo Differential: CA
In addition to your salary, you are eligible for supplemental pay (CA metro area) in the amount of $833.33 on a bi-weekly basis, or $20,000.00 on an annual basis. This amount is in addition to your base salary, is taxable, and will be treated as normal income. This supplement will be discontinued when you are no longer located in the CA area. This adder will begin when you physically move to San Diego.

Relocation:
You will be eligible for relocation benefits under Teradata's Relocation Policy. This relocation benefit includes a $25,900.00 lump sum cash payment (minus applicable taxes) and may include other payments and reimbursements. Upon acceptance of this offer your relocation process will be initiated and a relocation counselor will be in contact with you to discuss your personal relocation needs. Meanwhile, please do not incur any relocation expenses or initiate any relocation plans until you have discussed your situation with your assigned relocation counselor. Teradata will recover relocation expenses from you should you voluntarily leave Teradata within one year of your relocation. Please read the relocation repayment agreement carefully. You will be required to sign and return this agreement before any relocation funds are released. By signing this offer letter you will indicate your agreement to Teradata's stipulations about relocation expenses. In line with IRS code to receive favorable tax treatment for moving expenses paid by Teradata you must complete your relocation within 12 months of your start date.

Mortgage Subsidy:
You will be given a 5 year mortgage subsidy. AIReS pays the subsidy directly to the lender and the interest rate you pay will be reduced on a declining scale over a 5 year period. The Company will pay 5% in year one, 4% in year two, 3% in year three, 2% in year four and 1% in year five. After five years, you will assume the full note rate of the mortgage. This program is available only through the relocation department of Wells Fargo Bank. You must initiate this subsidy within 12 months from your move date to San Diego.

Home Fix-up Allowance:
You will be eligible to receive up to $1,500 for cosmetic improvements that are made to increase the marketability of your home to compete favorably in the marketplace. Improvements may include such items as painting, landscaping, carpet cleaning, etc. In order to qualify for this allowance, you must list you home with an AIReS approved real estate agent. To receive reimbursement, you'll need to submit a completed expense report, along with approved receipts. Reimbursement will be processed as soon as you've advised me that you've listed your home within the established guidelines.

Equity Awards:

Contingent upon your acceptance of this offer you will be granted an equity award with a total value of $200,000 to be delivered in Service-Based Restricted Stock Units as described below. The effective date of the grant will be the first day of the month following your start date in this position ("Equity Effective Date").

Service-Based Restricted Stock Units

On the Equity Effective Date, Teradata will grant you Service-Based Restricted Stock Units (the "Units") with a value of $200,000. The actual number of Units shall be determined by taking the value of the award and dividing it by the average closing price of Teradata common stock for the twenty (20) trading days immediately preceding, but not including, the Equity Effective Date. The result shall be rounded to the nearest whole unit.

The Units will vest in full three years from the Equity Effective Date, subject to your continued employment with Teradata at that time. The Units will be subject to standard terms and conditions determined by the Committee.

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 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@teradata.com.

I believe that this position will offer you many challenges and opportunities for growth. In addition, be assured that we will provide you with support as you take on these new challenges.

Congratulations and welcome to the team! Please indicate your acceptance of this offer by signing below and returning it to the Global Staffing Organization via facsimile at 513-719-9530. We will discuss an appropriate transition upon receipt.

Teradata Relocation Repayment Agreement
(To be Completed for Permanent Transferees and New Hires)

Must be Completed and Submitted with the Offer packet to Receive Relocation Monies

Employee Name	Social Security #	Effective Date of Transfer
Transfer From (City/State)	Transfer to (City/State)	Business Phone

In accordance with my new position with the company, and pursuant to the Teradata Relocation Policy, I am eligible to receive reimbursement and/or advances for certain relocation expenses. Prior to receiving any reimbursements and/or advances, and as consideration for the payment and/or advancement of expenses, I agree to and understand the following:

- If I voluntarily terminate my employment with Teradata within one (1) year from the date of first disbursement of any relocation monies, I will repay 100% of the relocation reimbursements and allowances provided to me, including all expenses which were billed directly to Teradata.
- If I voluntarily cancel my relocation for whatever reason, I will repay all relocation reimbursements and allowances provided during the relocation process, including all expenses which were billed directly to Teradata.
- My expenses will be reimbursed in accordance with the applicable Relocation Reimbursement policy. I will complete the necessary expense forms within thirty days of incurring the expense. If I fail to complete the expense forms on a timely basis I will not be eligible for reimbursement of the expenses..
- Any dispute concerning this policy, or the application of the relocation policy or my relocation expenses, will be subject to the Dispute Resolution Policy which exists at the date of my relocation.
- This repayment provision does not constitute a contract of employment or a guarantee of employment for one year or otherwise. This Agreement does not alter or amend the other employment-related agreements I have executed. I understand that employment with Teradata is at-will at all times, including but not limited to the first year after relocation.

Employee Signature	Date
	11/12/19

I look forward to your response. Should you have any questions or need any assistance, please contact Jeanne Pierce at (858) 485-3856. Jeanne will make the necessary arrangements to ensure any additional questions you may have are addressed, so you are able to make an informed decision.

Sincerely,

Scott Gnau
Teradata Labs, President

I accept the offer at the terms described above.

Signature 12/6/11 Date

I decline the offer at the terms described above.

Signature Date

TERADATA | THE BEST DECISION POSSIBLE

10000 Innovation Drive.
Dayton, OH 45342

PERSONAL AND CONFIDENTIAL

June 11, 2013

Oliver Ratzesberger
3369 Da Vinci Ct
San Jose, CA 95148

Dear Oliver,

I am delighted to extend to you this offer of employment within the Teradata Corporation. Your position title is SVP-Software, Teradata Labs and reporting to me. I am anticipating your employment to commence on July 15, 2013, contingent upon Teradata's receipt of appropriate results from your background investigation and drug test. Your gross salary will be $350,000.00 annually; this equates to a weekly rate of $6,730.77. Because we operate on a bi-weekly pay schedule, you will be paid two weeks salary five days following the close of each pay cycle. Additional details regarding your overall compensation and benefits program are outlined in Attachment A.

This offer of employment is contingent upon your agreement to certain ***Conditions of Employment*** as outlined in Attachment B. Upon your acceptance of this employment offer, please read the instructions and contents of Attachment B then sign and return *all pages* of this letter in the envelope provided within 3 business days of the receipt of this letter.

Oliver, I am enthusiastic about the contributions you will bring to the Teradata team, and I certainly hope you will decide to join us. I believe this opportunity represents a chance for you to extend your professional career in an exciting and rewarding Teradata environment.

If you have any questions regarding the details of this offer, please contact Jeanne Pierce at (858) 485-3856. Jeanne will make the necessary arrangements to ensure any additional questions you may have are addressed, so you are able to make an informed decision.

Sincerely,

Scott Gnau
President, Teradata Labs
Enclosures

ATTACHMENT A
INCENTIVES AND BENEFITS

Annual Incentive Plan:
In addition to your base salary, you will be eligible to participate in Teradata's Annual Incentive Plan (AIP). Teradata's AIP is a performance-based annual incentive program based on financial and strategic performance results achieved by Teradata, as well as your individual performance against your business objectives. As such, AIP awards are subject to discretionary adjustment based on performance as outlined in the guidelines. You have an AIP target incentive opportunity of 50% of your eligible earnings, pro-rated for the number of months in role, which would bring your total targeted annual compensation to

OR
6/17/2013

$525,000.00. The bonus is paid in the first calendar quarter following the plan year. The AIP calculation and payment process is fully outlined in the AIP guidelines, which are incorporated by reference.

Teradata Benefits:
When you begin employment with Teradata you will have the opportunity to elect benefits for yourself and your eligible dependents retroactive to your first day of employment. If you do not make any benefit elections, you will be provided core coverage for yourself only, as of your hire date. Teradata core benefit coverage includes:

Teradata Health Care Coverage, Teradata Dental Care Coverage, Short-Term and Long-Term Disability Coverage, Life Insurance Coverage, and Accidental Death and Dismemberment Insurance Coverage.

You will have the opportunity to design your own personalized benefit elections through the company's flexible benefits program 10-15 days after Teradata establishes your payroll record. After Teradata receives your signed offer letter and employment paperwork, the Benefits Center will send an email to your work email address with information on how to enroll in Teradata's benefits plans. You should receive this email within a few days of your first day of employment. You will have 30 days to make benefit elections and to enroll eligible dependents, whose coverage will be made retroactive to your date of hire. Annual enrollment is traditionally conducted in November each calendar year. At that time, you will have an opportunity to make benefits elections for the following year.

Additionally, you will be eligible to participate in the Teradata Savings Plan (401k), and the Teradata Stock Purchase Plan. Information about each program is available on the Fidelity NetBenefits website, accessible once you begin employment.

Signing Bonus:
You are eligible to receive a signing bonus in the amount of $150,000 (minus applicable taxes). This sum is only payable after completion of thirty (30) days of continuous and satisfactory service with Teradata Corporation. If you resign your position within twenty four (24) months of your first day of employment with Teradata you will be required to repay the signing bonus in the full amount.

Relocation:
You will be eligible for relocation benefits under Teradata's Relocation Policy. This relocation benefit includes a $25,900 lump sum cash payment (minus applicable taxes) and may include other payments and reimbursements. Upon acceptance of this offer your relocation process will be initiated and a relocation counselor will be in contact with you to discuss your personal relocation needs. Meanwhile, please do not incur any relocation expenses or initiate any relocation plans until you have discussed your situation with your assigned relocation counselor. Teradata will recover relocation expenses from you should you voluntarily leave Teradata within one year of your relocation. Please read the relocation repayment agreement carefully. You will be required to sign and return this agreement before any relocation funds are released. By signing this offer letter you will indicate your agreement to Teradata's stipulations about relocation expenses.

Vacation Exception:
Under Teradata's vacation policy you are entitled to receive paid vacation days and holidays. You will receive five weeks of vacation, prorated which will allow for ten vacation days and two floating holidays in your year of hire given your start date of July 15, 2013. All vacation accrues on a prorated basis throughout the year and vests monthly on the first day of each month. Additionally, Teradata recognizes the following as paid holidays:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

Equity Awards:

OR
6/17/2013

Contingent upon your acceptance of this offer you will be granted an equity award with a total value of $600,000 to be delivered in Service-Based Restricted Stock Units as described below. The effective date of the grant will be September 1, 2013 ("Equity Effective Date").

Service-Based Restricted Stock Units

On the Equity Effective Date, Teradata will grant you Service-Based Restricted Stock Units (the "Units") with a value of $600,000. The actual number of Units shall be determined by taking the value of the award and dividing it by the average closing price of Teradata common stock for the twenty (20) trading days immediately preceding, but not including, the Equity Effective Date. The result shall be rounded to the nearest whole unit.

The award will vest in three equal installments on the first three anniversaries of the Equity effective date, subject to your continued employment with Teradata at that time. The Units will be subject to standard terms and conditions determined by the Teradata Compensation Committee.

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 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@teradata.com.

2013/2014 Cycle: Your initial target long term incentive opportunity shall be equal to or greater than $400,000. The award will be granted in late November/early December 2013 and apportioned to awards in the same manner as other similarly situated Teradata employees and as determined and approved by the Committee in its sole discretion.

After the 2013/2014 Cycle: Your target long-term incentive opportunity shall be established by the Committee, in its sole discretion, based on its evaluation of performance, competitive peer and industry data, and other relevant factors.

OR
6/17/2013

ATTACHMENT B
CONDITIONS OF EMPLOYMENT

Teradata requires employment candidates to successfully complete various employment documentation and processes. This offer of employment is conditional upon your satisfying and agreeing to the criteria which follow: drug screening test, all pre-employment verification, U.S employment eligibility, Teradata mutual agreement to arbitrate all employment related claims, Teradata consent to collection of personal data, and the Teradata employment agreement. You assume any and all risks associated with terminating any prior or current employment, or making any financial or personal commitments based upon Teradata's conditional offer.

1. **Drug Screening Test:**
   This offer of employment is conditioned upon your taking a urine drug screen test and our receipt of negative results from that test. By accepting this offer and these conditions you are giving Teradata permission to release the results to Teradata designated officials.

   Please see the Drug Screening Test bullet on the Teradata Required Paperwork Checklist in this hire packet for further instructions.

2. **Pre-Employment Verification:**
   This offer of employment is conditioned upon the verification of your background to include the following: education and employment history, Social Security Number validation, criminal history, credit history, national sex offender search, and Global Sanctions check. Depending on job responsibilities, some positions may require that your driving record is also satisfactory.

3. **U.S. Employment Eligibility:**
   Pursuant to the terms of the Immigration and Control Act of 1986, Teradata can only hire employees if they are legally entitled to work and remain in the United States.

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

5. **Teradata Consent to Collection of Personal Data:**
   As a condition of employment you must read, understand and agree to the enclosed document, *Teradata Consent to Collection of Personal Data.* The Teradata *Consent to Collection of Personal Data* apprises you of personal data collection practices.

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

7. **Teradata Code of Conduct & Conflicts of Interest Certifications for New Hires:**
   Teradata requires that each new associate read the Teradata Values Statement and Code of Conduct and certify his/her reading of it and his/her commitment to comply with it. Teradata also requires that each new associate disclose in writing all actual and potential conflict of interest circumstances which pertain to him/her and certify that he/she has disclosed all conflict of interest circumstances in writing to Teradata. These requirements apply to both new associates who are hired as employees and new associates engaged as individual independent staff contractors.

OR
6/17/2013

Generally, these certifications should be provided by each new associate within 30 days after his/her start-date. Sometimes a new associate may require more time to provide these certifications (for example, if he/she does not yet have a Teradata computer, Teradata email address, or online access to Teradata networks/systems), in which case he/she may provide the certifications later. But, Teradata policies require that in all events the certifications must be provided by no later than 90 days after the new associate's start-date.

New associates can provide these certifications and disclosures by either: (a) completing the online Teradata Code of Conduct training and certification module through the Teradata University e-learning system; or (b) manually completing and submitting the form below. We prefer that it be done through the online Teradata University module.

Teradata University can be accessed from the Teradata employee intranet web home page (http://teradatanet.teradata.com) under the "Sites" tab >> Learning >> Teradata University. Once on the Teradata University web site, you will find Code of Conduct under the Curriculum Status section on the home page. Click on the title then click on the Go to Content button.

The Code of Conduct training and certification module on Teradata University includes links to the Teradata Values Statement and Code of Conduct and instructions for the conflicts of interest disclosure. The Teradata Values Statement and Code of Conduct, as well as Teradata policies and related ethics and compliance documents and information can be accessed by associates through the following internal-Teradata web page:
http://iis.teradatanet.teradata.com/teradatanet/codeofconduct.asp; and the Values Statement and Code of Conduct can be accessed through the following external-Teradata web page:
http://www.teradata.com/t/code-of-conduct/.

Teradata requires that each Teradata associate re-certify the same each year. Teradata will distribute information about the annual Code of Conduct and Conflicts of Interest certification process to all associates by email, employee web-site/portal announcements and/or employee e-newsletter announcements. The annual re-certification typically will occur in the October/November time frame of each year and typically will be done electronically. New associates still will need to complete the annual all-associate online certification, even if he/she completed the new-hire certification earlier in the same year.

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Only new associates who do not complete the certifications and disclosures online through the above-described module on Teradata University and the instructions in that module should complete, sign and submit copies of the following form to their manager, their Teradata Human Resources representative and HR Service Center We also recommend that the new associate retain a copy of his/her certification and disclosures (e.g. a copy of the completed form below or a copy of the completion-acknowledge page from the online module).

OR
6/17/2013

Accepting this Offer of Employment:
By accepting and signing Teradata's offer of employment you certify to Teradata that you are not subject to a non-competition agreement with any company which would preclude or restrict you from performing the position being offered in this letter. We also advise you of Teradata's policy of respecting the intellectual property rights of other companies. You should not bring with you to your Teradata position any documents or materials designated as confidential, proprietary or trade secret by another company, nor in any other way disclose trade secret information.

This letter reflects the general description of the terms and conditions of your employment with Teradata, and is not a contract of employment for any definite duration of time. The employment relationship with Teradata is by mutual consent ("Employment at Will"). This means either you or Teradata have the right to discontinue the employment relationship with or without cause at any time and for any reason.

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

Teradata Employment Offer June 6, 2013 to Oliver Ratzesberger:

I accept:

SIGNATURE

6/17/2013
DATE: (MM, DD, YY)

Oliver G Ratzesberger
PRINTED NAME (FIRST NAME, MIDDLE INITIAL, LAST NAME)

SSN

I decline:

SIGNATURE

DATE: (MM, DD, YY)

PRINTED NAME (FIRST NAME, MIDDLE INITIAL, LAST NAME)

OR
6/17/2013

Exhibit 21

Subsidiaries of Teradata Corporation
December 31, 2016

Entity	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 Chile Holdings LLC	Delaware
Teradata Colombia Holdings LLC	Delaware
Teradata Egypt Holdings LLC	Delaware
Teradata India Holdings LLC	Delaware
Teradata Indonesia Holdings LLC	Delaware
Teradata International Services LLC	Delaware
Teradata Mexico Holdings LLC	Delaware
Teradata Netherlands Holdings LLC	Delaware
Teradata New Zealand Holdings LLC	Delaware
Teradata Philippines LLC	Delaware
TD Nameholder Corporation	Delaware
Teradata de Argentina S.R.L.	Argentina
Teradata Australia Pty Ltd	Australia
Teradata GmbH	Austria
Teradata (Barbados) IP Holdings SRL	Barbados
Teradata Belgium SNC	Belgium
Teradata Bermuda IP Holdings L.P.	Bermuda
Teradata Financing Holdings L.P.	Bermuda
Teradata Bermuda Holdings ULC	Bermuda
Teradata Bermuda Operations Holdings ULC	Bermuda
TRDT Brasil Tecnologia Ltda.	Brazil
TRDT Brasil Holdings Ltda.	Brazil
Teradata Information Systems (Beijing) Limited	China
Teradata Canada ULC	Canada
Teradata Chile Tecnologías de Información Limitada	Chile
TDC Colombia Limitada	Colombia
Teradata Czeska republika spol. s r.o.	Czech Republic
Teradata Danmark ApS	Denmark
Teradata Egypt WLL	Egypt
Teradata Finland Oy	Finland
Teradata France S.A.S.	France
Teradata GmbH	Germany
Teradata Germany Holdings GmbH	Germany
Teradata (Hong Kong) Limited	Hong Kong

Exhibit 21

Entity	Organized under the laws of
Teradata Magyarorszag Kft.	Hungary
Teradata India Private Limited	India
Lunexa Advantage Knowledge Processing Services Private Limited	India
PT. Tdata Indonesia	Indonesia
Teradata Ireland Limited	Ireland
Teradata Ireland Holdings L.P.	Ireland
Teradata Ireland Operations L.P.	Ireland
Teradata International Sales Limited	Ireland
Teradata Italia S.r.l.	Italy
Teradata Japan Ltd.	Japan
Teradata Korea Co., Ltd.	Korea
TData Corporation (Malaysia) Sdn. Bhd.	Malaysia
Teradata Solutions México, S. de R.L. de C.V.	Mexico
Teradata de México, S. de R.L. de C.V.	Mexico
Teradata Netherlands B.V.	Netherlands
Teradata Finance Company 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 Chile Tecnologías de Información Limitada – Sucursal Perú	Peru
Teradata Philippines, LLC, Manila Branch	Philippines
Teradata GCC (Philippines), Inc.	Philippines
Teradata Polska Sp. z o.o.	Poland
“Teradata” LLC	Russia
Teradata Saudi Arabia LLC	Saudi Arabia
Teradata (Singapore) Pte. Ltd.	Singapore
Teradata Iberia SL	Spain
Teradata Sweden AB	Sweden
Teradata (Schweiz) GmbH	Switzerland
Teradata Taiwan LLC, Taiwan branch	Taiwan
Teradata (Thailand) Co., Ltd.	Thailand
Teradata Bilisim Sistemleri Limited Sirketi	Turkey
Teradata (UK) Limited	United Kingdom
Big Data Partnership Limited	United Kingdom

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-146409, No. 333-146410, No. 333-146475, No. 333-181217, and No. 333-211257) of Teradata Corporation of our report dated February 27, 2017 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/PricewaterhouseCoopers LLP
Atlanta, Georgia
February 27, 2017

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECURITIES EXCHANGE ACT RULE 13a-14

I, Victor L. Lund, certify that:

1. I have reviewed this annual report on Form 10-K of Teradata Corporation;

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

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

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

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

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

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

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

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

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

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

Date: February 27, 2017

/s/ Victor L. Lund

Victor L. Lund

Director, President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECURITIESEXCHANGE ACT RULE 13a-14

I, Stephen M. Scheppmann, certify that:

1. I have reviewed this annual report on Form 10-K of Teradata Corporation;

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

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

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

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

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

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

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

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

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

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

Date: February 27, 2017

/s/ Stephen M. Scheppmann

Stephen M. Scheppmann

Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TOSECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Teradata Corporation, a Delaware corporation (the "Company"), on Form 10-K for the year ended December 31, 2016 as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company does hereby certify, pursuant to 18 U.S.C. § 1350 (section 906 of the Sarbanes-Oxley Act of 2002), that:

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

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

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

Date: February 27, 2017

/s/ Victor L. Lund

Victor L. Lund

Director, President and Chief Executive Officer

Date: February 27, 2017

/s/ Stephen M. Scheppmann

Stephen M. Scheppmann

Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

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