

PAR TECHNOLOGY CORP  
Form DEF 14A  
April 23, 2010

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934

Filed by the Registrant ☒ x

Filed by a Party other than the Registrant ☐ o

Check the appropriate box:

- ☐ o Preliminary Proxy Statement
- ☐ o Confidential, for the Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☒ x Definitive Proxy Statement
- ☐ o Definitive Additional Materials
- ☐ o Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

PAR Technology Corporation

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(Name of Registrant as Specified in Its Charter)

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(Name of Person(s) Filing Proxy Statement, if Other Than Registrant)

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- ☒ x No fee required.
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(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

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REVOCABLE PROXY

PAR TECHNOLOGY CORPORATION  
ANNUAL MEETING OF SHAREHOLDERS

May 26, 2010

10:30 AM

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned shareholder of PAR TECHNOLOGY CORPORATION hereby appoints JOHN W. SAMMON, CHARLES A. CONSTANTINO and SANGWOO AHN or any one of them, jointly or severally, proxies with full power of substitution, to vote all shares of Common Stock of the Company which the undersigned is entitled to vote at the 2010 Annual Meeting of Shareholders to be held on Wednesday, May 26, 2010 at 10:30 AM, Local Time, at The Mandarin Oriental Hotel, Boston; 776 Boylston Street; Boston, MA 02199, and at any adjournment thereof, for the election of Directors set forth and more particularly described in the accompanying Notice of Annual Meeting and Proxy Statement and upon such other matters that may properly come before the meeting.

ELECTRONIC DELIVERY OF FUTURE SHAREHOLDER COMMUNICATIONS

If you would like to help conserve natural resources and reduce the costs incurred by PAR TECHNOLOGY CORPORATION in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically over the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet or telephone and, when prompted, indicate that you agree to receive or access shareholder communications electronically in future years. If you are voting by paper ballot, please check the box where indicated and provide your email address.

PLEASE COMPLETE, DATE, SIGN, AND MAIL THIS INSTRUCTION CARD PROMPTLY IN THE  
ENCLOSED POSTAGE-PAID ENVELOPE OR PROVIDE YOUR INSTRUCTIONS TO VOTE VIA  
THE INTERNET OR BY TELEPHONE.

(Continued, and to be marked, dated and signed, on the other side)

FOLD AND DETACH HERE

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PAR TECHNOLOGY CORPORATION - ANNUAL MEETING, MAY 26, 2010:

YOUR VOTE IS IMPORTANT!

Proxy Materials and the Company's Annual Report are available on-line at:  
<http://www.partechnology.com/en/about/investor/par-annual-reports.html>

You can vote in one of three ways:

1. Call toll free 1-866-213-1445 on a Touch-Tone Phone and follow the instructions on the reverse side. There is NO CHARGE to you for this call.

or

2. Via the Internet at <https://www.proxyvotenow.com/ptc> and follow the instructions.

or

3. Mark, sign and date your proxy card and return it promptly in the enclosed envelope.

PLEASE SEE REVERSE SIDE FOR VOTING INSTRUCTIONS

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[ X ] PLEASE MARK VOTES  
AS IN THIS EXAMPLE

REVOCABLE PROXY

Annual Meeting of Shareholders

PAR TECHNOLOGY CORPORATION

May 26, 2010

1. ELECTION OF DIRECTORS For Withhold For All Except  
All  
[ ] [ ] [ ]

Nominees for a 3 year term:

(01) Dr. John W. Sammon

(02) Mr. Charles A. Constantino

INSTRUCTION: To withhold authority to vote for any nominee(s), mark "For All Except" and write that nominee(s) name(s) or number(s) in the space provided below.

The Board of Directors recommends a vote "FOR" proposal 1.

Mark here if you plan to attend the meeting [ ]

Mark here for address change and note change [ ]

UNLESS OTHERWISE INSTRUCTED ABOVE, THE SHARES REPRESENTED HEREBY WILL BE VOTED IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE BOARD OF DIRECTORS SET FORTH ABOVE.

ELECTRONIC DELIVERY OF PROXY [ ]

MATERIALS: If you wish to receive future annual reports and proxy materials via the internet, please indicate by checking the box at right and providing your email address below

If signing as attorney, executor, administrator, trustee or guardian, please give full title as such and if signing for a corporation, please give your title. When shares are in the name of more than one person, each should sign the proxy.

Please be sure to date and sign this instruction card in the box below.

Sign above

Date

IF YOU WISH TO PROVIDE YOUR INSTRUCTIONS TO VOTE BY TELEPHONE OR INTERNET, PLEASE  
READ THE INSTRUCTIONS BELOW

FOLD AND DETACH HERE IF YOU ARE VOTING BY MAIL  
PROXY VOTING INSTRUCTIONS

Shareholders of record have three ways to vote:

1. By Mail; or
2. By Telephone (using a Touch-Tone Phone); or
3. By Internet.

A telephone or Internet vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed, dated and returned this proxy. Please note telephone and Internet votes must be cast prior to Midnight, May 25, 2010. It is not necessary to return this proxy if you vote by telephone or Internet.

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Vote by Telephone

Call Toll-Free on a Touch-Tone Phone anytime prior to Midnight, May 25, 2010:  
1-866-213-1445

Vote by Internet

anytime prior to  
Midnight, May 25, 2010 go to:  
<https://www.proxyvotenow.com/ptc>

Please note that the last vote received, whether by telephone, Internet or by mail, will be the vote counted.

ON-LINE PROXY MATERIALS: <http://www.partech.com/en/about/investor/par-annual-reports.html>

Your vote is important!

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Dr. John W. Sammon  
Chairman, President & Chief Executive Officer

PAR Technology Corporation  
8383 Seneca Turnpike  
New Hartford, NY 13413

April 23, 2010

Dear Shareholders:

You are invited to attend PAR Technology Corporation's 2010 Annual Meeting of Shareholders to be held on Wednesday, May 26, 2010, at 10:30 AM. We are proud to hold the meeting at one of our PAR Springer-Miller customer locations, the Mandarin Oriental Hotel, Boston; 776 Boylston Street, Boston, Massachusetts 02199. During the Annual Meeting we will present a report on our operations, followed by discussion and voting on the matters set forth in the accompanying Notice of Annual Meeting and Proxy Statement and discussion on other business matters properly brought before the meeting. There will also be time for questions.

This booklet includes the Notice of Annual Meeting and Proxy Statement. In addition to describing the business we will conduct at the meeting, the Proxy Statement provides information about PAR that is of interest to all shareholders.

We hope you will be able to attend the Annual Meeting. Due to recent amendments to New York Stock Exchange Rules, broker discretionary voting has been eliminated in connection with uncontested election of directors. As a result your participation in voting is more important than ever before. Whether or not you plan to attend, you can ensure that your shares are represented at the meeting by promptly voting and submitting your proxy by Internet or by telephone, or by completing, signing, dating and returning your proxy form in the enclosed prepaid envelope.

Sincerely,

/s/John W. Sammon  
John W. Sammon





PAR Technology Corporation  
8383 Seneca Turnpike; New Hartford, NY 13413-4991

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON WEDNESDAY, MAY 26, 2010

Dear PAR Technology Shareholder:

The Annual Meeting of Shareholders (the “Meeting”) of PAR Technology Corporation, a Delaware corporation (the “Company”) is scheduled to be held at the Mandarin Oriental Hotel, Boston; 776 Boylston Street, Boston, Massachusetts 02199 (see map on back cover) on Wednesday, May 26, 2010, at 10:30 AM, local time, for the following purposes:

1. To elect two (2) Directors of the Company for a term of office to expire at the 2013 Annual Meeting of Shareholders;
2. To transact such other business as may properly come before the Meeting or any adjournments or postponements of the Meeting.

The Board of Directors set March 26, 2010 as the record date for the Meeting. This means that owners of the Company's Common Stock at the close of business on March 26, 2010 are entitled to receive this notice and to vote at the Meeting or any adjournments or postponements of the Meeting. We will make available a list of shareholders as of the close of business on March 26, 2010 for inspection by any shareholder, for any purpose relating to the Meeting, during normal business hours at our principal executive offices, 8383 Seneca Turnpike; New Hartford, New York 13413, for ten (10) days prior to the Meeting. This list will also be available to shareholders at the Meeting.

Due to recent amendments to New York Stock Exchange Rules, broker discretionary voting has been eliminated in connection with uncontested election of directors. As a result, every shareholder's participation in voting is more important than ever before.

Every shareholder's vote is important. Whether or not you plan to attend the Meeting, we request you vote as soon as possible. Most shareholders have the option of voting their shares by telephone or on the Internet. If such methods are available to you, voting instructions are printed on your proxy card or otherwise included with your proxy materials. You may also vote by the traditional means of completing and returning the enclosed proxy card in the enclosed postage prepaid envelope. If you vote by the telephone or Internet, there is no need to return your proxy card.

The proxy solicited hereby may be revoked at any time prior to its exercise by: i) executing and returning to the address set forth above a proxy bearing a later date; ii) a later dated vote by telephone or on the Internet; iii) by giving written notice of revocation to the Secretary of the Company at the address set forth above; or iv) by attending the Meeting and voting in person.

BY ORDER OF THE BOARD OF DIRECTORS

/s/Gregory T. Cortese

Gregory T. Cortese  
Secretary

New Hartford, New York  
April 23, 2010

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PAR Technology is concerned about our environment and preserving our world's natural resources. When you are finished with the use of this document, please be considerate of the environment and recycle.

PAR Technology Corporation  
8383 Seneca Turnpike; New Hartford, NY 13413-4991

April 23, 2010

PROXY STATEMENT  
FOR  
ANNUAL MEETING OF SHAREHOLDERS

GENERAL INFORMATION

The enclosed proxy is solicited by the Board of Directors of PAR Technology Corporation (the “Board”), a Delaware corporation (the “Company”) for use at the Annual Meeting of Shareholders (the “Annual Meeting” or “Meeting”) to be held at 10:30 AM, local time, on Wednesday, May 26, 2010, at the Mandarin Oriental Hotel, Boston; 776 Boylston Street, Boston, Massachusetts 02199, and at any postponement or adjournment of the Meeting. The approximate date on which this Proxy Statement and the accompanying form of proxy are first being sent or given to shareholders is April 23, 2010.

Purpose of Meeting

At the Meeting the Shareholders will be asked to consider and vote on the following matters:

1. To elect two (2) Directors of the Company for a term of office to expire at the 2013 Annual Meeting of Shareholders;
2. To transact such other business as may properly come before the Meeting or any adjournments or postponements of the Meeting.

The proposal for the election of Directors is described in more detail in this Proxy Statement.

Record Date, Voting Rights, Methods of Voting

Only shareholders of record at the close of business on March 26, 2010 will be entitled to notice of and to vote at the Meeting or any postponements or adjournments of the Meeting. As of that date, there were 14,862,366 shares of the Company's Common Stock, par value \$0.02 per share (the “Common Stock”) outstanding and entitled to vote. The holders of shares representing 7,431,184 votes, represented in person or by proxy, shall constitute a quorum to conduct business.

Each share of Common Stock entitles the shareholder to one vote on all matters to come before the Meeting including the election of the Directors. Shareholders may vote in person or by proxy. Shareholders of record can vote by telephone, on the Internet, by mail or by attending the Meeting and voting by ballot. If you are a beneficial shareholder, please refer to your proxy card or the information forwarded by your bank, broker or other holder of record to identify which options are available to you. If you vote by telephone or on the Internet you do not need to return your proxy card. Telephone and Internet voting facilities for shareholders of record will be available 24 hours a day, and will close at 3:00 a.m. on May 26, 2010.





A shareholder's right to attend the Meeting and vote in person will not be precluded or in any way affected by the method by which the shareholder has voted. The last vote of the shareholder is controlling. If shares are held in the name of a bank, broker or other holder of record, the shareholder must obtain a proxy, executed in their favor, from the holder of record to be able to vote at the Meeting. All shares that have been properly voted and not revoked will be voted at the Annual Meeting. When proxies in the form enclosed are returned properly executed, the shares represented by the proxies will be voted in accordance with the directions of the shareholder. If you sign and return your proxy card, but do not specify your voting instructions, the shares represented by that proxy will be voted as recommended by the Board of Directors. The proxy solicited hereby may be revoked at any time prior to its exercise by executing and returning to the address set forth above a proxy bearing a later date or later dated vote by telephone or on the Internet, by giving written notice of revocation to the Secretary of the Company at the address set forth above, or by attending the Meeting, withdrawing the proxy and voting in person.

Due to recent amendments to New York Stock Exchange Rules, broker discretionary voting has been eliminated in connection with uncontested election of directors. As a result, every shareholder is encouraged to participate in voting.

#### Voting

A shareholder may, with respect to the election of the Directors: (i) vote "FOR" the nominees named herein, or (ii) "WITHHOLD AUTHORITY" to vote for any or all such nominees. The election of the Directors requires a plurality of the votes cast. Accordingly, withholding authority to vote for a Director nominee will not prevent the nominee from being elected.

#### Electronic Access to Proxy Materials and Annual Report

The Company's 2009 Annual Report and this Proxy Statement are available on the Company's Web site at <http://www.partech.com/en/about/investor/par-annual-reports.html>. Accessing proxy materials via the Internet, will not only help preserve environmental resources, but will also allow for faster access to proxy materials, save the Company the cost of producing and mailing documents, and reduce the amount of paper received in the mail. Instead of receiving paper copies of next year's Proxy Statement and Annual Report by mail, shareholders can elect to receive future proxy materials electronically via the Internet.

Shareholders of record may enroll in the electronic proxy and Annual Report access service for future Annual Meetings of Shareholders either by emailing their request to [investor\\_relations@partech.com](mailto:investor_relations@partech.com) with the words "On-Line Proxy Materials" in the subject line or when voting their shares for this year's annual meeting. If you vote via telephone or the Internet, simply follow the prompts for that selection. When voting using a paper ballot, simply mark the box on the proxy card and provide your email address where indicated. Street name shareholders who wish to enroll for electronic access should review the information provided in the proxy materials mailed to them by their bank or broker.

#### Proxy Solicitation Costs

In addition to soliciting shareholder proxies through the mail service, the Company may be assisted by its directors, officers, employees and certain stockholders in the solicitation of proxies. Such solicitation may be conducted personally, by telephone or by facsimile transmission. No additional compensation will be received by such individuals for this service. The Company will bear the cost of the solicitation of proxies, including the charges and expenses of brokerage firms and others forwarding the solicitation material to beneficial owners of shares of the Company's Common Stock.

The Company's Annual Report to its shareholders for the year ended December 31, 2009, including audited consolidated financial statements, accompanies this Proxy Statement. Except to the extent expressly provided herein, the Company's Annual Report is not incorporated in this Proxy Statement by reference.

## Proposal 1: Election of Directors

Pursuant to the Company's Certificate of Incorporation, the members of the Board of Directors (the "Board") are divided into three (3) classes with approximately one-third of the Board standing for election at each Annual Meeting. The Directors are elected for a three-year term of office, and hold office until their respective successors have been duly elected and qualified or until their resignation or removal, if earlier. In 2007, there were two (2) Class III Directors elected to hold office until the 2010 Annual Meeting of Shareholders. Therefore, at this Meeting, two (2) Directors will be elected for a three-year term expiring at the Annual Meeting held in 2013. The nominees of the Board of Directors for the Class III Director positions, Dr. John W. Sammon and Charles A. Constantino, are currently members of the Board and have been nominated for election by the Board upon recommendation of the Nominating and Corporate Governance Committee and each has consented to stand for re-election.

The Board has no reason to believe that either of the nominees will be unable or unwilling to serve if elected. In the event that either of the nominees shall become unable or unwilling to accept nomination or election as a Director, it is intended that such shares will be voted, by the persons named in the enclosed proxy, for the election of a substitute nominee selected by the Board, unless the Board should determine to reduce the number of Directors pursuant to the By-Laws of the Company.

The Board of Directors unanimously recommends a vote FOR the proposal to elect Dr. Sammon and Mr. Constantino. Unless a contrary direction is indicated, shares represented by valid proxies which are not marked so as to withhold authority to vote for the nominees will be voted FOR the election of the nominees.

## DIRECTORS AND CORPORATE GOVERNANCE

## DIRECTORS

The names of the nominees and each of the Directors continuing in office, their ages as of April 23, 2010 (the approximate date on which this Proxy Statement and the accompanying form of proxy are first being sent or given to shareholders), the year each first became a Director and the expiration of their current term in office are set forth in the following table which is followed by a brief biography.

N o m i n e e s   f o r Director	Age	Director Since	Term Expires
Dr. John W. Sammon	71	1968	2010 Annual Meeting of Shareholders
C h a r l e s   A . Constantino	70	1970	2010 Annual Meeting of Shareholders
Continuing Directors	Age	Director Since	Term Expires
Kevin R. Jost	55	2004	2011 Annual Meeting of Shareholders
James A. Simms	50	2001	2011 Annual Meeting of Shareholders
Sangwoo Ahn	71	1986	2012 Annual Meeting of Shareholders
Dr. Paul D. Nielsen	59	2006	2012 Annual Meeting of Shareholders

Sangwoo Ahn. Mr. Ahn is presently a member of the Board of Directors of Furmanite Corporation, a position he has held since 1989 (prior to May 2007, Furmanite Corporation was known as Xanser Corp). Within the last five years, Mr. Ahn has served as the Chairman of the Board of Quaker Fabric Corporation and as a member of the Board of Directors of Kaneb Services, LLC. In addition, Mr. Ahn was one of the founders of the investment banking firm of Morgan Lewis Githens and Ahn, Inc. (now Morgan Joseph & Co., Inc.). In addition to his board leadership experience, Mr. Ahn brings a sophisticated financial background and is a financial expert within the meaning of the rules of the SEC, and brings his knowledge of public accounting, corporate reporting and risk management. Mr. Ahn is a member of Class II of the Company's Board and has been a Director of the Company since 1986.

Charles A. Constantino. Mr. Constantino has held the position of Executive Vice President since 1974 and was elected to the position of Vice Chairman of the Board in 2009. Mr. Constantino holds various positions with subsidiaries of the Company. Mr. Constantino is also a member of the Board of Directors of Veramark Technologies, Inc. Mr. Constantino has served the Company in various capacities for over 40 years. He has significant relationships within the markets in which the Company participates and brings diversified business experience and expertise in customer relations, leadership development and strategic planning. Mr. Constantino is a member of Class III of the Company's Board and has been a Director of the Company since 1970.

Kevin R. Jost. Mr. Jost is a member of the Board of Directors of Furmanite Corporation, a position to which he was appointed in March 2010. Mr. Jost is the former President (retiring in 2008) of Honeywell Imaging and Mobility (formerly Hand Held Products, Inc.), a global supplier of data collection and management solutions for in-premises, mobile and transaction processing applications. Mr. Jost had been the President and Chief Executive Officer of Hand Held Products since its inception as a separate entity in 1999 until its acquisition in 2007 by Honeywell International, Inc. Mr. Jost brings his global technology business experience, his executive and organizational development experience, strategic planning and diversified business knowledge. Mr. Jost is a member of Class I of the Company's Board and has been a Director of the Company since 2004.

Dr. Paul D. Nielsen. Dr. Nielsen has been Director and CEO of the Software Engineering Institute ("SEI") at Carnegie Mellon University since 2004. Prior to joining SEI, Dr. Nielsen served as a major general in the U.S. Air Force, where he was the commander of the Air Force Research Laboratory and Technology Executive Officer for the Air Force. Dr. Nielsen brings his substantial experience in the military, scientific, technological and academic communities as well as leadership development and oversight experience. Dr. Nielsen is a member of Class II of the Company's Board and has been a Director of the Company since 2006.

Dr. John W. Sammon. Dr. Sammon is the founder of the Company and has been the President, Chief Executive Officer and a Director since its incorporation in 1968. He was elected Chairman of the Board in 1983. Dr. Sammon is also a former President of the Company's subsidiary, ParTech, Inc., serving in that capacity from 1978 to 1987 and again from December 1997 through June 2000 and currently holds various positions with other subsidiaries of the Company. Dr. Sammon brings an in depth understanding of the Company's business and its customers, leadership experience, strategic planning and broad organizational development expertise. Dr. Sammon is a member of Class III of the Company's Board.

James A. Simms. Mr. Simms has been the Chief Financial Officer and a member of the board of directors of Vicor Corporation since April 2008. Publicly traded Vicor designs, develops, manufactures and markets modular power components and complete power systems primarily for the communications, information technology, industrial control and military electronics markets. Prior to joining Vicor, and since March 2007, Mr. Simms had served as a Managing Director of Needham & Company, LLC, an investment banking firm and registered broker-dealer. From November 2004 to March 2007, he served in a senior executive role with Janney Montgomery Scott LLC, a wholly owned subsidiary of The Penn Mutual Life Insurance Company. Mr. Simms contributes his financial background as well as his experience in strategic planning and oversight. Mr. Simms is a member of Class I of the Company's Board and has been a Director of the Company since October 2001.

## CORPORATE GOVERNANCE

The business of the Company is under the general direction of the Board as provided by the By-Laws of the Company and the laws of the State of Delaware, the state of incorporation.

Director Independence. The Board of Directors has affirmatively determined that the following Directors, comprising all of the non-management directors, are “independent” under the listing standards of the New York Stock Exchange (“NYSE”), the Company’s Standards of Independence and pursuant to the Company’s Corporate Governance Guidelines: Mr. Ahn, Mr. Jost, Dr. Nielsen and Mr. Simms. In order to assist the Board in making this determination, the Board has adopted standards of independence as part of the Company’s Corporate Governance Guidelines which are available on the Company’s website at [http://www.partech.com/pressrel/PAR\\_Corp\\_Gov\\_Guidelines.pdf](http://www.partech.com/pressrel/PAR_Corp_Gov_Guidelines.pdf). These standards identify, among other things, material business, charitable and other relationships that could interfere with a director’s ability to exercise independent judgment. During 2009, there were no transactions, relationships or arrangements with the non-management directors or any entity with which they are affiliated. There are no family relationships between any of the non-employee directors, and any of the Company’s executive officers (“Executive Officers”). The Executive Officers serve at the discretion of the Board.

**Board Meetings and Attendance.** In 2009, the Board held eight (8) meetings and Committees of the Board held a total of twenty-one (21) meetings. Each member of the Board attended at least 75% of the aggregate of all meetings of the Board and the committees on which they served. It is the Company's policy to encourage Directors to attend the Annual Meeting but such attendance is not required. Last year, one member of the Board attended the Annual Meeting.

**Board Leadership Structure.** Dr. Sammon is the current Chief Executive Officer ("CEO") and Chairman of the Board. In addition, the independent Directors have designated an independent lead or Presiding Director with broad authority and responsibility. The Presiding Director, Sangwoo Ahn, presides at regularly scheduled executive sessions of the non-management directors of the Company. Director Ahn chairs and has the authority to call and schedule executive sessions and communicates with the Chairman to provide feedback and recommendations of the independent Directors. The non-management directors met in executive session without any management directors or employees present three times during 2009. Director Ahn is also Chairman of the Audit Committee of the Board and a member of the Executive Committee and Nominating and Corporate Governance Committee. The independent Directors believe that the Company's current model of combined CEO and Chairman in conjunction with the Presiding Director position is the appropriate leadership structure for the Company at this time as it allows one person to lead the Company and the Board, while also providing for effective oversight by an independent Presiding Director. The model of combined CEO and Chairman have served our shareholders well through numerous economic cycles as it provides for an effective means to focus the independent Directors' attention on the issues of greatest importance to the Company and its shareholders. The strength of the Company's independent Directors coupled with its corporate governance policies and practices minimizes the potential conflicts that may result from the Company's current model of the combined CEO and Chairman.

**Board Oversight of Risk Management.** The Company views oversight of risk management as a responsibility of the full Board. Throughout the year, the Board dedicates a portion of its meetings to review and discuss specific risk topics in detail. In addition, twice each year the Board holds a comprehensive review with the management of each business segment at which strategic and operational risks are presented by the leaders of each business unit and discussed with follow up as appropriate. The Audit Committee oversees the Company's risk policies and processes relating to the financial statements and financial reporting processes, including internal controls over financial reporting. The Audit Committee meets regularly with the Company's Internal Audit function, independent public accounting firm and management regarding these matters and the effectiveness of such controls and processes and regularly reports on such matters to the full Board.

#### Committees.

The Board has five (5) standing committees: Executive, Audit, Compensation, Nominating and Corporate Governance and Stock Option. The members of each committee and the number of meetings held by each committee in 2009 are set forth in the following table.

Name	Executive	Audit	Compensation	Nominating and Corporate Governance	Stock Option
Mr. Ahn (*)	X	Chair		X	
Mr. Constantino	X				X
Mr. Jost (*)			Chair		
Dr. Nielsen (*)		X	X	X	
Dr. Sammon	Chair				Chair
Mr. Simms (*)		X	X	Chair	
2009 Meetings	2	5	3	8	3
(*) Independent Director					

Executive Committee. The Executive Committee meets when required on short notice during intervals between meetings of the Board. Subject to the limitations of the General Corporation Law of the State of Delaware; the Company's Certificate of Incorporation; and the Company's By-Laws, the Executive Committee has the delegated authority to exercise all of the powers of the Board in the management and direction of the Company's business and affairs in which specific directions have not been given by the Board.

Audit Committee. Pursuant to its charter, the Audit Committee assists the Board in oversight of management's conduct and representations of the Company's financial reporting processes, its systems of internal control, the audit process, and its processes for monitoring compliance with laws and regulations and the Company's code of ethics and conduct. As required by its charter, the Audit Committee consists of a minimum of three members, each of whom has been determined by the Board to meet the independence standards adopted by the Board. The standards adopted by the Board incorporate the independence requirements of the New York Stock Exchange ("NYSE") Corporate Governance Standards and the independence requirements set forth by the Securities and Exchange Commission ("SEC"). The Board has determined the members of the Audit Committee are "independent" as this term is defined by the NYSE in its listing standards and meet SEC standards for independence of audit committee members and that no member of the Audit Committee has a material relationship with the Company that would render that member not to be "independent". While the Board has determined that Sangwoo Ahn is an "audit committee financial expert" as defined by the SEC, the Charter requires all members of the Committee to be financially literate at the time of their appointment to the Committee or within a reasonable time thereafter. There were five (5) meetings of the Audit Committee during 2009 including meetings held separately with management, and separate Executive Sessions with independent Directors, the Company's internal auditors and the independent registered public accounting firm respectively. The Report of the Audit Committee begins on page 8 of this Proxy Statement.

Compensation Committee. In accordance with its charter, the Compensation Committee is comprised of a minimum of three directors. The Board has determined that each of the members of this committee has met the independence standards adopted by the Board which incorporate the independence requirements under the NYSE listing standards. Meeting as needed, but no less than once per year, the Compensation Committee reviews and approves corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer, evaluates performance in light of those goals and objectives and, either as a committee or together with the other independent directors, as directed by the Board, determines and approves the compensation level (including any long term compensation components) and benefits based on this evaluation. In addition, the recommendations of the Chief Executive Officer regarding the compensation, benefits, stock grants, stock options and incentive plans for all Executive Officers of the Company are subject to the review and approval of the Compensation Committee. The Compensation Committee also reviews and makes recommendations to the Board regarding the level and form of compensation for non-employee Directors in connection with service on the Board and committees of the Board.





Nominating and Corporate Governance Committee. Pursuant to its charter, the Nominating and Corporate Governance Committee is composed of a minimum of three independent directors. The Nominating and Corporate Governance Committee assists the Board in meeting its responsibilities in connection with the identification and recommendation of qualified nominees for election to the Board; developing and recommending to the Board a set of corporate governance principles which comprise the Corporate Governance Guidelines; adopting a corporate code of ethics and conduct embodied in the Company's Code of Business Conduct and Ethics; and monitoring the compliance with, and periodically reviewing and making recommendations to the Board regarding the Company's governing principles and Code of Business Conduct and Ethics. The Board has determined that each of the members of this committee has met the independence standards adopted by the Board which incorporate the independence requirements under the NYSE listing standards.

Stock Option Committee. The Stock Option Committee meets as required and makes recommendations to the Compensation Committee for stock option awards and otherwise serves as the administrative body for the Company's 1995 Stock Option Plan and the 2005 Equity Incentive Plan. Both members of the Stock Option Committee are "disinterested persons" in compliance with the Company's 1995 Stock Option Plan.

Committee Charters. Each of the Audit, Compensation, and Nominating and Corporate Governance Committees operate under a written charter approved by the Board, which is reviewed regularly by the respective committees which may recommend appropriate changes for approval by the Board. Copies of the charters for the Audit, Compensation, and Nominating and Corporate Governance Committees are posted on the Company's website and a printed copy of these documents may be obtained without charge by written request. Requests can be made via the internet or by mail. The respective website and address for making such requests for printed copies of these and other available documents may be found under the heading "Available Information" on page 28 of this Proxy Statement.

Presiding Director and Executive Sessions. The non-management directors have chosen Director Ahn to preside at regularly scheduled executive sessions of the non-management directors of the Company. Among his duties and responsibilities as Presiding Director, Director Ahn chairs and has the authority to call and schedule executive sessions and communicates with the Chairman to provide feedback and recommendations of the independent Directors. The non-management directors met in executive session without any management directors or employees present three times during 2009.

Communication with the Board. Interested parties may send written communication to the Board of Directors as a group, the non-management directors as a group, the presiding director of executive sessions of non-management directors, or to any individual director by sending the communication c/o Gregory T. Cortese, Secretary; PAR Technology Corporation; PAR Technology Park; 8383 Seneca Turnpike, New Hartford, NY 13413. Upon receipt, the communication will be relayed to the Chairman, if it is addressed to the Board as a whole; to Director Ahn, if it is addressed to the presiding director of executive sessions of the non-management directors or to the non-management directors as a group, or to the individual Director, if the communication is addressed to an individual Director. All communications regarding accounting, internal controls and audits will be referred to the Audit Committee. Interested parties may communicate anonymously if they so desire.

Director Nomination Process. The Nominating and Corporate Governance Committee reviews possible candidates for the Board of Directors and recommends the nominees for Directors to the full Board for approval. The Nominating and Corporate Governance Committee considers potential candidates from many sources including shareholders, current Directors, company officers, employees, and others. On occasion the services of a third party executive search firm is used to assist in identifying and evaluating possible nominees for Director. Shareholder recommendations for possible candidates for the Board should be sent to: Nominating and Corporate Governance Committee; c/o Gregory T. Cortese, Secretary; PAR Technology Corporation; PAR Technology Park; 8383 Seneca Turnpike; New Hartford, NY 13413. The Nominating and Corporate Governance Committee screens all potential candidates in the same

manner regardless of the source of the recommendation. In identifying and considering candidates for nomination to the Board, this committee considers the requirements set out in the Nominating and Corporate Governance Committee Charter. These criteria describe specific traits, abilities and experience that are considered in light of the Company's businesses and structure when identifying and evaluating potential nominees for election to the Board, including:

- the highest character and integrity with a record of substantial achievement;
- demonstrated ability to exercise sound judgment generally based on broad experience;
- active and former business leaders with accomplishments demonstrating special expertise
  - skills compatible with the Company's business objectives; and
- diversity reflecting a variety of personal and professional experience and background.

In addition to the non-exhaustive criteria set forth in the Nominating and Corporate Governance Committee Charter, this committee also considers the requirements set forth in the Company's Corporate Governance Guidelines, as well as the quality of experience, the needs of the Company and the range of talent and experience represented on the Board. When considering a candidate, the committee will determine whether requesting additional information or an interview is appropriate. The minimum qualifications and specific qualities and skills required for Directors are set forth in the Company's Corporate Governance Guidelines and Nominating and Corporate Governance Committee Charter. The Company's Corporate Governance Guidelines and the Nominating and Corporate Governance Committee Charter are posted on the Company's website and a printed copy of both documents may be obtained without charge by written request. The website and address to send such requests may be found under the heading "Available Information" on page 28 of this Proxy Statement.

**Code of Business Conduct and Ethics.** To ensure the Company's business is conducted in a consistently legal and ethical manner, all of the Company's Directors and employees, including the Chief Executive Officer, the Chief Financial Officer and all other Executive Officers are required to abide by the Company's Code of Business Conduct and Ethics (the "Code"). The Code is designed to deter wrongdoing and to promote: (a) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (b) full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with or submits to the SEC and other public communications; (c) compliance with applicable governmental laws, rules and regulations; (d) the prompt internal reporting of violations of the Code to the appropriate person(s) identified in the Code; and (e) accountability for adherence to the Code. A printed copy of the Code may be obtained without charge by making a written request to the Company. Information regarding where such requests should be directed can be found on page 28 of this Proxy Statement under the heading "Available Information." The full text of the Company's Code is also available on the Company's website at <http://www.partechnology.com/ptc/ptc-ir-front2.cfm>. The Company intends to disclose future amendments to, or waivers from, provisions of the Code that apply to the Executive Officers and Directors and relate to the above elements by posting such information on its website within five (5) calendar days following the date of such amendment or waiver.

#### REPORT OF THE AUDIT COMMITTEE

The information contained in the following report is subject to the disclaimer regarding "filed" information and incorporation by reference contained on page 27 of this Proxy Statement.

The Audit Committee reports to and acts on behalf of the Board by providing oversight of the Company's financial management, independent registered public accounting firm and financial reporting process. The Company's management is responsible for establishing and maintaining adequate internal financial controls, for preparing the Company's consolidated financial statements in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and for the financial reporting process. The responsibility for auditing the Company's consolidated financial

statements rests with the Company's independent registered public accounting firm, KPMG LLP ("KPMG"). KPMG is responsible for expressing an opinion on the effectiveness of the Company's internal control over financial reporting. In addition, KPMG has the responsibility of providing an opinion as to whether the Company's consolidated financial statements fairly present, in all material respects, the consolidated financial position, results of operations and cash flows of the Company in conformity with U.S. GAAP.

In this context, the Audit Committee has reviewed, met and discussed with management, the Company's internal audit function ("Internal Audit") and KPMG (including private sessions with Internal Audit, KPMG, and the Company's Chief Financial Officer) the audited consolidated financial statements in the Annual Report for the year ended December 31, 2009 (including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the consolidated financial statements); management's assessment of the effectiveness of the Company's internal control over financial reporting; and KPMG's evaluation of the effectiveness of the Company's internal control over financial reporting. Management represented to the Audit Committee that the Company's consolidated financial statements as of and for the fiscal year ended December 31, 2009 were prepared in accordance with U.S. GAAP.

In addition, the Audit Committee has reviewed, met and discussed with KPMG such other matters as are required to be discussed with the Committee by applicable Auditing Standards as periodically amended (including significant accounting policies, alternative accounting treatments and estimates, judgments and uncertainties). KPMG has provided to the Audit Committee the written disclosures and the letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditors and the Audit Committee has discussed with KPMG the matters in those written disclosures and KPMG's independence from the Company and its management. The Audit Committee considered and pre-approved any non-audit services provided by KPMG and the fees and costs billed and expected to be billed by such firm for those services (as shown in the next section of this Proxy Statement). In addition, the Audit Committee considered whether those non-audit services provided by KPMG are compatible with maintaining auditor independence.

In reliance on the reviews and discussions with the Company's management and the independent registered public accounting firm, the Committee is satisfied that non-audit services provided to the Company by KPMG are compatible with and did not impair the independence of KPMG.

Access to the Audit Committee by the Company's internal auditors and by KPMG is unrestricted. The Audit Committee met and discussed with the Company's internal auditors and KPMG the overall scope and plans for their respective audits. The Audit Committee met with the Company's internal auditors and KPMG to discuss the results of their examinations, their evaluations of the Company's internal controls, and their assessment of the overall quality of the Company's financial reporting. These meetings were held both with and without Company management present.

In reliance on the reviews and discussions with both management and KPMG referred to above, the Audit Committee recommended to the Board on March 11, 2010, and the Board approved, the inclusion of the audited consolidated financial statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 for filing with the Securities and Exchange Commission.

This report is provided by the following independent directors, who comprise the Audit Committee.

Sangwoo Ahn  
(Chairman)

Dr. Paul D. Nielsen

James A. Simms

## Fees Paid to Independent Registered Public Accountants

The following table presents fees paid by the Company for professional services by KPMG during the years ended December 31, 2009 and December 31, 2008.

Type of Fees	2009	2008
Audit Fees	\$410,000	\$ 584,000
Audit-Related Fees	0	0
Tax Fees	\$24,000	\$ 165,000
All Other Fees	0	0
Total:	\$434,000	\$ 749,000

The categories of fees in the preceding table, in accordance with the SEC's rules and definitions, are defined as follows:

Audit Fees are fees for professional services rendered for the audit of the Company's consolidated financial statements and review of the interim consolidated financial statements included in quarterly reports and services that are normally provided by the auditor in connection with statutory and regulatory filings or engagements.

Audit-Related Fees are fees principally for audits of consolidated financial statements of employee benefit plans and due diligence services.

Tax Fees are fees for professional services for federal, state and international tax compliance, tax advice and tax planning.

All Other Fees are for any services not included in the first three categories.

The Audit Committee has concluded that the provision of the non-audit services listed above is compatible with maintaining the independence of the Company's independent registered public accounting firm. Consistent with SEC policies regarding auditor independence, the Audit Committee has established a policy to pre-approve all auditing services and permitted non-audit services, including the fees and terms thereof, performed by the independent registered public accounting firm.

One or more representatives of KPMG are expected to be in attendance at the Annual Shareholder Meeting, where they will have the opportunity to make a statement if they so desire, and will be available to answer appropriate questions.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the ownership of the Company's Common Stock as of February 28, 2010 by each Director, by each of the Named Executive Officers and by all Directors and Executive Officers as a group.

Name of Beneficial Owner or Group (1)	Amount and Nature of Beneficial Ownership (2)	Percent of Class (3)
Dr. John W. Sammon	5,493,450(4)	37.06%
Charles A. Constantino	256,950(5)	1.73%
Gregory T. Cortese	180,507(6)	1.20%
Ronald J. Casciano	153,600(7)	1.03%
Sangwoo Ahn	81,100(8)	*
A. Edwin Soladay	69,150(9)	*
James A. Simms	21,100(10)	*
Stephen P. Lynch	13,500(11)	*
Kevin R. Jost	11,134(12)	*
Dr. Paul D. Nielsen	8,600(13)	*
All Directors and Executive Officers as a Group (10 persons)	6,289,091	41.14%
Other Principal Beneficial Owners		
Dimensional Fund Advisors LP		
Palisades West, Building One		
6300 Bee Cave Road		
Austin, TX 78746		
	784,024 (14)	5.29%
Gary S. Siperstein and		
Eliot Rose Asset Management, LLC		
1000 Chapel View Blvd., Suite 240		
Cranston, RI 02920		
	796,769 (15)	5.37%
Prescott Group Capital Management, L.L.C.;		
Prescott Group Aggressive Small Cap, L.P.;		
Prescott Group Aggressive Small Cap II, L.P.		
and Phil Frohlich		
1924 South Utica, Suite 1120		
Tulsa, OK 74104-6529		
	1,516,634(16)	10.23%

\* Represents less than 1%



- (1) Except as otherwise noted, the address for each beneficial owner listed above is c/o PAR Technology Corporation; PAR Technology Park; 8383 Seneca Turnpike; New Hartford, NY 13413-4991.
- (2) Except as otherwise noted, each individual has sole voting and investment power with respect to all shares.
- (3) Percent of Class is calculated utilizing 14,825,116 which is the number of the Company's outstanding shares as of February 28, 2010 and the number of options held by the named beneficial owners, if any, which become exercisable within 60 days thereafter.
- (4) Includes 150 shares held jointly with Dr. Sammon's wife, Deanna D. Sammon. Does not include 71,400 shares beneficially owned by Mrs. Sammon in which Dr. Sammon disclaims beneficial ownership.
- (5) Includes 70,000 shares pledged as security.
- (6) Includes 180,447 shares which Mr. Cortese has or will have the right to acquire pursuant to the Company's stock option plans as of April 29, 2010.
- (7) Includes 147,600 shares which Mr. Casciano has or will have the right to acquire pursuant to the Company's stock option plans as of April 29, 2010.
- (8) Includes 19,100 shares which Mr. Ahn has or will have the right to purchase as of April 29, 2010 pursuant to the Company's stock option plans.
- (9) Includes 69,000 shares which Mr. Soladay has or will have the right to acquire pursuant to the Company's stock option plan as of April 29, 2010.
- (10) Includes 19,100 shares which Mr. Simms has or will have the right to purchase as of April 29, 2010 pursuant to the Company's stock option plans.
- (11) Includes 13,000 shares which Mr. Lynch has or will have the right to acquire pursuant to the Company's stock option plans as of April 29, 2010.
- (12) Includes 9,134 shares which Mr. Jost has or will have the right to purchase as of April 29, 2010 pursuant to the Company's stock option plans.
- (13) Includes 5,600 shares which Dr. Nielsen has or will have the right to purchase as of April 29, 2010 pursuant to the Company's stock option plans.
- (14) Information related to these shareholders was obtained from Schedule 13G/A filed with the SEC on February 10, 2010 by Dimensional Fund Advisors LP a Delaware limited partnership. Dimensional Fund Advisors LP is an investment advisor registered under Section 203 of the Investment Advisors Act of 1940, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager to certain other commingled group trusts and separate accounts (such investment companies, trusts and ac