

DIEBOLD INC
Form 424B3
February 09, 2016
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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-208186

This document has neither been reviewed nor approved by the German Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (BaFin). In connection with the voluntary takeover offer (*Freiwilliges Übernahmeangebot*) that is being made in accordance with the German Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) and applicable regulations to acquire all ordinary shares in Wincor Nixdorf Aktiengesellschaft, Diebold, Incorporated (the Bidder) filed a German language exchange offer document with BaFin, which publication was approved by BaFin on February 4, 2016 (the Offer Document). The Offer Document and an English translation thereof that was neither reviewed nor approved by BaFin were published by the Bidder on February 5, 2016 on the internet at <http://www.Diebold.com> under *Company/Investor Relations*. This document and the English translation of the Offer Document that was published by the Bidder on the internet at <http://www.Diebold.com> on February 5, 2016 are identical in all substantive respects, except that this document includes under 35. *Exhibits* additional sections entitled *Unaudited Condensed Group Interim Financial Statements of Wincor Nixdorf Aktiengesellschaft for the Three Months Ended December 31, 2015 and Selected Explanatory Notes*, *Legal Matters*, *Experts*, *Incorporation by Reference*, and a copy of the Business Combination Agreement. In addition, this document does not include a report pursuant to paragraph 20.2 of Annex I of Commission Regulation (EC) No 809/2004. These modifications do not affect the Offer Document under which the offer is being made. Where this document makes reference to its publication pursuant to the German Takeover Act or that its publication has been approved by BaFin, such reference shall be deemed to relate to the Offer Document only.

Shareholders of Wincor Nixdorf Aktiengesellschaft, particularly shareholders with a place of residence, registered office or habitual abode outside of Germany, should pay particular attention to Section 1 of this Offer Document.

OFFER DOCUMENT

Voluntary Public Takeover Offer

(Combined Cash and Exchange Offer)

by

Diebold, Incorporated

Edgar Filing: DIEBOLD INC - Form 424B3

5995 Mayfair Road, P.O. Box 3077, North Canton, Ohio 44720-8077,

United States

to the shareholders of

Wincor Nixdorf Aktiengesellschaft

Heinz-Nixdorf-Ring 1, 33106 Paderborn,

Germany

to acquire all ordinary bearer shares of Wincor Nixdorf Aktiengesellschaft

without par value for

payment of 38.98

and

0.434 common shares of Diebold, Incorporated

for

each tendered share of Wincor Nixdorf Aktiengesellschaft

Acceptance Period:

February 5, 2016 to March 22, 2016, at 24:00 hours (Central European Time)

Wincor Nixdorf Shares: ISIN DE000A0CAYB2

Tendered Wincor Nixdorf Shares: ISIN DE000A169QN2

Diebold Shares: ISIN US2536511031

Common shares of Diebold, Incorporated are traded on the New York Stock Exchange under the symbol DBD.

The offer is subject to the satisfaction or, where permissible, waiver of certain conditions. Settlement of the offer and payment of the offer consideration will not be made until the regulatory condition has been satisfied (or waived). If the regulatory condition is not satisfied (or waived) on or prior to November 21, 2016, the offer will terminate and settlement will not occur. As a result, settlement of the offer and payment of the offer consideration may be made on a date that is significantly later than the expiration of the offer acceptance period (after which withdrawal rights will cease) or the expiration of the additional acceptance period, or may not occur.

Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission or regulatory authority has approved or disapproved of the securities to be issued in connection with the business

combination or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense under U.S. law.

Information about the exchange offer is contained in this exchange offer document, which we urge you to read. In particular, see Risk Factors beginning on page 1 in Annex 4 of this document.

Prospectus dated February 5, 2016.

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This offer document (the **Offer Document**) describes the voluntary public takeover offer by way of a combined cash and exchange offer (the **Takeover Offer**) made by Diebold, Incorporated, registered under the laws of the state of Ohio, United States and with its principal executive offices at 5995 Mayfair Road, P.O. Box 3077, North Canton, Ohio 44720-8077, United States (the **Bidder** , and together with its subsidiaries and affiliated companies, the **Diebold Group**), to the shareholders of Wincor Nixdorf Aktiengesellschaft, with its registered office in Paderborn, Germany, registered with the commercial register (*Handelsregister*) of the Local Court Paderborn under registration number HRB 6846 (the **Target** or **Wincor Nixdorf** , and together with its subsidiaries and affiliated companies, the **Wincor Nixdorf Group**) (the shareholders of **Wincor Nixdorf**, the **Wincor Nixdorf Shareholders** and the ordinary bearer shares without par value of Wincor Nixdorf with the International Securities Identification Number (**ISIN**) DE000A0CAYB, the **Wincor Nixdorf Shares**).

The Takeover Offer is a voluntary public offer to acquire securities pursuant to the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, the **Takeover Act**) in conjunction with the German Regulation on the Content of the Offer Document, Consideration for Takeover Offers and Mandatory Offers and the Release from the Obligation to Publish and Issue an Offer (*Verordnung über den Inhalt der Angebotsunterlage, die Gegenleistung bei Übernahmeangeboten und Pflichtangeboten und die Befreiung von der Verpflichtung zur Veröffentlichung und zur Abgabe eines Angebots* WpÜG-Angebotsverordnung, the **Takeover Offer Regulation**). The Takeover Offer is exclusively carried out in accordance with German law and applicable provisions of the securities laws of the United States of America (the **United States**), including the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the **Exchange Act**) and the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the **Securities Act**).

Pursuant to applicable U.S. securities laws, including Section 5 of the Securities Act, and Rule 145 thereunder, the Bidder is required to file a registration statement on Form S-4 (the **Registration Statement**) with respect to the common shares (ISIN US2536511031) offered in this Takeover Offer (the **Diebold Offer Shares**). The Takeover Offer may only be settled after the U.S. Securities and Exchange Commission (the **SEC**) declares the Registration Statement effective. Once the Bidder has satisfactorily addressed all SEC comments in an amendment to the Registration Statement, the Bidder may request effectiveness and the SEC will declare the Registration Statement effective. The Diebold Offer Shares will be fully fungible with the other common shares of the Bidder (the Diebold Offer Shares and the other common shares of the Bidder together, the **Diebold Shares**), including with respect to dividend entitlements (based on the Bidder's quarterly dividend distribution) as well as voting rights, and the Diebold Offer Shares will be admitted to trading on the New York Stock Exchange (the **NYSE**) and all Diebold Shares will be admitted to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (**Frankfurt Stock Exchange**). On the basis of the Early Commencement Rule (as defined in Section 10.2.2), the Bidder may begin the Takeover Offer pursuant to a preliminary prospectus filed with the SEC prior to the effectiveness of the Registration Statement (see Section 10.2).

Annex 4 contains information according to Section 2 no. 2 of the Takeover Offer Regulation in conjunction with Section 7 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*, the **Securities Prospectus Act**) and the Commission Regulation (EC) No 809/2004 of April 29, 2004 implementing Directive 2003/71/EC of the European Parliament and of the European Council with regards to information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (the **EU**

Prospectus Regulation). **Annex 4** forms part of this Offer Document and should be read together with the main part of this Offer Document.

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With the exception of **Annex 1** (Financing Confirmation), **Annex 2** (List of Persons Acting in Concert with the Bidder (Subsidiaries of Diebold)), **Annex 3** (List of Persons Acting in Concert with the Target (Subsidiaries of Wincor Nixdorf)), **Annex 4** (Section 2 no. 2 of the Takeover Offer Regulation in conjunction with Section 7 Securities Prospectus Act) and **Annex 5** (Share Price and Liquidity Analysis), there are no further documents that form part of this Offer Document.

With this Takeover Offer, the Bidder is not making any public offer pursuant to any laws other than the laws of Germany and the laws of the United States. Consequently, unless required by mandatory law, no other announcements have been made, and no other registrations, approvals, admissions or authorizations have been applied for or granted, in respect of this Offer Document and/or the Takeover Offer outside Germany or the United States (with respect to the publication and dissemination of the Offer Document please refer to Section 1.5). As a result, the Wincor Nixdorf Shareholders cannot rely upon the application of foreign laws for investor protection.

1.2 Special Information for Wincor Nixdorf Shareholders whose place of residence, seat or habitual abode is in the United States

The Takeover Offer is being made in the United States in reliance on, and in compliance with, applicable provisions of Section 14(e) and Regulation 14E of the Exchange Act. The Takeover Offer refers to shares of a German company and is subject to the legal provisions of the Federal Republic of Germany regarding the implementation and disclosure requirements for such an offer which differ substantially from the corresponding legal provisions of the United States. For example, certain financial information in this Offer Document has been determined in accordance with the International Financial Reporting Standards (the **IFRS**) as adopted by the European Union and may therefore not be comparable to financial information relating to U.S. companies and other companies whose financial information is determined in accordance with the Generally Accepted Accounting Principles of the United States (the **U.S. GAAP**). Furthermore, the payment and settlement procedure with respect to the Takeover Offer will comply with the relevant German rules which differ from payment and settlement procedures customary in the United States, particularly with regard to the payment date of the consideration.

1.3 Publication of the Decision to Launch a Takeover Offer

On November 23, 2015, the Bidder published its decision to launch the Takeover Offer under Section 10 para. 1 sentence 1 Takeover Act. The referenced publication of the Bidder is available on the internet at <http://www.diebold.com/> in the *Investor Relations* section.

1.4 Review of the Offer Document by BaFin

The German Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (the **BaFin**) has reviewed this Offer Document in the German language and has approved its publication on February 4, 2016. The English translation has not been subject to review by the BaFin. No other documents form a part of this Takeover Offer.

This Takeover Offer is exclusively carried out in accordance with German law and certain applicable provisions of the securities laws of the United States (see Section 1.1). Registrations, admissions or approvals of this Offer Document and/or this Takeover Offer under any other laws have not been made so far and are not intended.

1.5 Publication and Dissemination of this Offer Document

The Bidder has published this Offer Document in German in accordance with Sections 34, 14 paras. 2 and 3 Takeover Act on February 5, 2016, by (i) making an announcement on the internet at <http://www.diebold.com/> in the *Investor Relations* section, and (ii) keeping copies available for distribution free of charge for all Wincor Nixdorf Shareholders through Deutsche Bank Aktiengesellschaft, Taunusanlage 12, 60325 Frankfurt am Main, Germany (inquiries by facsimile at +49 69 910 38794 or by email at

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dct.tender-offers@db.com) (the **Settlement Agent**). The Bidder has provided a non-binding English translation to the Wincor Nixdorf Shareholders in the same way. Only the German Offer Document, whose publication has been approved by BaFin on February 4, 2016, has binding effect for this Takeover Offer.

The announcement pursuant to Section 14 para. 3 sentence 1 no. 2 Takeover Act, regarding the availability of this Offer Document through the Settlement Agent for distribution free of charge and the internet address under which this Offer Document is published, was published by the Bidder in the Federal Gazette (*Bundesanzeiger*) on February 5, 2016.

Immediately after approval of the publication of the German Offer Document by BaFin, the non-binding English translation of this Offer Document will be filed by the Bidder with the SEC and will be available electronically through the SEC's Electronic Data Gathering, Analysis and Retrieval (**EDGAR**) system. The English translation of this Offer Document can be located on EDGAR at <http://www.sec.gov/edgar/searchedgar/companysearch.html>. On this website, search for Diebold Inc under company name. The English translation of this Offer Document is also available on the internet at <http://www.diebold.com/> in the *Investor Relations* section. In addition, the Settlement Agent keeps the non-binding English translation for distribution free of charge.

In addition, the U.S. Shareholders of Wincor Nixdorf can request, free of charge, the delivery of the English translation of this Offer Document to the United States either through the aforementioned internet address or by contacting the Settlement Agent using the aforementioned contact details. The Bidder will also announce by way of an English language press release via an electronically operated information distribution system in the United States where copies of this Offer Document will be available free of charge and at which internet address this Offer Document is published. The aforementioned publications serve the purpose of complying with the mandatory provisions of the Takeover Act and of complying with the Securities Act and the Exchange Act. In addition, in the United States, the Bidder has filed a Registration Statement with the SEC that includes a prospectus of the Bidder to be used in connection with the Takeover Offer made to U.S. shareholders of Wincor Nixdorf. After the Registration Statement is declared effective by the SEC, the prospectus will be available electronically through the SEC's EDGAR system at <http://www.sec.gov/edgar/searchedgar/companysearch.html>.

Except as set forth above, no publications of this Offer Document are intended.

This Offer Document has been prepared without taking into account any particular person's objectives, financial situation or needs. Therefore, Wincor Nixdorf Shareholders should, before acting based on the information contained in this Offer Document, consider such information with regard to their personal objectives, financial situation and needs as well as individual tax situation.

This Takeover Offer and this Offer Document shall not constitute the publication of an offer or an advertisement of an offer pursuant to laws and regulations of jurisdictions other than those of Germany and the United States. In particular, this Offer Document, or any summary or excerpt thereof, shall not be directly or indirectly distributed, disseminated or circulated outside Germany or the United States if and to the extent such distribution, dissemination or circulation is not in compliance with applicable foreign regulations, or depends on the issuance of authorizations, compliance with official procedures or any other legal requirements, and such conditions are not satisfied. The Bidder has not approved the publication, sending, distribution or dissemination of the Offer Document or other documents associated with the Takeover Offer by third parties outside the Federal Republic of Germany or the United States. The Bidder is not responsible for ensuring that the publication, distribution, dissemination or circulation of this Offer Document outside Germany and the United States is consistent with the provisions of legal systems other than those of Germany and the United States.

The Bidder makes this Offer Document available, upon request, to the respective custodian securities services companies that hold custody of the Wincor Nixdorf Shares (each, a **Custodian Bank**) for distribution to the Wincor Nixdorf Shareholders with domicile, registered office or habitual abode in Germany, the European Union, the European Economic Area and the United States only. The Custodian

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Banks may not otherwise publish, send, distribute or disseminate this Offer Document, unless this takes place in accordance with all applicable domestic and foreign legal provisions.

1.6 Acceptance of the Takeover Offer outside Germany and the United States

The acceptance of the Takeover Offer outside Germany and the United States may be subject to legal restrictions.

The Takeover Offer may be accepted by all domestic and foreign Wincor Nixdorf Shareholders (including those with domicile, registered office or habitual abode in Germany, the European Union, the European Economic Area and the United States) in accordance with this Offer Document and the relevant applicable legal provisions. Wincor Nixdorf Shareholders who come into possession of this Offer Document outside of Germany and the United States and/or who wish to accept the Takeover Offer outside of Germany and the United States are advised to inform themselves of the relevant applicable legal provisions and to comply with them. Neither the Bidder nor persons acting in concert with the Bidder within the meaning of Section 2 para. 5 sentences 1 and 3 Takeover Act assume responsibility for the admissibility of the acceptance of the Takeover Offer outside of Germany and the United States being permissible under the relevant applicable legal provisions.

Unless required by mandatory law, no action has been or will be taken in any jurisdiction other than Germany or the United States that would permit a public offering of the Diebold Offer Shares, or permit possession or distribution of this Offer Document or any advertising material relating to the Diebold Offer Shares, except as described in Section 1.5.

2. Notes on the Information Contained in this Offer Document

2.1 General

References to the time in this Offer Document refer to local time in Frankfurt am Main, Germany (Central European Time or Central European Summer Time), unless stated otherwise. References to a **Business Day** refer to a day other than a Saturday, Sunday or other day on which banks in Frankfurt am Main, Germany, or New York, New York, United States, are generally closed. To the extent that expressions such as *currently*, *at the present time*, *at the moment*, *now*, *at present* or *today* are used in this Offer Document, they refer to the point in time of publication of the Offer Document, except as otherwise expressly stated.

References to *€* refer to the legal currency of Germany and certain other member states of the European Union as from January 1, 1999; references to *\$* refer to the legal currency of the United States. References to *subsidiaries* relate to subsidiaries within the meaning of Section 2 para. 6 Takeover Act.

The Bidder has not authorized third parties to make statements about the Takeover Offer or this Offer Document. If third parties nevertheless make such statements, such statements shall neither be attributable to the Bidder, nor to persons acting jointly with the Bidder.

2.2 Status and Sources of Information Contained in this Offer Document

Unless expressly noted otherwise, all information and statements on intentions and all other information in this Offer Document are based on the knowledge or the intention of the Bidder at the time of the publication of this Offer Document.

The information regarding Wincor Nixdorf and Wincor Nixdorf Group contained in this Offer Document is based, among other things, on information made available during due diligence that was carried out prior to the conclusion of the Business Combination Agreement (as defined in Section 7.3). The due diligence was limited in time and scope due to the nature of the transaction (public takeover of a listed company); it was carried out between September and November 2015 and covered financial, legal and operational matters (see also Section 7.1). Additional information was provided to the Bidder by Wincor Nixdorf in the course of the preparation of the Registration Statement and this Offer Document, including oral information. In addition, information regarding Wincor Nixdorf and Wincor Nixdorf Group contained in this Offer Document is based on

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publicly accessible sources (such as published annual reports, annual financial statements, prospectuses, press releases or analyst presentations), in particular information published on internet at <http://www.wincor-nixdorf.com>, as well as Wincor Nixdorf's articles of association (**Wincor Nixdorf Articles of Association**) and information derived from the commercial register, and the Business Combination Agreement (as defined in Section 7.3). Beyond the aforementioned due diligence and discussion with Wincor Nixdorf management and advisors, the Bidder did not review all information independently. The Bidder cannot rule out that the information about Wincor Nixdorf and Wincor Nixdorf Group described in this Offer Document has changed since its publication.

2.3 Forward-Looking Statements

This Offer Document and the documents referred to in it contain certain forward-looking statements. These statements do not represent facts and are characterized by words such as *expect*, *believe*, *estimate*, *intend*, *aim*, *assume* or similar words. Such statements express the intentions, opinions or current expectations of the Bidder, persons acting in concert with it within the meaning of Section 2 para. 5 sentences 1 and 3 Takeover Act, as well as their subsidiaries, with respect to possible future events, *e.g.*, regarding possible consequences of the Takeover Offer for Wincor Nixdorf and the Wincor Nixdorf Shareholders or for future financial results of Wincor Nixdorf.

Such forward-looking statements are based on current plans, estimates and forecasts which the Bidder, the persons acting in concert with it within the meaning of Section 2 para. 5 sentences 1 and 3 Takeover Act, as well as their subsidiaries, have made to the best of their knowledge, but which do not claim to be correct in the future.

Forward-looking statements are subject to risks and uncertainties that are difficult to predict and generally cannot be influenced by the Bidder, the persons acting in concert with it within the meaning of Section 2 para. 5 sentences 1 and 3 Takeover Act, as well as their subsidiaries. The forward-looking statements contained in this Offer Document could turn out to be incorrect and future events and developments could considerably deviate from the forward-looking statements contained in this Offer Document.

It is possible that the Bidder may change its intentions and the estimates outlined in this Offer Document after the publication of this Offer Document, subject to existing contractual agreements.

2.4 No Updates

The Bidder will only update this Offer Document to the extent permissible and required under the Takeover Act, and will comply with its obligations under United States law in accordance with the Exchange Act to inform security holders of any material change in the information published, sent or given to security holders. The Bidder will also, as applicable, publish additional accompanying information regarding the Takeover Offer, which will be made available on the internet at <http://www.diebold.com> in the *Investor Relations* section, and will file such information in English on the SEC's website under the link to the EDGAR system described in Section 1.5.

3. Summary of the Takeover Offer

The following summary contains an overview of selected information provided in this Offer Document. It is supplemented by, and should be read in conjunction with, the information and particulars set out elsewhere in this Offer Document. Therefore, this summary does not contain all information that may be relevant for Wincor Nixdorf Shareholders. Thus, Wincor Nixdorf Shareholders should carefully read the entire Offer Document.

Wincor Nixdorf Shareholders, particularly Wincor Nixdorf Shareholders with a place of residence, registered office or habitual abode outside Germany, should pay particular attention to the information set out in Section 1 of this Offer Document, General Information on the Implementation of the Takeover Offer, Particularly for Shareholders with a Place of Residence, Registered Office or Habitual Abode Outside Germany .

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Bidder:	Diebold, Incorporated, 5995 Mayfair Road, P.O. Box 3077, North Canton, Ohio, 44720-8077, United States.
Target:	Wincor Nixdorf Aktiengesellschaft, Heinz-Nixdorf-Ring 1, 33106 Paderborn, Germany.
Subject matter of the Takeover Offer:	Acquisition of all ordinary bearer shares, without par value (<i>auf den Inhaber lautende Stammaktien ohne Nennbetrag</i>) of Wincor Nixdorf with the ISIN DE000A0CAYB2, each representing a pro-rata amount of the share capital of 1.00 and each with full dividend rights and all ancillary rights associated therewith at the time of completion of the Takeover Offer.
Offer Consideration:	<p>For each Wincor Nixdorf Share, 38.98 in cash (the Cash Component) and 0.434 common shares of the Bidder (Diebold Offer Shares) (ISIN US2536511031) (the Share Component), together with the Cash Component, the Offer Consideration).</p> <p>The Diebold Offer Shares will be issued pursuant to a resolution of the board of directors of the Bidder dated as of November 21, 2015, which will authorize certain authorized persons to issue the Diebold Offer Shares on behalf of the Bidder subject to the satisfaction or waiver of certain conditions (as described in the Section <i>Issuance of Diebold Offer Shares</i> below).</p>
Issuance of Diebold Offer Shares:	<p>As of the date of the publication of this Offer Document, the Bidder is authorized to issue up to 125,000,000 common shares each with a par value of \$1.25, of which a total of 79,716,861 common shares have been issued.</p> <p>By resolution of the board of directors of the Bidder dated as of November 21, 2015, the board of directors of the Bidder determined that, subject to the satisfaction or, where permissible, waiver of the Closing Conditions (as defined in Section 11.1), the Diebold Offer Shares be set aside, reserved and authorized for issuance in connection with the consummation of the Takeover Offer. The board of directors of the Bidder further resolved, subject to the satisfaction or, where permissible, waiver of the Closing Conditions (as defined in Section 11.1), among other things, that the Bidder, acting through certain authorized officers or each of them individually, or their designees or agents, be authorized and empowered to issue the Diebold Offer Shares pursuant to and on the terms set forth in the Business Combination Agreement (as defined in Section 7.3) and this Offer Document without further action by the board of directors (the Issuance of Diebold Offer Shares).</p>
Acceptance:	<p>The acceptance of the Takeover Offer must be declared in writing to the respective Custodian Bank within the Acceptance Period (as defined in Section 4.2) or the Additional Acceptance Period (as defined in Section 4.4), respectively. The acceptance will become valid with the timely transfer of the Wincor Nixdorf Shares tendered within the Acceptance Period or the Wincor Nixdorf Shares tendered within the Additional Acceptance Period to ISIN DE000A169QN2 (WKN A16 9QN) at Clearstream Banking AG, Frankfurt (Clearstream).</p> <p>If the acceptance is declared within the Acceptance Period (as defined in Section 4.2) or the Additional Acceptance Period (as defined in Section 4.4) to the</p>

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Custodian Bank, the transfer of Wincor Nixdorf Shares at Clearstream shall be deemed effected on time if the transfer has been effected no later than by

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6:00 p.m. (Central European Time / Central European Summer Time) on the second Business Day after the expiration of the Acceptance Period or after the expiration of the Additional Acceptance Period.

Withdrawal Rights: Prior to the expiration of the Acceptance Period, Wincor Nixdorf Shareholders may at any time withdraw from the agreements that were concluded as a consequence of the acceptance of the Takeover Offer.

Acceptance Period: The Acceptance Period (as defined in Section 4.2) of the Takeover Offer starts on February 5, 2016 and ends on March 22, 2016 at 24:00 hours (Central European Time). This period may be extended.

Additional Acceptance Period: The Additional Acceptance Period (as defined in Section 4.4) is expected to begin on March 30, 2016 and to expire on April 12, 2016, at 24:00 hours (Central European Summer Time).

Closing Conditions: This Takeover Offer and the agreements resulting from its acceptance will only be consummated if the following Closing Conditions (as defined in Section 11.1) are satisfied or effectively waived by the Bidder before the default of the respective Closing Condition (see Section 11.3):

1. Regulatory Condition

After publication of this Offer Document and no later than November 21, 2016, the transactions contemplated by this Takeover Offer have been approved by the competent antitrust authorities (each an **Antitrust Authority**) in the following jurisdictions or the statutory waiting periods in the following jurisdictions have lapsed, with the result that the transactions contemplated by this Takeover Offer may be completed:

(1) Austria, Poland, Portugal, Slovakia and Spain and/or the European Union, if and to the extent the European Commission has authority pursuant to Council Regulation (EC) No. 139/2004 of January 20, 2004;

(2) The United States of America;

(3) Brazil;

(4) China;

(5) Russia; and

(6) Turkey.

2. Registration Statement Condition

The Registration Statement regarding the Diebold Offer Shares:

(1) has been declared effective by the SEC between the publication of this Offer Document and the expiration of the Acceptance Period (as defined in Section 4.2); and

(2) at the expiration of the Acceptance Period is not the subject of any stop order by the SEC pursuant to Section 8(d) of the Securities Act or any proceeding initiated by the SEC seeking such a stop order.

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3. Minimum Tender Condition

At the time of the expiration of the Acceptance Period (as defined in Section 4.2), the sum of the number of

(1) Tendered Wincor Nixdorf Shares (as defined in Section 12.2(2)) (including those Wincor Nixdorf Shares for which the acceptance of this Takeover Offer has been declared during the Acceptance Period (as defined in Section 4.2) but only becomes effective after the end of the Acceptance Period (as defined in Section 4.2) by transferring the Wincor Nixdorf Shares to ISIN DE000A169QN2 (WKN A16 9QN)) for which the right to withdrawal, if any, has not been validly exercised in accordance with this Offer Document,

(2) Wincor Nixdorf Shares held directly by the Bidder, any member of Diebold Group or any person acting in concert with the

Bidder within the meaning of Section 2 para. 5 Takeover Act (excluding, for the avoidance of doubt, any Wincor Nixdorf Treasury Shares),

(3) Wincor Nixdorf Shares that must be attributed to the Bidder or any member of Diebold Group in accordance with Section 30 Takeover Act, and

(4) Wincor Nixdorf Shares for which the Bidder, any member of Diebold Group or any person acting in concert with the Bidder within the meaning of Section 2 para. 5 Takeover Act has entered into an agreement outside of this Takeover Offer, giving them the right to demand the transfer of title of such Wincor Nixdorf Shares,

(Wincor Nixdorf Shares that fall within the scope of several of the Sections 3(1) through (4) are counted only once) equals at least 22,362,159 Wincor Nixdorf Shares (approximately 67.6 percent of all Wincor Nixdorf Shares existing at the time of approval of the publication of this Offer Document by BaFin) (the **Minimum Acceptance Rate**).

4. No Market Material Adverse Change Condition

(1) Between the publication of this Offer Document and the expiration of the Acceptance Period (as defined in Section 4.2), trading on the Frankfurt Stock Exchange shall not have been suspended for more than three consecutive trading days for all shares admitted to trading on the entire Frankfurt Stock Exchange.

(2) Furthermore, the closing quotations of the DAX (ISIN DE0008469008), as determined by Deutsche Börse AG, Frankfurt am Main, Germany, or a successor thereof, and published on its website (currently: www.deutsche-boerse.com), of the two trading days prior to the end of the Acceptance Period (as defined in Section 4.2) are no more than 28.5 percent below the closing quotation of the DAX on the trading day immediately preceding the day of approval of the publication of this Offer Document by BaFin (namely, not below 6,745.90 points).

The Closing Conditions in Sections 4(1) and 4(2) constitute independent Closing Conditions.

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5. No Wincor Nixdorf Material Adverse Change Condition

Between the publication of this Offer Document and the expiration of the Acceptance Period (as defined in Section 4.2) neither

(1) Wincor Nixdorf has published new circumstances pursuant to Section 15 Securities Trading Act (*Wertpapierhandelsgesetz*, the **Securities Trading Act**), nor

(2) circumstances have occurred that would have had to be published by Wincor Nixdorf pursuant to Section 15 Securities Trading Act or that Wincor Nixdorf did not publish because of a self-exception pursuant to Section 15 para. 3 Securities Trading Act,

that, in case of a one-time event, result in a negative effect on the annual EBITDA (as defined in Wincor Nixdorf's annual report for the fiscal year ended September 30, 2015) of Wincor Nixdorf in an amount of at least 50 million, and/or, in case of a recurring event, result in a recurring negative effect on the annual EBITDA (as defined in Wincor Nixdorf's annual report for the fiscal year ended September 30, 2015) of Wincor Nixdorf in an amount of at least 18 million for the fiscal years 2015/2016, 2016/2017 and 2017/2018, or that, in each case, could reasonably be expected to have such effect (**Material Adverse Change**).

Whether a Material Adverse Change has occurred between the publication of this Offer Document and the expiration of the acceptance period will be determined exclusively by an expert opinion of the Independent Expert as set out in greater detail in Section 11.2. If (i) the Independent Expert (as defined in Section 11.2) confirms that a Material Adverse Change has occurred, (ii) this expert opinion of the Independent Expert has been received by the Bidder by the expiration of the acceptance period and (iii) the Bidder has published the receipt and result of this expert opinion of the Independent Expert no later than on the required date of publication pursuant to Section 23 para. 1 sentence 1 no. 2 Takeover Act, the Closing Condition as set out in this Section 5 shall be deemed not satisfied. In all other cases, the Closing Condition as set out in this Section 5 shall be deemed to have been satisfied.

6. No Material Compliance Violation

Between the publication of this Offer Document and the expiration of the Acceptance Period (as defined in Section 4.2) , no criminal or administrative offense (*Ordnungswidrigkeit*) relating to applicable corruption, anti-bribery, money-laundering or cartel laws (such a criminal or material administrative offense, a **Material Compliance Violation**) by a member of a governing body or officer of Wincor Nixdorf or a subsidiary of Wincor Nixdorf, while any such person was operating in their official capacity at, or on behalf of, Wincor Nixdorf or a subsidiary of Wincor Nixdorf is known to have occurred, if any such Material Compliance Violation constitutes insider information for Wincor Nixdorf pursuant to Section 13 Securities Trading Act or has constituted insider information prior to its publication.

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Whether a Material Compliance Violation has occurred between the publication of this Offer Document and the expiration of the acceptance period will be determined exclusively by an expert opinion of the Independent Expert as set out in greater detail in Section 11.2. If (i) the Independent Expert (as defined in Section 11.2) confirms that a Material Compliance Violation has occurred, (ii) this expert opinion of the Independent Expert has been received by the Bidder by the expiration of the acceptance period and (iii) the Bidder has published the receipt and result of the expert opinion of the Independent Expert no later than on the required date of publication pursuant to Section 23 para. 1 sentence 1 no. 2 Takeover Act, the Closing Condition as set out in this Section 6 shall be deemed not satisfied. Otherwise, the Closing Condition as set out in this Section 6 shall be deemed to have been satisfied.

7. No Increase of Share Capital; No Issuance of Wincor Nixdorf Treasury Shares

Between the publication of this Offer Document and the expiration of the Acceptance Period (as defined in Section 4.2):

- (1) Wincor Nixdorf shall not have increased its share capital; and

- (2) Wincor Nixdorf shall not have granted, delivered, sold, committed to sell or to transfer, or in any other way disposed of any or all of the Wincor Nixdorf Treasury Shares (as defined in Section 6.2.2).

The Closing Condition in Sections 7(1) and 7(2) constitute independent Closing Conditions. For the avoidance of doubt, the issuance of new stock options to management directors and employees does not constitute a default of this Closing Condition, even if in principle such stock options could be satisfied by delivery of treasury shares or conditioned capital pursuant to the terms and conditions of the existing stock option plans.

8. No Over-Indebtedness or Insolvency

Between the publication of this Offer Document and the expiration of the Acceptance Period (as defined in Section 4.2), Wincor Nixdorf does not publish pursuant to Section 15 Securities Trading Act that:

(1) Insolvency proceedings under German law have been opened in respect of the assets of Wincor Nixdorf or the management board of Wincor Nixdorf has applied for such proceedings to be opened; or

(2) There are grounds that would require an application for the opening of insolvency proceedings.

The Closing Conditions in Sections 8(1) and 8(2) constitute independent Closing Conditions.

9. No Superior Competing Offer

Between the publication of this Offer Document and the expiration of the Acceptance Period (as defined in Section 4.2), no competing offer by a third party within the meaning of Section 22 Takeover Act was announced pursuant to Section 10 para. 1 sentence 1 Takeover Act which according to an ad hoc notification by Wincor Nixdorf pursuant to Section 15 Securities Trading Act, (i) offers an overall consideration exceeding the consideration offered by this Takeover Offer, or (ii) is otherwise determined by the management board and the supervisory board of Wincor Nixdorf to be in the best interest of Wincor Nixdorf.

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10. No Prohibition or Illegality of the Takeover Offer or of the Business Combination

At the expiration of the Acceptance Period (as defined in Section 4.2), no temporary restraining order or preliminary or permanent injunction or other order of a competent governmental authority has been issued and is still in force or continues to exist in

- (1) a member state of the European Union;
- (2) the United States of America;
- (3) Brazil;
- (4) China;
- (5) Colombia;
- (6) Russia;
- (7) Turkey;
- (8) Canada;
- (9) Australia; or

(10) Japan

and prohibits or makes unlawful the business combination or the acquisition or direct or indirect ownership of Wincor Nixdorf Shares through the Bidder or Diebold KGaA and as a result prevents consummation of the Takeover Offer.

Settlement:

The Settlement Agent will arrange that all Diebold Offer Shares created through the Issuance of Diebold Offer Shares will be transferred through Clearstream and the respective Custodian Banks to the securities custody account of the Wincor Nixdorf Shareholders who accepted the Takeover Offer. The Settlement Agent will also arrange for the Cash Component to be credited through Clearstream and the respective Custodian Banks.

Prior to the time of delivery of the Diebold Offer Shares to the Wincor Nixdorf Shareholders under the Takeover Offer, the Bidder will apply for admission to trading of Diebold Offer Shares on the NYSE and on the Frankfurt Stock Exchange and of all Diebold Shares on the Frankfurt Stock Exchange. If all Closing Conditions have been satisfied by the end of the Additional Acceptance Period (as defined in Section 4.4) and the Takeover Offer has been settled without undue delay thereafter, the Bidder expects trading to begin immediately after delivery of the Diebold Offer Shares to the Wincor Nixdorf Shareholders having accepted the Takeover Offer (**Tendering Wincor Nixdorf Shareholders**), presumably on April 27, 2016. If the Regulatory Condition (as defined in Section 11.1.1), which may remain outstanding until November 21, 2016, has not been satisfied by the end of the Additional Acceptance Period (as defined in Section 4.4) (or waived until one working day prior to the end of the Acceptance Period (as defined in Section 4.2)), the settlement of the Takeover Offer will be delayed accordingly until satisfaction of this condition.

The Diebold Offer Shares will be transferred to the securities custody accounts of the Custodian Banks maintained at Clearstream no later than seven Business Days following the later of (i) the publication of the results of the Additional Acceptance Period (as defined in Section 4.4) pursuant to Section 23 para. 1 no. 3 Takeover Act or (ii) the satisfaction of the Regulatory Condition (as defined in Section 11.1.1) that may remain outstanding until November 21, 2016.

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In the course of the settlement, the Settlement Agent will transfer the Offer Consideration through Clearstream to the Custodian Banks, and the Custodian Banks will credit the Diebold Offer Shares (subject to the fractional shares rules in Section 12.4) in exchange for Tendered Wincor Nixdorf Shares (as defined in Section 12.2(2)) to the securities custody account of the relevant former Wincor Nixdorf Shareholder and credit the Cash Component per Tendered Wincor Nixdorf Share to the relevant account of the former Wincor Nixdorf Shareholder at the Custodian Banks. Simultaneously, Clearstream will transfer the Tendered Wincor Nixdorf Shares to the securities custody account of Diebold Holding Germany Inc. & Co. KGaA (**Diebold KGaA**), held by the Settlement Agent to the securities account of the Settlement Agent at Clearstream.

With the transfer of the Diebold Offer Shares and the Cash Component to the respective securities custody accounts and bank accounts of the Tendering Wincor Nixdorf Shareholders, the Bidder transfers ownership and pays, respectively, the Offer Consideration to the Tendering Wincor Nixdorf Shareholders and with the transfer of the Tendered Wincor Nixdorf Shares (as defined in Section 12.2(2)) to Diebold KGaA, the Tendering Wincor Nixdorf Shareholders transfer ownership of the Tendered Wincor Nixdorf Shares to Diebold KGaA.

If fractions of Diebold Offer Shares are created as a result of the acceptance of the Takeover Offer by Wincor Nixdorf Shareholders, these fractions will be disposed of by means of a fractional adjustment (*Spitzenverwertung*) and the former Wincor Nixdorf Shareholders so entitled will be paid in cash and the proceeds credited for any fractional shares of Diebold Offer Shares will be determined on the basis of the average proceeds per share. The resulting proceeds from these disposals will be credited to the accounts of the relevant Wincor Nixdorf Shareholders within ten Business Days after the deposit of the Diebold Offer Shares to the securities custody accounts of the former Wincor Nixdorf Shareholders has occurred. Because market prices of Diebold Shares will fluctuate, cash proceeds received by Wincor Nixdorf Shareholders in respect of their fractional shares may be different than an amount calculated based on the market price of a Diebold Share at the time of the settlement of the Takeover Offer.

Assuming the Announcement of Results (as defined in Section 18) occurs on April 15, 2016, and all Closing Conditions (as defined in Section 11.1) are satisfied up to this point or have been effectively waived by the Bidder by the end of the working day prior to the expiration of the Acceptance Period, the Diebold Offer Shares and the Cash Component would be expected to be credited by April 26, 2016, and the proceeds from the fractional adjustments would be expected to be credited by the respective Custodian Banks by May 11, 2016.

If the Regulatory Condition (as defined in Section 11.1.1), which may remain outstanding until November 21, 2016, is not satisfied by the end of the Additional

Acceptance Period and has not been effectively waived until one working day prior to the expiration of the Acceptance Period (as defined in Section 4.2), the settlement of the Takeover Offer will be delayed accordingly until satisfaction of this condition.

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If the Regulatory Condition (as defined in Section 11.1.1) is satisfied on the latest possible date, November 21, 2016, and has not been waived as of the expiration of the Acceptance Period, the Diebold Offer Shares and the Cash Component would be expected to be credited by November 30, 2016 and the proceeds from fractional adjustments would be expected to be credited by the respective Custodian Banks by December 14, 2016.

Costs of Acceptance:

Acceptance of the Takeover Offer is free of costs and expenses for the Wincor Nixdorf Shareholders who hold their Wincor Nixdorf Shares in German custody accounts (except for the costs of transmitting the Declaration of Acceptance (as defined in Section 12.2(1)) to the relevant Custodian Bank). For this purpose, the Bidder grants a market-standard commission to the Custodian Banks, communicated separately.

However, potential additional costs and expenses charged by Custodian Banks or foreign investment service providers, as well as applicable expenses incurred outside Germany, must be borne by the relevant Wincor Nixdorf Shareholders.

Trading:

The Bidder will ensure that the Tendered Wincor Nixdorf Shares (as defined in Section 12.2(2)) as well as Wincor Nixdorf Shares put to the Bidder (as defined in Section 15.5), if any, under the ISIN DE000A169QN2 (WKN A16 9QN) will be admitted to trading on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange no later than the third trading day after commencement of the Acceptance Period (as defined in Section 4.2). Trading in the Tendered Wincor Nixdorf Shares (as defined in Section 12.2(2)) as well as Wincor Nixdorf Shares put to the Bidder (as defined in Section 15.5), if any, on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange is expected to cease after the end of the regular stock exchange trading hours one working day after satisfaction of the last Closing Condition (as defined in Section 11.1) or, if later, one working day after the expiry of the Additional Acceptance Period (as defined in Section 4.4).

Wincor Nixdorf Shares that have not been tendered will continue to be traded under ISIN DE000A0CAYB2 (WKN A0C AYB).

ISIN:

Wincor Nixdorf Shares: ISIN DE000A0CAYB2

Tendered Wincor Nixdorf Shares: ISIN DE000A169QN2

Diebold Shares: ISIN US2536511031

Publication:

The Bidder has published this Offer Document in German in accordance with Sections 34, 14 paras. 2 and 3 Takeover Act on February 5, 2016, by (i) making an

announcement on the internet at <http://www.diebold.com/> in the *Investor Relations* section, and (ii) keeping copies available for distribution free of charge for all Wincor Nixdorf Shareholders through Deutsche Bank Aktiengesellschaft, Taunusalage 12, 60325 Frankfurt am main, Germany (inquiries by facsimile at +49 69 910 38794 or by email at dct.tender-offers@db.com). The Bidder has provided a non-binding English translation to the Wincor Nixdorf Shareholders in the same way. Only the German Offer Document, whose publication has been approved by BaFin on February 4, 2016, has binding effect for this Takeover Offer.

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The announcement pursuant to Section 14 para. 3 sentence 1 no. 2 Takeover Act, regarding the availability of this Offer Document through the Settlement Agent for distribution free of charge and the internet address under which this Offer Document is published, was published by the Bidder in the Federal Gazette (*Bundesanzeiger*) on February 5, 2016.

This non-binding English translation of this Offer Document is (i) available electronically through the SEC's EDGAR system at <http://www.sec.gov/edgar/searchedgar/companysearch.html> and (ii) available on the internet at <http://www.diebold.com/> in the *Investor Relations* section and (iii) kept for distribution free of charge through the Settlement Agent.

In addition, the U.S. Shareholders of Wincor Nixdorf can request, free of charge, the delivery of the English translation of this Offer Document to the United States either through the aforementioned internet address or by contacting the Settlement Agent using the aforementioned contact details. The Bidder will also announce by way of an English language press release via an electronically operated information distribution system in the United States where copies of this Offer Document will be available free of charge and at which internet address this Offer Document is published. The aforementioned publications serve the purpose of complying with the mandatory provisions of the Takeover Act and of complying with the Securities Act and the Exchange Act.

In addition, in the United States, the Bidder has filed a Registration Statement with the SEC that includes a prospectus of the Bidder to be used in connection with the Takeover Offer made to U.S. Shareholders of Wincor Nixdorf. After the Registration Statement is declared effective by the SEC, the prospectus will be available electronically through the SEC's EDGAR system at <http://www.sec.gov/edgar/searchedgar/companysearch.html>.

All notifications and announcements required pursuant to the Takeover Act will also be published on the internet at <http://www.diebold.com/> in the *Investor Relations* section (in German as well as in English) and in German in the Federal Gazette (*Bundesanzeiger*). The Bidder will also file such notifications and announcements in English with the SEC and otherwise comply with its obligation under U.S. law with respect to informing security holders of any material change in the information published, sent or given to security holders.

Information Regarding

Tax

The taxation principles are set out in the section *Material German Tax Considerations* on pages 287 *et seq.* of **Annex 4** of this Offer Document. There you will find, among other things, detailed information on the domestic tax treatment of the Offer Consideration, which includes the Share Component and the Cash Component and will be paid to Wincor Nixdorf Shareholders with tax residency in Germany and abroad. **The Bidder recommends that every Wincor Nixdorf Shareholder, including German Retail Investors (as defined in Section 19), obtains tax advice regarding the relevant tax implications of accepting the**

Takeover Offer, particularly taking into account their individual tax situation, prior to accepting the Takeover Offer.

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4. Takeover Offer

4.1 Subject Matter

The Bidder hereby offers to all Wincor Nixdorf Shareholders to acquire all ordinary bearer shares, without par value (auf den Inhaber lautende Stammaktien ohne Nennbetrag) of Wincor Nixdorf with the ISIN DE000A0CAYB2, each representing a pro-rata amount of the share capital of 1.00 and each with full dividend rights and all ancillary rights associated therewith at the time of completion of the Takeover Offer, in accordance with the terms of this Offer Document.

The Bidder offers, for each Wincor Nixdorf Share, the Offer Consideration consisting of a payment of 38.98 (Cash Component) and 0.434 Diebold Offer Shares (Share Component).

If the acceptance of the Takeover Offer results in fractional share rights of Wincor Nixdorf Shareholders in Diebold Offer Shares, such fractional shares will be disposed of by means of a fractional adjustment (*Spitzenverwertung*) (see Sections 12.3 and 12.4) and the entitled former Wincor Nixdorf Shareholders will be paid in cash.

In this regard, the Custodian Bank and/or the Settlement Agent will aggregate the fractional rights in Diebold Offer Shares shortly after settlement of the Takeover Offer and sell them in the open market. The proceeds, determined on the basis of the average proceeds per Diebold Offer Share, will then be distributed to the entitled former Wincor Nixdorf Shareholders who have tendered Wincor Nixdorf Shares on a pro rata basis within ten Business Days after the deposit of Diebold Offer Shares in the accounts of the accepting Wincor Nixdorf Shareholders. Because market prices of Diebold Shares will fluctuate, cash proceeds received by Wincor Nixdorf Shareholders in respect of their fractional shares may be different than an amount calculated based on the market price of a Diebold Share at the time of the settlement of the Takeover Offer.

4.2 Acceptance Period

The period for acceptance of the Takeover Offer starts with the publication of this Offer Document on February 5, 2016. It expires on

March 22, 2016, at 24:00 hours (Central European Time).

The period for acceptance of the Takeover Offer may be extended as set out in more detail in Section 4.3 of this Offer Document.

The period of acceptance of the Takeover Offer, where applicable as extended in accordance with Section 4.3 of this Offer Document, is referred to in this Offer Document as the **Acceptance Period**.

4.3 Extension of the Acceptance Period

The Bidder may amend the Takeover Offer in accordance with Section 21 para. 1 Takeover Act up to one working day prior to the expiration of the Acceptance Period, *i.e.*, in the case of an expiration of the Acceptance Period on March 22, 2016, at 24:00 hours (Central European Time), until March 21, 2016 at 24:00 hours (Central European

Time).

If an amendment to the Takeover Offer is published within the last two weeks prior to the expiration of the Acceptance Period, the Acceptance Period will be extended by two weeks (according to Section 21 para. 5 Takeover Act) and in accordance with Rule 14e-1 of the Exchange Act and will end on April 5, 2016 at 24:00 hours (Central European Summer Time). This applies even if the amended Takeover Offer would be in violation of any laws.

If a competing offer within the meaning of Section 22 para. 1 Takeover Act is made by a third party during the Acceptance Period, and if the Acceptance Period for this Takeover Offer expires prior to the expiration of the Acceptance Period for such a competing offer, the expiration date of the Acceptance Period for this Takeover Offer will correspond (regardless of the Closing Condition in Section 11.1.9) to the date on

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which the Acceptance Period of the competing offer expires (Section 22 para. 2 Takeover Act). This also applies when the competing offer is amended, prohibited or violates any laws.

If a general shareholders meeting of Wincor Nixdorf is called in connection with the Takeover Offer after this Offer Document has been published, the Acceptance Period pursuant to Section 16 para. 3 Takeover Act will be ten weeks from the publication of this Offer Document. The Acceptance Period would then expire on April 15, 2016 at 24:00 hours (Central European Summer Time).

The Acceptance Period will be extended only in accordance with the events provided for in the Takeover Act. The Bidder will publish any extension of the Acceptance Period in accordance with Section 18 of this Offer Document.

4.4 Additional Acceptance Period pursuant to Section 16 Para. 2 Takeover Act

Wincor Nixdorf Shareholders who have not accepted the Takeover Offer during the Acceptance Period may still accept it within two weeks after the Bidder has published the results of the Takeover Offer pursuant to Section 23 para. 1 sentence 1 no. 2 Takeover Act (**Additional Acceptance Period**), if all of the Closing Conditions (as defined in Section 11.1) other than the Regulatory Condition (as defined in Section 11.1.1) have been satisfied or effectively waived before their default at the end of the Acceptance Period.

The possibility of accepting the Takeover Offer during the Additional Acceptance Period is therefore in particular only possible if the Closing Condition of obtaining the Minimum Acceptance Rate (see Section 11.1.3) is satisfied prior to the expiration of the Acceptance Period, unless this Closing Condition has been effectively waived. The Minimum Acceptance Rate may also be reduced.

Subject to an extension of the Acceptance Period in accordance with Section 4.3 of this Offer Document, the Additional Acceptance Period starts assuming publication of the results of this Takeover Offer pursuant to Section 23 para. 1 sentence 1 no. 2 Takeover Act occurs on March 29, 2016 on March 30, 2016 and ends on April 12, 2016, at 24:00 hours (Central European Summer Time). After the expiration of this Additional Acceptance Period, the Takeover Offer may no longer be accepted (except for a possible Put Right (as defined in Section 15.5) in accordance with Section 39c Takeover Act see Section 15.5).

The procedure which applies to the acceptance of this Takeover Offer within the Additional Acceptance Period is described in Section 12.6, in conjunction with Sections 12.2 through 12.5 of this Offer Document. The acceptance is thus made in due time if the respective Custodian Bank is notified of the acceptance within the Additional Acceptance Period and the transfer of Wincor Nixdorf Shares to Clearstream has been carried out under the ISIN DE000A169QN2, at the latest, by 6:00 p.m. (Central European Summer Time) on the second Business Day after the expiration of the Additional Acceptance Period.

5. Description of the Bidder

5.1 Legal Basis of the Bidder

The Bidder, Diebold, Incorporated was incorporated under the laws of the State of Ohio in August 1876, succeeding a proprietorship established in 1859. The Bidder has approximately 15,000 employees with business in more than 90 countries worldwide. The Bidder's principal executive offices are located at 5995 Mayfair Road, P.O. Box 3077, North

Canton, Ohio 44720-8077, United States and its telephone number at that location is +1(330) 490-4000.

5.2 Share Capital, Authorized Shares and Share-Based Compensation Awards

5.2.1 Share Capital

As of the date of the publication of this Offer Document, the Bidder had issued a total of 79,716,861 common shares each with a par value of \$1.25. Of these common shares 65,014,989 were outstanding as of the same date. The remaining 14,701,872 common shares were held by the Bidder as treasury shares.

The Bidder's common shares trade on the NYSE under ISIN US2536511031 and with the ticker symbol DBD.

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5.2.2 Authorized Shares and Issuance of Diebold Offer Shares

As of the date of the publication of this Offer Document, the Bidder is authorized to issue up to 125,000,000 common shares each with a par value of \$1.25, of which a total of 79,716,861 common shares have been issued (the **Authorized Shares**).

The Ohio Revised Code provides that the authorized number of shares of an Ohio corporation must be set forth in the articles of incorporation. Under the Bidder's amended and restated articles of incorporation (as amended and restated, the **Articles of Incorporation**), the Bidder was authorized to issue 26,000,000 shares consisting of 1,000,000 serial preferred shares without par value and 25,000,000 common shares each with a par value of \$1.25. A meeting of the shareholders of the Bidder held on April 3, 1996 resolved to amend the Articles of Incorporation to increase the Bidder's authorized number of common shares from 25,000,000 to 125,000,000, holding the par value at \$1.25 each.

Under the Ohio Revised Code, except as otherwise provided by law, the Articles of Incorporation or the code of regulations of a corporation, the directors of a corporation may determine the time when, the terms under which, and the considerations for which the corporation issues, disposes of or receives subscriptions for, its shares, including treasury shares. Under the Bidder's amended and restated code of regulations (as amended and restated, the **Code of Regulations**), the board of directors has the authority to make such rules and regulations as it deems expedient concerning the issuance, transfer and registration of certificates for shares and the shares represented thereby and may at any time, by resolution, provide for the opening of transfer books for the making and registration of transfers of shares of the Bidder in any state of the United States or in any foreign country, and may employ and appoint and remove, at its discretion, any agent or agents to keep the records of its shares or to transfer or to register shares, or to perform all of said functions, at any place that the board of directors may deem advisable.

However, the NYSE Rule 312.03(c) requires shareholder approval prior to the issuance of common stock, or securities convertible into or exercisable for common stock, if (i) the common stock has, or will have upon issuance, voting power equal to or in excess of 20 percent of the voting power outstanding before the issuance of such stock; or (ii) the number of shares of common stock to be issued is, or will be upon issuance, equal to or in excess of 20 percent of the number of shares of common stock outstanding before the transaction. Therefore, the Bidder will refrain from issuing Authorized Shares that exceed 19.91 percent of the outstanding Diebold Shares or a number of 12,940,236 shares.

By resolution of the board of directors of the Bidder adopted on November 21, 2015, the board of directors resolved that, subject to the satisfaction, or where permissible, waiver, of the Closing Conditions (as defined in Section 11.1), the Diebold Offer Shares be set aside, reserved and authorized for issuance in connection with the consummation of the Takeover Offer. The board of directors further resolved, among other things, that, subject to the satisfaction, or where permissible, waiver, of the Closing Conditions, the Bidder, acting through certain authorized officers or each of them individually, or their designees or agents, be authorized and empowered to issue the Diebold Offer Shares pursuant to and on the terms set forth in the Business Combination Agreement (as defined in Section 7.3) and this Offer Document without further action by the board of directors.

The Diebold Offer Shares for the Share Component are to be issued by way of stock issuance pursuant to the Articles of Incorporation and the Code of Regulation of the Bidder. The issuance of new shares is different from a capital increase in kind for contribution of Tendered Wincor Nixdorf Shares under German law (as described in Section 12.2(2)). As a result, the Diebold Offer Shares can be created prior to the transfer of the Tendered Wincor Nixdorf Shares (as described in Section 12.2(2)). The Diebold Offer Shares will be created in book-entry form by the transfer agent and registrar of the Bidder, Wells Fargo Shareowner Services, P.O. Box 64874, St. Paul, MN 55164-0874, United States, in a securities account with the Depository Trust Company (**DTC**) pursuant to issuance instructions by an authorized officer of the Bidder under the resolutions adopted by the board of directors on November 21, 2015. The effective issuance of the Diebold Offer Shares does not require registration with a court or a public register that could

be affected by the commencement of shareholder litigation. In contrast with the legal situation in

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Germany, this fact increases the certainty of the effective issuance of the Diebold Offer Shares. Diebold Offer Shares will be transferred through the custodial chain between DTC, Clearstream and the Custodian Banks. The Bidder expects that the transfer to Clearstream's direct securities account with DTC will be made via the DTC's Deposit and Withdrawal at Custodian (DWAC) service that allows participants to instruct DTC regarding deposit and withdrawal transactions being made directly in book entry form and reconcile the results of such transactions electronically on a daily basis. The Diebold Offer Shares will then be credited to the securities account of the Settlement Agent at Clearstream.

Tendering Wincor Nixdorf Shareholders will acquire Diebold Offer Shares as a pro rata property interest in the aggregate amount of Diebold Shares held by shareholders through their Custodian Banks, Clearstream and DTC in the custodial chain. Clearstream holds a direct securities custody account with DTC and a security entitlement will be established between DTC and Clearstream with respect to the Diebold Offer Shares, which is commercially similar to a right *in rem* of Clearstream. From a German law perspective, Tendering Wincor Nixdorf Shareholders participate in this security entitlement relating to the Diebold Shares as co-owners through their Custodian Banks and Clearstream. The beneficial ownership position of Tendering Wincor Nixdorf Shareholders under U.S. law is based on the custodial chain between DTC, Clearstream and the Custodian Banks. Beneficial owners are entitled to all rights of security holders in the same position, such as the right of disposal, voting rights, and dividend rights.

5.3 Overview of the Business Activities of Diebold Group

Diebold Group has two core lines of business: financial self-service and security solutions, which Diebold Group integrates based on its customers' needs.

The business of self-service solution for financial services relates in particular to automated teller machine (**ATM**). Diebold Group offers an integrated line of self-service technologies and services, including comprehensive ATM outsourcing, ATM security, deposit automation, recycling and payment terminals and software. Diebold Group also offers advanced functionality terminals such as two-way video technology to support bank branch automation. Diebold Group is a global supplier of ATMs and related services and holds leading market positions in many countries around the world.

Diebold Group provides the services, software and technology that connect people around the world with their money bridging the physical and digital worlds of cash conveniently, securely and efficiently. Since its founding in 1859, Diebold Group has evolved to become a leading provider of self-service innovation, security and services to financial, retail, commercial and other markets. Diebold Group continues to execute its multi-year transformation, Diebold 2.0, with the primary objective of transforming Diebold Group into a world-class, services-led and software-enabled company, supported by innovative hardware, which automates the way people connect with their money.

Pursuant to the Bidder's consolidated statements of operations for the fiscal year ended December 31, 2014, prepared in accordance with U.S. GAAP, revenue amounted to approximately \$3.1 billion, with an operating profit of approximately \$180.9 million and income from continuing operations before taxes of approximately \$170.6 million.

In the fiscal year ended December 31, 2014, Diebold Group generated almost three-quarters of its total net sales with its financial self-service business line and around one-fifth with its security solutions business line, the remainder is attributable to election, lottery and information technology solutions in Brazil. In the same period, Diebold Group generated approximately 46 percent, 16 percent, 14 percent, and 24 percent of its sales in its segments North America; Asia Pacific; Europe, Middle East and Africa; and Latin America, respectively. Beginning in the first quarter of 2015,

Latin America and Brazil operations are reported under one single reportable operating segment and comparative periods have been reclassified for consistency.

5.4 Governing Bodies of the Bidder

The governing bodies of the Bidder are the board of directors and the executive officers.

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5.4.1 Board of Directors of the Bidder

The board of directors of the Bidder consists of the following members:

Patrick W. Allender, Chair of Audit Committee;

Phillip R. Cox, Chair of Compensation Committee;

Richard L. Crandall, Chair of Technology Strategy and Innovation Committee;

Gale S. Fitzgerald, Chair of Board Governance Committee;

Gary G. Greenfield, Non-Management Director;

Andreas W. Mattes, Management Director;

Robert S. Prather, Jr., Non-Management Director;

Rajesh K. Soin, Non-Management Director;

Henry D.G. Wallace, Non-executive Chairman of the Board; and

Alan J. Weber, Chair of Finance Committee.

5.4.2 Executive Officers of the Bidder

The executive officers of the Bidder are:

Andreas W. Mattes, President and Chief Executive Officer;

Christopher A. Chapman, Senior Vice President, Chief Financial Officer;

Stefan E. Merz, Senior Vice President, Strategic Projects;

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Jonathan B. Leiken, Senior Vice President, Chief Legal Officer and Secretary;

John D. Kristoff, Vice President, Chief Communications Officer; and

Sheila M. Rutt, Vice President, Chief Human Resources Officer.

Table of Contents**5.5 Shareholding Structure of the Bidder**

To the knowledge of the Bidder, no more than 5 percent of the Diebold Shares outstanding on February 3, 2016 are to be economically attributed to any person with the exception of the shareholders listed below. The information presented below derives from the reports filed by the beneficial owners with the SEC.

Class of shares	Name of the beneficial owner	Amount of the beneficial ownership	Share
Common shares	GGCP, Inc. et al. One Corporate Center Rye, New York 10580	6,317,214	9.90%
Common shares	State Street Corporation State Street Financial Center One Lincoln Street Boston, Massachusetts 02111	5,897,102	9.10%
Common shares	BlackRock, Inc. 55 East 52nd Street New York, New York 10055	5,504,254	8.50%
Common shares	The Vanguard Group 100 Vanguard Blvd. Malvern, Pennsylvania 19355	4,069,258	6.30%
Common shares	SouthernSun Asset Management LLC 6070 Poplar Avenue, Suite 300 Memphis, Tennessee 38119	4,055,030	6.30%
Common shares	Capital World Investors 333 South Hope Street Los Angeles, California 90071	3,925,000	6.00%
Common shares	Prudential Financial, Inc. 751 Broad Street Newark, New Jersey 07102	3,407,560	5.30%

5.6 Persons Acting in Concert with the Bidder

At the time of the publication of this Offer Document, each of Diebold KGaA, as a result of the Transaction Agreement (see Section 5.10), and Wincor Nixdorf, as a result of the Business Combination Agreement (see Section 7.3), are each persons deemed to be acting jointly with the Bidder pursuant to Section 2 para. 5 sentence 1 Takeover Act. In addition, at the time of the publication of this Offer Document, the companies listed in **Annex 2** are subsidiaries of the Bidder and are therefore regarded as persons acting jointly with the Bidder and with each other pursuant to Section 2 para. 5 sentence 1, 3 Takeover Act.

5.7 Wincor Nixdorf Shares Held by the Bidder and Persons Acting in Concert with the Bidder as well as Their Subsidiaries and Voting Rights Attributable to These Entities

The Bidder holds indirectly through Diebold Incorporated Pension Master Trust as a person acting in concert with the Bidder 4,100 Wincor Nixdorf Shares at the time of the publication of the Offer Document. These shares represent 0.012 percent of the share capital and the voting rights in Wincor Nixdorf, which are attributed to the Bidder pursuant to Section 30 para. 1 sentence 1 no. 1, sentence 3 Takeover Act. Other than that, the Bidder, the persons acting in concert with the Bidder, as well as subsidiaries of the Bidder, neither directly nor indirectly hold any Wincor Nixdorf Shares as of the date of publication of this Offer Document. Furthermore, no voting rights in Wincor Nixdorf are attributed to them pursuant to Section 30 Takeover Act.

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At the time of the publication of the Takeover Offer, the Bidder and persons acting in concert with the Bidder pursuant to Section 2 para. 5 Takeover Act as well as their subsidiaries hold neither directly nor indirectly instruments pursuant to Sections 25 Securities Trading Act and, therefore, no other voting shares pursuant to Sections 25, 25a of the Securities Trading Act with regard to Wincor Nixdorf.

5.8 Disclosures Concerning Securities Transactions

During the period starting six months prior to the publication of the decision to launch the Takeover Offer on November 23, 2015 and ending with the publication of this Offer Document on February 5, 2016, neither the Bidder, nor persons acting in concert with the Bidder within the meaning of Section 2 para. 5 Takeover Act nor their subsidiaries have purchased any Wincor Nixdorf Shares or concluded an agreement on the basis of which they would be entitled to claim the transfer of Wincor Nixdorf Shares.

5.9 Parallel Acquisitions

The Bidder reserves the right, to the extent legally permissible, to directly or indirectly acquire additional Wincor Nixdorf Shares outside the Takeover Offer on or off the stock exchange. To the extent that such acquisitions take place, information about such acquisitions will be published without undue delay in accordance with applicable law, including without limitation in accordance with Sections 14(3), 23(2) of the Takeover Act, on the internet at <http://www.diebold.com> in the *Investor Relations* section, in the Federal Gazette (*Bundesanzeiger*) and by way of an English language press release via an electronically operated information distribution system in the United States stating the number and consideration paid or agreed to be paid for the Wincor Nixdorf Shares so acquired or agreed to acquire.

5.10 Diebold KGaA

In the settlement of the Takeover Offer, the Tendered Wincor Nixdorf Shares (as defined in Section 12.2(2)) and where appropriate the Wincor Nixdorf Shares put to the Bidder (as defined in Section 15.5) will be transferred (see Section 12) to Diebold Holding Germany Inc. & Co. KGaA, a German partnership limited by shares (*Kommanditgesellschaft auf Aktien*) (Diebold KGaA). Diebold KGaA's sole limited shareholder (*Kommanditaktionär*) and sole general partner (*Komplementär*) is the Bidder. Diebold KGaA was incorporated by the Bidder on January 27, 2016. Its registered seat is in Eschborn, Germany and it is registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main under the commercial register number HRB 104287. Diebold KGaA is a person acting jointly with the Bidder within the meaning of Section 2 para. 5 sentence 1 and 3 Takeover Act (see Section 5.6).

On February 3, 2016, the Bidder and Diebold KGaA entered into an agreement governing their internal relationship (**Transaction Agreement**). In this Transaction Agreement the Bidder undertakes to make the Takeover Offer on behalf of Diebold KGaA and to assure that the Tendered Wincor Nixdorf Shares (as defined in Section 12.2(2)) are directly transferred to Diebold KGaA. In return, Diebold KGaA undertakes to indemnify and hold harmless the Bidder for any costs and expenses associated in connection with this Takeover Offer. In the context of the Transaction Agreement, Diebold KGaA is acting in concert with the Bidder pursuant to Section 30 para. 2 sentence 1 Takeover Act with respect to the Target. Diebold KGaA commits to support the Bidder in implementing the intentions of the Bidder and Diebold KGaA as described in Section 8 with regards to the Target following settlement of this Takeover Offer. In particular, Diebold KGaA undertakes to exercise voting and other membership rights of the acquired Wincor

Nixdorf Shares upon settlement of the Takeover Offer in accordance with the strategy described in this Offer Document. Accordingly, Diebold KGaA considers the views as presented in Section 8 also as its own view.

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By accepting the Takeover Offer, Wincor Nixdorf Shareholders will transfer their Tendered Wincor Nixdorf Shares (as defined in Section 12.2(2)) directly to Diebold KGaA without any prior acquisition or temporary purchase by the Bidder. As the direct and indirect control by Diebold KGaA and the Bidder over the Target takes place due to this Takeover Offer, neither Diebold KGaA nor persons controlling Diebold KGaA (including the Bidder) will be obligated to make a mandatory offer pursuant to Section 35 para. 3 Takeover Act.

Diebold KGaA has not engaged in any activities to date, other than those incidental to its formation and conclusion of the Transaction Agreement.

6. Description of Wincor Nixdorf and Wincor Nixdorf Group

6.1 Legal basis of Wincor Nixdorf

Wincor Nixdorf is a listed German stock corporation (*Aktiengesellschaft*) with its registered seat in Paderborn, Germany, registered in the commercial register (*Handelsregister*) of the local court of Paderborn under HRB 6846. Wincor Nixdorf's principal executive offices are located at Heinz-Nixdorf-Ring 1, 33106 Paderborn, Germany, and its telephone number at that location is +49 (0) 5251 693-30.

Article 2 of Wincor Nixdorf's Articles of Association describes the corporate purpose of Wincor Nixdorf as follows:

- (1) The purpose of Wincor Nixdorf is to manage a group of associated companies based both within and outside of Germany that operate in research, development, production, sales, installation and leasing in connection with products and solutions in the fields of electronic information processing, information transfer and other innovative technology systems and also provide consulting, training and other services related to this business.
- (2) Wincor Nixdorf may itself operate in the aforementioned areas or restrict its activities to the management of its holdings.
- (3) Wincor Nixdorf may conduct any business or undertake any actions that are appropriate for directly or indirectly fulfilling the purpose of Wincor Nixdorf. In this respect, Wincor Nixdorf may found, take over or acquire an interest in other companies. Wincor Nixdorf may set up other branches under the same or a different name within or outside of Germany.

6.2 Share Capital, Wincor Nixdorf Treasury Shares, Authorized Capital, Conditional Capital and Wincor Nixdorf Stock Option Plans

6.2.1 Share Capital

As of January 27, 2016, the share capital of Wincor Nixdorf amounted to 33,084,988, divided into 33,084,988 bearer shares, without par value, each representing a pro rata amount of the share capital of 1.00.

As of the publication of this Offer Document, the Wincor Nixdorf Shares are admitted to trading on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (Prime Standard) (ISIN DE000A0CAYB2) and included, among others, in the MDAX.

6.2.2 Wincor Nixdorf Treasury Shares

Currently, Wincor Nixdorf indirectly holds 3,268,777 Wincor Nixdorf Shares (approximately 9.88 percent) as treasury shares (the **Wincor Nixdorf Treasury Shares**). In accordance with the Blocked Account Agreement (as defined in Section 13.1) entered into between the Bidder, Wincor Nixdorf, Wincor Nixdorf Facility GmbH and the Custodian Bank that holds custody of the Wincor Nixdorf Treasury Shares (the

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Wincor Nixdorf Custodian Bank), the Wincor Nixdorf Custodian Bank has undertaken that it (i) will not transfer the Wincor Nixdorf Treasury Shares from the account to another account of Wincor Nixdorf, Wincor Nixdorf Facility GmbH or any third parties and (ii) will not execute any order by Wincor Nixdorf and Wincor Nixdorf Facility GmbH to sell or transfer the Wincor Nixdorf Treasury Shares (including, for the avoidance of doubt, through an acceptance of the Takeover Offer).

6.2.3 Authorized Capital 2014

By resolution of the general shareholders meeting of Wincor Nixdorf on January 20, 2014, the management board has been authorized to increase the share capital by January 19, 2019 with the approval of the supervisory board by issuing new, bearer shares in exchange for cash and/or contributions in kind, one time or multiple times, up to a total of 16,542,494 (**Authorized Capital 2014**). The shareholders are to be guaranteed a subscription right.

However, the Wincor Nixdorf management board is authorized, with consent of the supervisory board:

- (1) to exclude fractions from the subscription rights of the shareholders;
- (2) to exclude the subscription right of shareholders if the issue amount is not significantly less than the stock market price. This authorization, however, is only valid with the stipulation that the stocks issued with the exclusion of the subscription right in accordance with Section 186 para. 3, sentence 4 of the German Stock Corporation Act may not exceed a total of 10 percent of the existing share capital at the time of the resolution or insofar as this is less at the time of the use of the authorization. This limitation of 10 percent of the share capital also applies to those shares or rights issued or sold since the granting of the authorization, that is, since January 20, 2014, with the exclusion of the subscription rights in accordance with Section 186 para. 3, sentence 4 of the German Stock Corporation Act that allow the subscription of shares of Wincor Nixdorf;
- (3) to exclude the subscription right of the shareholders with the approval of the supervisory board during the issue of shares for contributions in kind for the purposes of (also indirect) acquisition of companies, parts of companies or investments in companies, whereby in this case the exclusion of the subscription right is restricted to a maximum of 20 percent of the share capital of Wincor Nixdorf at the time of the resolution or insofar as this is less at the time of the use of the authorization.

Existing authorization for the exclusion of subscription rights are only valid with the stipulation that since the granting of these authorizations, on January 20, 2014, on the basis of this or other authorizations for the issuance or sale of shares of Wincor Nixdorf or of rights that entitle the subscription of shares of Wincor Nixdorf, shares issued with the exclusion of the subscription right in accordance with or in corresponding application of Section 186 para. 3 of the German Stock Corporate Act may not amount to more than 20 percent of the existing share capital at the time of the resolution or insofar as this is less at the time of the use of the authorization.

6.2.4 Conditional Capital 2013

Wincor Nixdorf's share capital is conditionally increased by up to 10,000,000, divided into up to 10,000,000 bearer shares (**Conditional Capital 2013**).

The Conditional Capital 2013 increase is to be used to grant option rights or option obligations, in accordance with the option conditions, to the holders of warrants from participatory certificates with warrants and/or bonds with warrants or to grant conversion rights or conversion obligations, in accordance with the conversion conditions, to the holders of convertible participatory certificates and/or convertible bonds that are issued by Wincor Nixdorf or a dependent group company of Wincor Nixdorf within the meaning of Section 17 German Stock Corporation Act by January 20, 2018, pursuant to the authorization adopted by Wincor Nixdorf's general shareholders' meeting on January 21, 2013 under item 7a). The new

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shares shall be issued at the option or conversion price to be defined in accordance with the above authorization adopted. The Conditional Capital 2013 increase shall be carried out only in the event of the issuing of option or conversion rights or participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds insofar as the holders of warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds make use of their option or conversion rights or, if they are have conversion/option obligations fulfill their conversion/option obligation or the bonds with warrants or convertible bonds are required. The new shares issued pursuant to exercise of the option or conversion right shall carry dividend rights from the beginning of the fiscal year in which they are issued. If they are issued before the general shareholders meeting, the new shares shall be entitled to dividends for the previous fiscal year as well. Wincor Nixdorf's management board is authorized, with the consent of the supervisory board, to define the further details of the Conditional Capital 2013 increase. Wincor Nixdorf's supervisory board is further authorized to amend the wording of Section 4 para. 8 of the Wincor Nixdorf Articles of Association in accordance with the respective issue of shares and make all connected adaptations to the Wincor Nixdorf Articles of Association that only relate to the wording. The same shall apply if the authorization to issue participatory certificates with warrants or convertible participatory certificates or bonds with warrants or convertible bonds is not used after expiration of the period of authorization and if the Conditional Capital 2013 is not used after expiration of the periods for exercising option or conversion rights.

As of the date of this Offer Document, neither Wincor Nixdorf nor any of its dependent subsidiaries within the meaning of Section 17 German Stock Corporation Act issued any such equity-linked securities or warrants.

6.2.5 Conditional Capital 2014

Wincor Nixdorf's share capital is conditionally increased by up to 1,654,249 through the issuance of up to 1,654,249 new bearer shares, without par value (**Conditional Capital 2014**).

The Conditional Capital 2014 is to be used exclusively to cover stock options issued to members of Wincor Nixdorf's management board, board members of subordinate associated companies within and outside of Germany and to other executives and employees of Wincor Nixdorf and its subordinate associated companies, as specified in detail in the authorization resolved by the general shareholders' meeting on January 20, 2014 and in accordance with the authorization by the general shareholders' meeting on January 20, 2014 as amended by the general shareholders' meeting on January 25, 2016 (subject to the entry in the commercial register). It will only be used to the extent that holders of share options exercise their right to subscribe for Wincor Nixdorf Shares and Wincor Nixdorf does not provide the consideration in cash or by means of its own shares. The new shares will carry dividend rights from the beginning of the fiscal year in which they are issued. Should the issuance take place before the ordinary general shareholders' meeting, the new shares will be entitled to dividends for the previous fiscal year as well.

Pursuant to the Business Combination Agreement (as defined in Section 7.3), until the expiration of the Additional Acceptance Period (or until the expiration of the Put Right Period (as defined in Section 15.5), if any), Wincor Nixdorf is obligated to settle any stock options exercised under the Wincor Nixdorf Stock Option Plans solely by cash payment.

6.2.6 Wincor Nixdorf Stock Option Plans

As of January 27, 2016, Wincor Nixdorf has issued 2,609,010 stock options as part of several stock option plans (the **Wincor Nixdorf Stock Option Plans**). In case stock options under the Wincor Nixdorf Stock Option Plans are being exercised, Wincor Nixdorf may, at its election, deliver shares or make cash payments to settle the options. A

maximum of 589,525 stock options could vest and therefore be exercised under the Wincor Nixdorf Stock Option Plans during the Additional Acceptance Period or Put Right Period (as defined in Section 15.5), if any, pursuant to Section 39c Takeover Act (see Section 15.5).

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Pursuant to the Business Combination Agreement (as defined in Section 7.3), until the expiration of the Additional Acceptance Period (or until the expiration of the Put Right Period (as defined in Section 15.5), if any), Wincor Nixdorf is obligated to settle any stock options exercised under the Wincor Nixdorf Stock Option Plans solely by cash payment.

In light of the Takeover Offer, the general shareholders' meeting of Wincor Nixdorf resolved on January 25, 2016 to authorize the management board and the supervisory board to make certain changes to the terms of the outstanding stock options and the stock options to be granted in the future.

6.3 Overview of the Business Activities of Wincor Nixdorf Group

Wincor Nixdorf Group has two operating segments: banking (**Banking**) and retail (**Retail**). Further Wincor Nixdorf Group supports the efforts of retail banks and retailers to continuously refine their business processes using highly reliable information technology. The solutions Wincor Nixdorf Group provides covering hardware, software and services focus primarily on the interface between businesses and their customers.

The product offering in the segment Banking includes hardware, software, information technology services and consulting services. ATMs, cash-recycling-systems, automated teller safes and transaction terminals are key components of the hardware portfolio. Besides software for the operating of systems Wincor Nixdorf provides banks software, with which they can control processes throughout all distribution channels.

In the Retail segment Wincor Nixdorf also provides hardware, software, information technology services and consulting services. With electronic cash register systems (EPOS) or self-checkout systems, the main focus of the product offering relates to the checkout area. The software products allow control of all processes and systems within the branch.

Wincor Nixdorf Group offers a comprehensive range of automated and electronic solutions in the banking and retail markets and its portfolio covers the key steps in the process of change affecting business systems. These are supported by product-related services, concepts involving the operation by Wincor Nixdorf Group of specific branch IT processes, and outsourcing services where Wincor Nixdorf Group takes over responsibility for the running of those systems.

Pursuant to Wincor Nixdorf's group income statement for the fiscal year ended September 30, 2015, prepared pursuant to IFRS, revenue amounted to 2.4 billion, with an operating profit before finance income and finance costs and income taxes (EBIT) of approximately 21.9 million and a profit before income taxes of approximately 14.9 million.

In the fiscal year ended September 30, 2015, Wincor Nixdorf Group generated around two-thirds of its total net sales to external customers from the Banking segment and around one-third from the Retail segment. In the same period, Wincor Nixdorf Group generated 68.1 percent, 19.8 percent and 12.1 percent of its total net sales to external customers in Europe (including Germany), the Asia/Pacific/Africa region and the Americas, respectively.

6.4 Governing Bodies of Wincor Nixdorf

The governing bodies of Wincor Nixdorf are the management board and the supervisory board.

6.4.1 Management Board

The management board of Wincor Nixdorf consists of the following members:

Eckard Heidloff (CEO)

Dr. Jürgen Wunram (CFO, Deputy Chairman of the Management Board)

Olaf Heyden (Executive Vice President, Services/Member of the Management Board)

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6.4.2 Supervisory Board

The supervisory board of Wincor Nixdorf consists of the following members:

Dr. Alexander Dibelius (Chairman)

Michael Schild (Deputy Chairman)

Prof. Dr. Achim Bachem

Dr. Dieter Düsedau

Dr. Valerie Julia Barth

Elin Dera

Hans-Ulrich Holdenried

Edmund Schaefer

Reinhard Steinrücke

Zvezdana Seeger

Daniela Ueberschär

Carmelo Zanghi

6.5 Shareholder Structure of Wincor Nixdorf

As of January 27, 2016, the following notifications about shareholdings that exceed 3 percent have been published:

Shareholders	Shareholdings
Kiltearn Global Equity Fund/Kiltearn Partners LLP/Kiltearn Limited	5.15%

Polaris Capital Management, LLC	5.02%
Highclere International Investors LLP	3.09%
Deutsche Asset & Wealth Management Investment GmbH	3.00%

Futhermore, Wincor Nixdorf Facility GmbH, a subsidiary of Wincor Nixdorf (see **Annex 3**) directly held 3,368,777 Wincor Nixdorf Shares as of January 27, 2016 which equals 9.88 percent of the issued share capital of Wincor Nixdorf.

6.6 Persons Acting in Concert with the Target

The Bidder, as a result of the Business Combination Agreement (see Section 7.3), is a person deemed to be acting jointly with Wincor Nixdorf pursuant to Section 2 para. 5 sentence 1 Takeover Act. In Addition, to the Bidder's knowledge, the persons acting in concert with Wincor Nixdorf within the meaning of Section 2 para. 5 sentence 3 Takeover Act are listed in **Annex 3**. The Bidder is not aware of any further persons acting in concert with Wincor Nixdorf.

6.7 Recent Statement(s) by Wincor Nixdorf's Management and Supervisory Board

Pursuant to Section 27 para. 1 Takeover Act, the management board and the supervisory board of Wincor Nixdorf must issue a reasoned opinion regarding the Takeover Offer and any of its amendments. The management board and the supervisory board must publish this reasoned opinion immediately following the receipt of this Offer Document and/or its amendments from the Bidder pursuant to Section 14 para. 3 sentence 1 Takeover Act.

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The management board and the supervisory board of Wincor Nixdorf have undertaken in the Business Combination Agreement (as defined in Section 7.3) to publish within five working days after publication of the Offer Document a (joint, if applicable) reasoned statement pursuant to Section 27 para. 3, 14 para. 3 Takeover Act (together or each the **Reasoned Statement**) and to support in the Reasoned Statement as described in more detail in Section 7.3.1 the Takeover Offer.

7. Background of the Takeover Offer

7.1 Negotiations between the Bidder and Wincor Nixdorf

The board of directors of the Bidder and the management board of Wincor Nixdorf continually review their respective companies' results of operations and competitive positions in the industry in which they operate as well as strategic alternatives. In connection with these reviews, each of the senior management teams of the Bidder and Wincor Nixdorf from time to time evaluates potential transactions that would further its strategic objectives, including by meeting periodically with the senior management of other companies in the industry, investment bankers and investors to discuss industry trends and opportunities to enhance shareholder value.

On March 2, 2015, after consultation with the board of directors of the Bidder and discussions with the financial advisors of the Bidder, Credit Suisse Securities (USA) LLC and J.P. Morgan Securities LLC, and its outside legal advisors, Sullivan & Cromwell LLP, Mr. Andy Mattes, president and chief executive officer of the Bidder, indicated in an in-person discussion in Munich, Germany with Mr. Eckard Heidloff, chief executive officer of Wincor Nixdorf, that the Bidder would potentially be interested in exploring a strategic transaction with Wincor Nixdorf. On March 19, 2015, Mr. Mattes had a further in-person discussion in Dusseldorf, Germany with Mr. Heidloff about potential options for a strategic combination between Bidder and Wincor Nixdorf, though no specifics of any transaction structure or pricing were discussed. Following this approach of Wincor Nixdorf by the Bidder, Mr. Heidloff and Mr. Mattes, as well as Dr. Jürgen Wunram, chief financial officer of Wincor Nixdorf, and Mr. Christopher Chapman, chief financial officer of Bidder, entered into high-level preliminary discussions on a potential business combination. In connection with these discussions, Wincor Nixdorf also consulted with its financial advisors, Goldman Sachs AG, and its outside legal advisors, Freshfields Bruckhaus Deringer LLP. To facilitate discussions between Wincor Nixdorf and the Bidder, on March 27, 2015 Wincor Nixdorf and Bidder entered into a confidentiality agreement regarding the exchange of certain information between Wincor Nixdorf and Bidder. As part of the confidentiality agreement, Wincor Nixdorf and Bidder each agreed not to acquire or offer to acquire any securities of the other party for a period ending on the earlier of the date of execution of a definitive transaction agreement and twelve months from the date of the confidentiality agreement.

On March 29, 2015, meetings between Mr. Heidloff, Dr. Wunram, Mr. Mattes and Mr. Chapman, which were later joined by Dr. Alexander Dibelius, chairman of the Wincor Nixdorf supervisory board and Mr. Henry Wallace, chairman of the Bidders board of directors, took place in London to discuss the possibility of a potential business combination. However, due to deviating positions on certain essential aspects of a potential transaction, including the structure of such a transaction, during a telephone call on April 9, 2015 between Dr. Dibelius, Mr. Heidloff, and Dr. Wunram on behalf of Wincor Nixdorf and Mr. Wallace, Mr. Mattes, and Mr. Chapman on behalf of the Bidder, Dr. Dibelius stated that Wincor Nixdorf did not want to pursue further these preliminary discussions. Mr. Wallace accepted this decision and noted that he may contact Dr. Dibelius again at a later point.

In a meeting on May 28, 2015, Mr. Wallace indicated that the Bidder was still interested in pursuing a potential combination and would be prepared to offer mixed cash-and-stock consideration per outstanding Wincor Nixdorf

ordinary share, subject to further diligence. Dr. Dibelius indicated that Wincor Nixdorf would consider this internally and might make a counter-proposal. After internal discussions of Wincor Nixdorf, the management board of Wincor Nixdorf, after consulting with Dr. Dibelius, decided on June 2, 2015 that any business combination in the structure of a takeover offer by the Bidder to the shareholders of Wincor Nixdorf required a premium significantly above what Bidder had indicated. On June 3, 2015, in a

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telephone call between Dr. Dibelius and Mr. Wallace, Dr. Dibelius proposed an offer per outstanding Wincor Nixdorf ordinary share, which Mr. Wallace indicated was above the range Bidder would be prepared to offer. Based on the outcome of this call, the management board of Wincor Nixdorf decided not to negotiate with the Bidder further at that juncture. Accordingly, following this call the members of the management board of Wincor Nixdorf had no further contact or discussions with representatives of the Bidder.

Following a telephonic board update call on July 12, 2015, the Bidder instructed its financial advisors to contact the financial advisors of Wincor Nixdorf to request that a meeting be scheduled for Mr. Mattes and Dr. Dibelius. An in-person meeting between Mr. Mattes and Dr. Dibelius was arranged for June 19, 2015 in Frankfurt, Germany. In this meeting, Dr. Dibelius and Mr. Mattes engaged in high-level discussions regarding a potential combination, subject to due diligence, and Bidder's intention to send to Wincor Nixdorf a written, non-binding indication of Bidder's interest in a potential combination.

On June 30, 2015, Mr. Mattes sent a letter to Mr. Heidloff expressing Bidder's non-binding interest in a potential combination of the businesses of Wincor Nixdorf and Bidder to be implemented by means of a voluntary public takeover offer made by the Bidder to all shareholders of Wincor Nixdorf. In its non-binding indication of interest, Bidder indicated that, based on the information available to Bidder as of that time, it would be willing and able to put forward an offer price in the range of between 45.00 and 50.00 per Wincor Nixdorf ordinary share, with such consideration being paid partly in cash and partly in newly issued Diebold common shares representing in the aggregate up to 19.99 percent of Bidder's outstanding common shares. Later that same day, the management board of Wincor Nixdorf convened to discuss Bidder's non-binding expression of interest. After due deliberation and consultation with representatives of its financial and legal advisors, the management board decided that the offer warranted further analysis.

On July 10, 2015, the management board of Wincor Nixdorf concluded, based on this analysis, that Bidder's proposal undervalued Wincor Nixdorf's business, including the value that the management board of Wincor Nixdorf expected would be created by Wincor Nixdorf's previously announced restructuring program, and, as a result, was not in the best interests of Wincor Nixdorf or its shareholders. In a letter dated July 10, 2015, Mr. Heidloff informed Mr. Mattes that Wincor Nixdorf believed that Wincor Nixdorf's current strategy justified a cash offer price of at least 50.00 to 55.00 per outstanding Wincor Nixdorf ordinary share.

On July 16, 2015, Mr. Mattes discussed with Dr. Dibelius Bidder's willingness, on a preliminary basis and subject to receipt of further diligence information, to revise the terms of its previous offer. On July 30, 2015, the management board of Wincor Nixdorf, after due deliberation and consultation with representatives of its financial and legal advisors, decided that in light of Bidder's indicated willingness to potentially revise the terms of its offer, it was reasonable to enter into further discussions with Bidder.

On August 11, 2015, the management board of Wincor Nixdorf met and, after consultation with representatives of its financial and legal advisors, discussed the outcome of the meeting with the Bidder on August 7, 2015. After a lengthy discussion, the management board of Wincor Nixdorf decided that Wincor Nixdorf should continue to explore a potential business combination with the Bidder. Also on August 11, 2015, following up on the calls Mr. Chapman and Mr. Merz had with Dr. Wunram following the August 7, 2015 meeting, Mr. Chapman and Mr. Merz sent Dr. Wunram a preliminary term sheet limited to an outline of Bidder's positions regarding key commercial topics discussed by the parties.

On August 14, 2015, Dr. Wunram received a financial due diligence request list from Mr. Merz and, in addition to discussing the key commercial topics, discussed a framework for financial and commercial due diligence in a telephone call with Mr. Chapman and Mr. Merz later that day.

Representatives of Wincor Nixdorf and Bidder and their respective financial and legal advisors held various discussions over the next several weeks on the key commercial and legal terms of a potential transaction, including (i) the offer consideration and structure of the transaction, (ii) the key aspects of a potential future integration and business combination, including the potential organization, set up and

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locations of a combined business as well as (iii) the governance structure of a combined entity. In addition, merger control risks and the allocation of such risks were analyzed and discussed. In a telephone call between Mr. Heidloff and Mr. Mattes on September 7, 2015, it was agreed that the value of any offer consideration of cash and shares should amount to 52.50. In parallel to these discussions, Wincor Nixdorf and Bidder exchanged first working drafts of a non-binding term sheet regarding the potential transaction during the period between September 3 and September 12, 2015. In the course of these discussions, Wincor Nixdorf and Bidder reached preliminary agreements on various key terms of a potential transaction.

After due deliberation and consultation with its financial and legal advisors, the management board of Wincor Nixdorf decided that the key terms of the potential transactions should be negotiated and agreed upon in a draft term sheet during a meeting in New York City on September 16, 2015.

On September 16, 2015, Mr. Heidloff and Mr. Mattes met in New York City to discuss key terms such as the offer consideration, closing conditions and governance of a combined Bidder and Wincor Nixdorf. During this meeting, Mr. Heidloff and Mr. Mattes were able to reach preliminary agreement on a number of topics, including various aspects of the ongoing business strategy of a combined group following the closing and its governance structure, as well as third-party diligence and validation and the shared desire for transaction certainty.

Following this meeting, the management board of Wincor Nixdorf decided on September 16, 2015 that, in light of the agreements reached by Mr. Heidloff and Mr. Mattes, representatives of Wincor Nixdorf and Bidder should negotiate a detailed, non-binding term sheet regarding a potential business combination. Bidder's board of directors, after deliberation, supported the intention of Bidder's management to finalize the non-binding term sheet within the next few days. On September 22, 2015, the parties reached substantial agreement on all key legal and commercial terms contained in the non-binding term sheet. On September 22, 2015, the management board of Wincor Nixdorf met and, after due deliberation and consultation with its financial and legal advisors, approved entering into the non-binding term sheet and approved the initiation of a mutual due diligence process between the Bidder and Wincor Nixdorf. On September 23, 2015, the supervisory board of Wincor Nixdorf held a meeting. After due deliberation, the supervisory board consented to the entering into the non-binding term sheet and the conduct of the mutual due diligence process between the Bidder and Wincor Nixdorf.

On September 24, 2015, with the support of the Wincor Nixdorf supervisory board and Bidder's board of directors, Wincor Nixdorf and the Bidder entered into a non-binding term sheet on the key terms of a potential transaction, including terms of the exchange offer and closing conditions to the offer, allocation of risk with respect to obtaining regulatory approval for the transaction, and parameters for future integration of their respective business operations.

Promptly after execution of the non-binding term sheet, the Bidder proceeded with a formal due diligence process. Wincor Nixdorf began providing due diligence documents to the Bidder for review, and both parties agreed to procedures that would allow a detailed due diligence investigation while protecting commercially or competitively sensitive information, including making members of management available for one-on-one discussions with their appropriate counterparts. Wincor Nixdorf also conducted reciprocal due diligence in light of the contemplated mixed cash and stock exchange offer consideration. Due diligence continued up to and following signing of the Business Combination Agreement (as defined in Section 7.3).

Following rumors on the potential transaction in the German press, on October 17, 2015, Wincor Nixdorf published an ad-hoc notification pursuant to Section 15 German Securities Trading Act (*Wertpapierhandelsgesetz*) confirming that Wincor Nixdorf and Bidder are currently in discussions regarding a potential business combination and had entered into a non-binding term sheet. The Bidder also issued a press release containing similar information on October 17, 2015.

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In the following period, Wincor Nixdorf and Bidder as well as representatives of their respective financial and legal advisors negotiated the draft Business Combination Agreement (as defined in Section 7.3).

On November 16 and 17, 2015, Mr. Heidloff and Dr. Wunram, on behalf of Wincor Nixdorf, and Mr. Mattes and Mr. Chapman, on behalf of Bidder, as well as representatives of their respective financial and legal advisors met in Frankfurt, Germany, in order to discuss and negotiate the remaining open topics after previous discussions of recent weeks, including the treatment of merger control risks and the final structure of the offer consideration and associated tax implications. The parties reached substantive agreements on these topics at the conclusion of the meetings.

On November 20, 2015, the management board of Wincor Nixdorf held a meeting. After due consideration and deliberation, the members of the management board of Wincor Nixdorf decided that, subject to final agreement on the Business Combination Agreement (as defined in Section 7.3), the Business Combination Agreement (as defined in Section 7.3) and the transactions contemplated thereby shall be presented to the supervisory board of Wincor Nixdorf for approval on November 22, 2015.

The parties' legal advisors held further discussions on November 20 and 21, 2015, on the Business Combination Agreement (as defined in Section 7.3), which was substantially finalized on the afternoon of November 21, 2015. On November 21, 2015, Mr. Mattes, Mr. Chapman, and financial and legal advisors of Bidder discussed these developments with Bidder's board of directors. Following these discussions, the board of directors of the Bidder unanimously approved the entry by the Bidder into the Business Combination Agreement (as defined in Section 7.3) and the execution of other related transactions.

On November 22, 2015, the supervisory board of Wincor Nixdorf held a meeting. Representatives of the financial and legal advisors of Wincor Nixdorf presented detailed information to the members of the supervisory board of Wincor Nixdorf on the proposed transaction, the Business Combination Agreement (as defined in Section 7.3) and the transactions contemplated thereby as well as on aspects regarding the valuation of the offer consideration proposed in the Business Combination Agreement (as defined in Section 7.3). After due consideration and deliberation the supervisory board of Wincor Nixdorf approved the entry by Wincor Nixdorf into the Business Combination Agreement (as defined in Section 7.3) and the transactions contemplated thereby.

In light of the approval of the Business Combination Agreement (as defined in Section 7.3) and the transactions contemplated thereby by the supervisory board of Wincor Nixdorf, the management board of Wincor Nixdorf held a further meeting in the morning on November 23, 2015. The members of the management board again considered the proposed transaction and offer consideration as well as its consequences for Wincor Nixdorf, its shareholders, its employees and other stakeholders and unanimously approved the entry by Wincor Nixdorf into the Business Combination Agreement (as defined in Section 7.3) and the transactions contemplated thereby. Promptly after this resolution the Business Combination Agreement (as defined in Section 7.3) was executed by both parties and the transaction was publicly announced.

Pursuant to the Business Combination Agreement (as defined in Section 7.3), the Bidder and the Target intend to form a combined enterprise with a leading position in the integrated self-service, Banking and Retail Industry and to expand its consolidated software and services business while developing innovative hardware, which will be an important enabler for the combined group. Diebold Group together with Wincor Nixdorf Group will be referred to as the combined group (**Combined Group**).

The Bidder intends to acquire control over the Target and following the Takeover Offer, depending on the percentage of Wincor Nixdorf Shares acquired by the Bidder in the Takeover Offer and, to the extent legally permissible, in the open market, the Bidder and the Target may consider to pursue a post-completion reorganization. A post-completion

reorganization could either eliminate potential minority shareholder interest in the Target remaining after the settlement of the Takeover Offer or allow the Bidder to control the Target to the greatest extent permissible.

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7.2 Economic and Strategic Background

The Bidder is, in its own view, a global leader in providing financial self-service delivery, integrated services and software, and security systems to primarily the financial, commercial, retail and other markets. The Target is, in its own view, one of the world's leading providers of hardware, software, information technology and consulting services to banks and the retail industry. Drawing on a comprehensive portfolio of products and services, the Target supports and optimizes its customers' business processes, especially at the branch and store level.

The Bidder believes that the business combination will provide significant strategic opportunities. The Bidder has the expectation that the business combination would complement its strategic transformation and expansion into a services-led and software-enabled company supported by innovative hardware and would enable Diebold Group to provide broader and more fully integrated solution offerings to clients more efficiently and on a global scale. The Bidder also expects that the business combination would create a larger and stronger core business with the potential to be a self-service solution provider for banking and retail with an installed base of approximately one million ATMs worldwide to the benefit of its customers.

7.2.1 Geographic Expansion and Creation of a Global Company

The Diebold Group and Wincor Nixdorf Group cover together the regions Americas, EMEA and Asia. The Bidder is a leading player in the Americas, whereas the Target is a leading player in Europe. These two regions are key drivers for innovation and digital transformation in Banking and Retail. The Bidder would benefit from the Target's strong relationships with customers and suppliers in Europe, the Middle East and Asia while the Combined Group's strong service presence will also benefit the Target's retail business.

Therefore, both the Bidder and the Target expect that the business combination would create a geographically expanded business with opportunities for an amplified global presence, including entry into new markets. The complementary regional footprints of the Bidder and the Target and the complementary strengths in software, hardware and services would allow the Combined Group to provide customers with greater worldwide access to an integrated solution across the aforementioned product segments. Ultimately, the Combined Group's collective capabilities and established global market presence will offer a broad range of services and software for its customer base and growth in both the software and services segments is expected to be accelerated by the business combination.

7.2.2 Potential for operative Synergies

The Bidder is of the opinion, that, by leveraging innovative solutions and talent from both organizations, it will have the scale, strength and flexibility to better support its customers in the development of their own business. Furthermore it anticipates that it may be able to use possible advantages of significant cost efficiencies and synergy opportunities resulting from the business combination.

The Bidder believes that the Bidder and the Target have a common strategic focus on growing services and software, complementary offerings, a complementary geographic presence and complementary customer bases. Consequently, the Bidder expects the transaction to yield by the end of the third full year following the settlement of the Takeover Offer annual synergies of up to approximately \$160 million (or approximately 150 million), which are expected to arise, among others, through product consolidation, services rationalization in overlapping regions and better purchase conditions. The Combined Group plans to target an operating margin adjusted for restructuring and non-routine items in excess of 9 percent by the end of the third full year post settlement. In addition, the Bidder expects that the transaction is accretive to earnings per share adjusted for restructuring and non-routine items in the second year. The

Combined Group had pro forma revenue of approximately \$5.2 billion (or approximately 4.8 billion) for the trailing twelve (12) months ended September 30, 2015 excluding revenue attributable to the Bidder's North America electronic security business, which it agreed to divest prior to the publication of its decision to launch the Takeover Offer on November 23, 2015 pursuant to Section 10 para. 1 sentence 1 Takeover Act.

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Also, the Bidder expects that the business combination would provide increased free cash flow, which may be used to pursue future key investments. Since Wincor Nixdorf Shareholders will own, in case of 100 percent acceptance rate, approximately 16.6 percent of the outstanding Diebold Shares immediately after settlement of the Takeover Offer they will be able to participate directly in any future earnings and growth of the Combined Group.

The Combined Group may also face certain risks resulting from the combination and from managing a larger company, such as difficulties in the integration process, addressing different corporate cultures or competition between customers to which the Bidder and the Target both provide services.

7.3 Business Combination Agreement

Following the analysis of the potential and benefits resulting from a co-operation between the Wincor Nixdorf Group and the Diebold Group and a combination of the companies with a view to mutually strengthen the business of each other, the Bidder and the Target determined, after due consideration of all circumstances and information available to them at that time and taking into account the strategic value of a combination and mutual strengths of Diebold Group and Wincor Nixdorf Group as well as the Offer Consideration, that such a combination is in the best interest of the Bidder's and the Target's stockholders and the Target's employees and other stakeholders.

On November 23, 2015, the Bidder and the Target entered into a business combination agreement concerning the combination of both companies (the **Business Combination Agreement**). The Business Combination Agreement sets forth the principal terms and conditions of the Transaction as well as the mutual goals of the Bidder and the Target with regard thereto, the future organizational and corporate governance structure of the Combined Group and the business strategy to be pursued by the Combined Group. In particular, the Business Combination Agreement comprises arrangements concerning the combination of the companies, the future business of the Bidder, and the corporate governance of the Bidder as a parent company of the Combined Group resulting from the combination.

The Business Combination Agreement provides for the establishment of an integration committee (the **Integration Committee**). The Integration Committee consists of four (4) members and each of the Bidder and Wincor Nixdorf shall nominate two (2) members. The Integration Committee initially consists of the Bidder's and the Target's respective chief executive officer and chief financial officer. Thereafter, the Bidder and the Target may at all times replace any of its members in the Integration Committee by another management member. In particular, the Integration Committee has the assignment to ensure and to observe an efficient planning and implementation of the integration of the Bidder and the Target.

The Business Combination Agreement has a term of three years starting from November 23, 2015. Each of the Bidder and the Target may terminate the Business Combination Agreement in certain cases, *e.g.*, if the Takeover Offer is not successfully consummated or the other party violates material obligations under the Business Combination Agreement.

The material terms of the Business Combination Agreement are summarized hereinafter and in Section 8 (*Intentions of the Bidder*).

7.3.1 Support of the Takeover Offer

The management board and the supervisory board of the Target have undertaken in the Business Combination Agreement to support the Takeover Offer in any and all publications and communications that relate to it, provided

that the Bidder conducts the Takeover Offer in accordance with the terms and conditions of the Business Combination Agreement. The management and supervisory board of Wincor Nixdorf will publish a Reasoned Statement or, if applicable, a joint Reasoned Statement without undue delay but no later than five working days after publication of this Offer Document which confirms that, in their opinion and subject to review of this Offer Document, (i) the Offer Consideration is fair and adequate, (ii) they support the

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Takeover Offer, (iii) they recommend to Wincor Nixdorf Shareholders to tender their Wincor Nixdorf Shares into the Takeover Offer, and (iv) the members of the management board will either tender their Wincor Nixdorf Shares into the Takeover Offer or sell their Wincor Nixdorf Shares via or outside the stock exchange at a price and at a time that is, at their sole discretion, reasonably satisfactory to them.

In particular, the Target has undertaken, to the extent permitted by applicable law, to refrain from initiating any measures that could jeopardize the success of the Takeover Offer.

Further, the Target has undertaken not to actively solicit a competing offer or another transaction or proposal which is economically or otherwise comparable to a competing offer. The Target has also undertaken to inform the Bidder as soon as reasonably possible if it has been approached by a third party in relation to a situation which could reasonably be expected to lead to a competing offer or other transactions that, if implemented, would jeopardize the success or the timely completion of the Takeover Offer.

All obligations of the Target's boards under the Business Combination Agreement to support the Takeover Offer are subject to any applicable statutory duties, in particular the supervisory and management board members' applicable fiduciary duty vis-à-vis the Target and duties of care, loyalty and good faith, as well as the requirements of the Takeover Act.

7.3.2 Conduct of Business and Future Cooperation

Pursuant to Business Combination Agreement, to the extent permitted by law and the power to do so, the Target has committed to conduct its business and use best efforts to ensure its subsidiaries will conduct their business in all material respects consistent with past practice, carry on and continue its and their business in the ordinary course including the continuation of the Target's announced restructuring program entitled *Delta* (see Section *Acceleration of Transition to Software and IT Services Company* on pages 298 *et seq.* of **Annex 4**).

7.4 No Mandatory Offer When Obtaining Control over Wincor Nixdorf by the Bidder

If the Bidder and Diebold KGaA, following this Takeover Offer, obtains control over Wincor Nixdorf as defined by Section 29 para. 2 Takeover Act, neither the Bidder nor Diebold KGaA is, pursuant to Section 35 para. 3 Takeover Act, obligated to issue a mandatory offer to the Wincor Nixdorf Shareholders. The Bidder and Diebold KGaA are persons acting jointly pursuant to Section 2 para. 5 sentence 1 Takeover Act.

8. Intentions of the Bidder/Diebold KGaA

The Bidder intends to acquire control over the Target and, following the Takeover Offer depending on the percentage of Wincor Nixdorf Shares acquired by the Bidder or Diebold KGaA, respectively, in the Takeover Offer and to the extent legally permissible in the open market, Bidder and Target may consider to pursue a post-completion reorganization. A post-completion reorganization could either exclude minority shareholders who have not accepted the Takeover Offer from the Target or allow the Bidder to control the Target, if legally permitted, with a domination agreement.

After the settlement of this Takeover Offer, the Bidder intends, together with the management of the Target, to carry out an analysis of potential synergies and efficiencies between Diebold Group and Wincor Nixdorf Group. The Bidder

expects that significant synergy potential exists (see Section 7.2 above).

In the Business Combination Agreement, certain intentions and obligations of the Bidder and the Target with respect to the proposed combination have been established. The intentions and obligations that are relevant in this case are summarized in Section 8.1 *et seq.* below. The Bidder has not provided for any further intentions than the intentions summarized below (see Section 8.5 below).

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Diebold KGaA adopts the intentions of the Bidder. Furthermore, Diebold KGaA is contractually obliged to support the Bidder in implementing the intentions described in this Section 8 after settlement of the Takeover Offer (for more details regarding the closed Transaction Agreement see section 5.10).

8.1 Future Business Operations of the Target and the Bidder, Use of Assets and Future Obligations of the Target and the Bidder

Pursuant to the Business Combination Agreement, the parties intend to continue the Bidder's and the Target's respective restructuring programs Diebold 2.0 and Delta (see Sections *Strategy* on page 184 of **Annex 4** and *Acceleration of Transition to Software and IT Services Company* on pages 298 *et seq.* of **Annex 4**) and with the objective of an accelerated transition of the Combined Group to an enterprise that is services-led, software-enabled and supported by innovative hardware and to use its global reach to achieve economies of scale and adjust its cost structure, while re-investing in new solution offerings (software and services) with the objective to accelerate growth.

The Bidder and the Target have agreed in the Business Combination Agreement to discuss the (re-)financing strategy of Wincor Nixdorf in good faith and in a cooperative manner. Wincor Nixdorf will grant the Bidder reasonable access to all debt financing sources which become due in the course of or in connection with the settlement of this Takeover Offer. Pursuant to the Business Combination Agreement, the Bidder is obligated to grant the Target a shareholder loan in the amount of up to 500.0 million at market terms in order to meet a potential (re-)financing need of the Target caused by the settlement of the Takeover Offer. A partial amount of 175.0 million of the shareholder loan has been secured by the Bidder through binding financing agreements with banks.

The Business Combination Agreement also provides that the Combined Group will operate its business along the dimension of (i) business units or lines of business which shall include hardware, software and services (each, a **Line of Business** and, collectively, the **Lines of Business**) and (ii) regions or geographies (the **Regions**). The Lines of Business shall be the Combined Group's primary management dimension with profit and loss responsibility and the Regions shall be the Combined Group's secondary management dimension.

The Business Combination Agreement provides that the Lines of Business dimension of the Combined Group shall be organized as follows:

- (i) The Line of Business entitled *Services* shall be centered in the North Canton, Ohio headquarter and led by Mr. Olaf Heyden.
- (ii) The Line of Business entitled *Systems* shall be centered in the Paderborn headquarter and led by Dr. Ulrich Näher.
- (iii) The Line of Business entitled *Software* shall be centered in the Paderborn headquarter / Utrecht (sub-location London, Ontario) and led by Mr. Alan Kerr.
- (iv) The management teams below the leadership for each Line of Business shall be staffed such that both the Bidder and the Target are represented in a fair way. The guideline for staffing should be

performance over origin.

- (v) The integration plan to be developed by the Parties shall provide an efficient tax coordination of the Lines of Business.

The Combined Group shall as a third management dimension use customer segments (currently consisting of a Retail segment and a Banking segment) to tailor solutions and services as well as the Combined Group's go-to-market approach to the customer needs.

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The Regions dimension shall be organized along the following geographical segmentations:

- (i) NA North America (the United States and Canada),
- (ii) LA Latin America,
- (iii) APJ Asia, Pacific and Japan, and
- (iv) EMEA Germany, rest of Europe, the Middle East and Africa, provided, however, that the Bidder and Wincor Nixdorf agree that the EMEA segmentation shall be subject to further good faith negotiation between the Bidder and the Target.

The regional leaders shall be matrixed with the Lines of Business.

The Combined Group intends to use a global account program for selected customers to better address large-scale customers whose requirements stretch globally.

The Combined Group may not be able to realize all of the anticipated benefits of the business combination. The success of the business combination will depend on, among other things, the Bidder's ability to combine its business with Wincor Nixdorf's business in a manner that facilitates growth in the value-added services sector and realizes anticipated cost savings. The Bidder believes that the business combination will provide an opportunity for revenue growth in managed services, professional services, installation and maintenance services.

8.2 Intentions regarding the Members of the Management of the Target and of the Bidder

Pursuant to the Business Combination Agreement, the Bidder and the Target intend to use their best efforts, subject to the confines of the organizational and governance rules under applicable stock corporation law and any applicable fiduciary duties, to staff the respective boards of the Bidder and the Target as promptly as possible after the settlement as follows. Further agreements and intentions with regard to the management of the Target and the Bidder do not exist.

8.2.1 Supervisory Board of Target

The Target shall use its reasonable best efforts to ensure that after settlement three (3) current shareholder appointed members of the supervisory board will resign from their positions and will be replaced by three (3) representatives of the Bidder.

The total number of members of the supervisory board consisting of twelve (12) members (with six (6) representatives each from the shareholders' side and the employees' side) shall remain unchanged.

8.2.2 Management Board of the Target

The current members of the management board shall also continue to manage the Target after the settlement; upon the Bidder's reasonable request, the Bidder shall via expansion be adequately represented in the management board.

Following settlement, each member of the management board will discuss with the supervisory board his or her new service agreements (*Dienstverträge*) to ensure such agreements' compliance with the Bidder's human resources practices (in respect of terms, extension and severance).

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8.2.3 Board of Directors of the Bidder

Immediately following the settlement of the Takeover Offer the Bidder will expand the size of its board of directors to an overall number of thirteen (13) board members and appoint Dr. Alexander Dibelius, chairman of the supervisory board of the Target, Dr. Dieter Düsedau, member of the supervisory board of the Target, and Mr. Eckard Heidloff, chief executive officer of the Target to Bidder's board of directors.

The Bidder shall nominate the formerly appointed board members Mr. Eckard Heidloff, Dr. Alexander Dibelius and Dr. Dieter Düsedau for election by the shareholders to the Combined Group's board of directors at the level of the Bidder (at least one (1) board election cycle after the first shareholder vote on new directors) and recommend that the Bidder's shareholders vote in favor of them.

The Business Combination Agreement also provides, that upon becoming member of the board of directors, the Bidder shall appoint Mr. Heidloff as its president.

8.2.4 Executive Committee at the level of the Bidder

The Parties stipulated in the Business Combination Agreement that after settlement of the Takeover Offer, the Bidder will install an executive committee of eight members with equal representation of executives from Diebold and Wincor Nixdorf (the **Executive Committee**). The members of the Executive Committee individually and as a committee are the primary executive management body in the Combined Group regarding the lead and the direction of the operations and the organization.

Pursuant to the Business Combination Agreement, the Executive Committee will include the respective chief executive officers and the chief financial officers of the Bidder and the Target, i.e. Mr. Andreas W. Mattes and Mr. Christopher A. Chapman will serve on the Executive Committee for the Bidder and Mr. Eckard Heidloff and Dr. Jürgen Wunram will serve on the Executive Committee for the Target. The other four members of the Executive Committee will be the head of the Line of Business entitled Services (Mr. Olaf Heyden), Systems (Dr. Ulrich Näher), Software (Mr. Alan Kerr) and the chief legal officer / general counsel of the Bidder (Mr. Jonathan B. Leiken).

Further agreements and intentions with regard to the executive officers of the Bidder do not exist.

8.2.5 Employees, Employment Terms and Employee Representatives of the Target and the Bidder

The Bidder and the Target stated in the Business Combination Agreement that they view the Business Combination as an opportunity for growth and further development for their employee base. Given both companies have a multinational structure, the Combined Group will rely on the competence and commitment of all of its employees and considers the combined workforce the foundation for future success.

Pursuant to the Business Combination Agreement, the Bidder covenants not to cause the Target to take actions that would lead to a change of the existing level and status of co-determination in the supervisory board.

Both parties are committed in accordance with the provision of Business Combination Agreement to retaining their respective top talents amongst the employees within the Combined Group and to such end intend to implement adequate retention programs to the extent necessary.

The Bidder intends to maintain businesses and operations of the Target as they existed on the date of the Business Combination Agreement as detailed in the Business Combination Agreement at least until September 30, 2018, subject to the implementation of the Target's current Delta Program which is strongly supported by the Bidder and which shall be continued as detailed in the Business Combination Agreement in the same manner as planned; provided, however, that in Germany, any reduction of the Target's workforce shall not materially exceed the extent contemplated under the Delta Program (for further information about

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the extent and the status of the implementation of the reduction of Wincor Nixdorf's workforce in connection with the Delta Program see in section *Employees* on page 323 of **Annex 4** of this Offer Document).

The Bidder will respect all labor-related provisions in Germany, including existing works agreements (*Betriebsvereinbarungen*) and collective bargaining agreements (*Tarifverträge*).

All employees of the Combined Group will be treated equally in connection with the integration process.

8.3 Name and Registered Office of the Target and the Bidder, Major Business Locations of the Combined Group

Pursuant to the Business Combination Agreement, the Bidder and the Target intend that the name of the enterprise operated by the Combined Group, as well as of the Bidder, shall be Diebold Nixdorf. The corporate colors of the Combined Group shall include red as used by the Target and blue as used by the Bidder. The Combined Group shall incorporate the principle of the Target's logo design with blue characters and with a red stripe.

The Combined Group's business shall be operated from headquarters located in North Canton, Ohio and Paderborn, Germany. The Combined Group's registered offices shall be in North Canton, Ohio, given that the top holding entity will be publicly-listed in the United States and based in Ohio.

There shall be no change to the location of the Target's corporate headquarters in Paderborn or to the locations of the Target's German material subsidiaries. The Bidder does not intend any changes with respect to its major business locations.

8.4 Consolidation

The Bidder intends to control the Target to the greatest extent permissible. To this end and depending on the percentage of Wincor Nixdorf Shares acquired by the Bidder in the Takeover Offer and, to the extent legally permissible, in the open market, the Bidder and the Target may effect one or several of the measures described below and in more detail in Sections 15.2 to 15.4.

8.4.1 Appointment to the Governing Bodies and Committees

The Bidder supports the previous business strategy of the Target's management board. The Bidder is considering promoting relations during the combination of the Bidder and the Target, and to this end, having the same persons occupy entirely, or partially, the governing bodies and committees within the Combined Group (see above Section 8.2).

8.4.2 Domination and/or Profit and Loss Transfer Agreement

The Business Combination Agreement includes no provision for potential corporate measures, but it clarifies that the provisions of the Business Combination Agreement shall not prevent either Party to seek to enter into and/or to adopt resolutions in favor of any corporate measures.

The Bidder may effect a domination agreement and/or a profit and loss transfer agreement, pursuant to which the remaining shareholders of the Target will have limited rights, including a limited ability to participate in the profits of the Target. In this case, Wincor Nixdorf Shareholders who did not tender their shares in the Takeover Offer may elect to either (i) continue to hold their Wincor Nixdorf Shares and be entitled to a fixed or variable compensation pursuant to Section 304 German Stock Corporation Act or (ii) receive an adequate cash compensation in exchange for their Wincor Nixdorf Shares pursuant to Section 305 para. 2 of the German Stock Corporation Act.

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8.4.3 Squeeze-Out

The Bidder may, depending on the percentage of Wincor Nixdorf Shares acquired by the Bidder in the Takeover Offer or, to the extent legally permissible, in the open market, effect a mandatory squeeze-out of the Wincor Nixdorf Shares that the Bidder does not already own by way of a squeeze-out transaction (a **Squeeze-Out**) pursuant to either Sections 327a *et seq.* German Stock Corporation Act, Sections 39a *et seq.* Takeover Act or Section 62 para. 5 of the German Transformation Act. By way of a Squeeze-Out, Wincor Nixdorf Shares of Wincor Nixdorf Shareholders who did not accept the Takeover Offer will be automatically converted into the right to receive compensation in cash or a combination of stock and cash, as applicable, depending on the legal basis of the Squeeze-Out (see below Section 15.4).

8.4.4 Planned Reorganization Transaction

Whether and which type of post-completion reorganization transaction the Bidder pursues following settlement of the Takeover Offer depends in particular on the percentage of Wincor Nixdorf Shares acquired in the Takeover Offer and, to the extent legally permissible, in the open market:

if the Bidder (through Diebold KGaA) holds at least 75 percent of outstanding Wincor Nixdorf Shares but less than 90 percent of Wincor Nixdorf's issued share capital (when determining the relevant share capital, treasury shares will not be taken into account), the Bidder or Diebold KGaA intends to enter into a domination agreement and/or a profit and loss transfer agreement with Wincor Nixdorf;

if the Bidder (through Diebold KGaA) holds at least 90 percent of Wincor Nixdorf Shares (when determining the relevant share capital, treasury shares will not be taken into account) but, directly or indirectly, less than 95 percent, Diebold KGaA will conduct a cash merger squeeze-out under Section 62(5) of the German Transformation Act; and

if the Bidder (through Diebold KGaA) holds directly or indirectly at least 95 percent of Wincor Nixdorf's issued share capital or Wincor Nixdorf's voting share capital (when determining the relevant share capital, treasury shares will not be taken into account) it intends to pursue initiating either a corporate squeeze-out under Sections 327a *et seq.* of the German Stock Corporation Act or a takeover squeeze-out under Sections 39a *et seq.* of the German Takeover Act. Whether the Bidder pursues initiating a corporate squeeze-out or a takeover squeeze-out will depend on the circumstances at the time the 95 percent threshold is met. Since in a takeover squeeze-out (other than in the case of a corporate squeeze-out) the Bidder can in the present case also (partly) offer Diebold Shares to the minority shareholders as compensation for their Wincor Nixdorf Shares, the decision to pursue either a corporate squeeze-out or a takeover squeeze-out depends, among other things, on the price of Diebold Shares at the time the Bidder conducts the squeeze-out.

If, following the Takeover Offer, the Bidder (through Diebold KGaA) holds less than 90 percent of Wincor Nixdorf's issued share capital (when determining the relevant share capital, treasury shares will not be taken into account), the Bidder could not commence a squeeze-out transaction, but may purchase additional Wincor Nixdorf Shares in the open market in order to reach the relevant threshold to consummate a squeeze-out transaction.

8.5 Other Intentions

Other than the intentions and measures stated in this Section 8, the Bidder and Diebold KGaA have not provided for any other intentions or measures concerning future business operations, the registered office and the location of essential parts of the Target, the use of assets, future obligations, the employees and their representatives, the members of the governing bodies and material changes of employment conditions of either the Target or, to the extent affected by the Takeover Offer, the Bidder. Subject to market- and other developments, the Bidder intends following the time of the settlement to pay dividends at a lower per share rate as it has paid in the past.

Table of Contents**9. Consideration****9.1 Admittance to Trading on Organized Market and Liquidity of Diebold Offer Shares**

Prior to the time of transfer of the Diebold Offer Shares to the Wincor Nixdorf Shareholders under the Takeover Offer, the Bidder will apply for admission to trading of Diebold Offer Shares on the NYSE and of all Diebold Shares on the Frankfurt Stock Exchange. The admission to trading on the Frankfurt Stock Exchange relates to the full share capital of the Bidder and will be an admission to trading on an organized market within the meaning of Section 2 para. 7 Takeover Act.

Commencement of trading on the Frankfurt Stock Exchange is expected to occur immediately after delivery of the Diebold Offer Shares to the Tendering Wincor Nixdorf Shareholders. Diebold Shares are currently listed on the NYSE and have a significant free float. Diebold Shares and especially the Diebold Offer Shares to be issued in relation with this Takeover Offer will therefore be liquid shares within the meaning of Section 31 para. 2 Takeover Act (see **Annex 5**). The Diebold Offer Shares will be fully fungible with the other common shares of the Bidder, including with respect to dividend entitlements (based on the Bidder's quarterly dividend distribution) as well as voting rights.

9.2 Minimum Consideration

Pursuant to Section 31 paras. 1, 2 and 7 Takeover Act, and in conjunction with Section 3 sentence 1 of the Takeover Offer Regulation, the Bidder must offer Wincor Nixdorf Shareholders adequate consideration for their Wincor Nixdorf Shares. The amount of the consideration pursuant to Section 3 sentence 2 of the Takeover Offer Regulation may not be less than the predetermined minimum value as set out in Sections 4 through 6 of the Takeover Offer Regulation. The minimum value to be offered to the Wincor Nixdorf Shareholders per Wincor Nixdorf Share must be at least equal to the higher of the two following values:

- (1) *Consideration of Prior Acquisitions (Vorerwerbe)*. Pursuant to Section 31 paras. 1, 2 and 7 Takeover Act, in conjunction with Section 4 of the Takeover Offer Regulation, the consideration for the Wincor Nixdorf Shares must be at least equivalent to the highest consideration provided or agreed to by the Bidder, any person acting in concert with it or its subsidiaries, for the acquisition of the shares of the Target within the last six months prior to the publication of this Offer Document.
- (2) *Consideration of Domestic Market Prices*. Pursuant to Section 31 paras. 1, 2 and 7 Takeover Act, in conjunction with Section 5 paras. 1 and 3 of the Takeover Offer Regulation, the consideration must at least be equivalent to the weighted average domestic market price of the Wincor Nixdorf Shares during the last three months prior to the publication of the decision to launch the Takeover Offer, pursuant to Section 10 para. 1 sentence 1 Takeover Act, on November 23, 2015, *i.e.*, the period as of August 23, 2015 up to and including November 22, 2015 (**Three-Month Average Price**).

During the period set forth in Section 9.2(1), neither the Bidder, nor any person acting in concert with it or any of its subsidiaries, acquired Wincor Nixdorf Shares and there are no agreements to this effect in existence. Therefore, no prior acquisitions (*Vorerwerbe*) exist within the meaning of Section 31 paras. 1, 2 and 7 Takeover Act in conjunction with Section 4 of the Takeover Offer Regulation that would influence the minimum consideration for this Takeover Offer.

The minimum price described under Section 9.2(2) will be determined according to the Three-Month Average Price of Wincor Nixdorf Shares, pursuant to Section 5 para. 3 of the Takeover Offer Regulation in conjunction with Section 9 Securities Trading Act, on the basis of stock exchange securities transactions registered under Section 9 Securities Trading Act. At the same time, every transaction is weighted according to its sales volume (number of shares multiplied by price) in relation to the total number of shares, so that a large transaction measured by sales volume would play a larger role in the calculation than a small transaction. The calculation is as follows: volume (sum of number of shares multiplied by the price of all relevant transactions) divided by the number of shares of all relevant transactions.

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The calculation includes all transactions made with the shares in question during the three months prior to publication of the decision to launch an offer or to acquire control on the regulated markets of stock exchanges in Germany (domestic organized markets). Accordingly, the relevant reference day for calculating the minimum price is the day that precedes the publication of the decision to launch an offer or to acquire control.

The Bidder announced its decision to launch the Takeover Offer on November 23, 2015. The Three-Month Average Price on the reference date, November 22, 2015, amounts to 40.87 per Wincor Nixdorf Share, as the BaFin notified the Bidder on November 30, 2015. The consideration offered to Wincor Nixdorf Shareholders must therefore amount to at least 40.87 per Wincor Nixdorf Share pursuant to Section 31 paras. 1, 2 and 7 Takeover Act in conjunction with Sections 7 and 5 paras. 1 and 3 of the Takeover Offer Regulation.

9.3 Offer Consideration

The Bidder offers, for each Wincor Nixdorf Share a combined consideration of 38.98 in cash and 0.434 Diebold Offer Shares (see Section 4.1).

9.4 Adequacy of the Offer Consideration

(1) Cash Component

The Cash Component offered as part of the Offer Consideration amounts to 38.98.

(2) Value of the Share Component

The Bidder calculated the amount of the Share Component on the basis of an evaluation of Diebold, Incorporated. For this purpose the Bidder obtained the opinion of an expert regarding the value of the Diebold Offer Shares, who concluded, based on a share price and liquidity analysis, that the minimum value is the volume-weighted average market price of the Diebold Shares on the NYSE during the last three months prior to the publication of the decision to launch the Takeover Offer pursuant to Section 10 para. 1 sentence 1 Takeover Act on November 23, 2015, *i.e.*, the period from August 23, 2015 to and including November 22, 2015 (the **Three-Month VWAP of the Diebold Offer Shares**) (Annex 5).

According to German case law on company valuation in compensation cases, the minimum value of equity securities generally equals the stock market price, based, for example, on the three-month volume-weighted average market price of such securities (**Three-Month VWAP**). Since the stock market price typically represents the value at which a shareholder can freely dispose of its shares, the stock market price provided an adequate level of liquidity in compensation cases constitutes the minimum value for an adequate valuation.

Since the relevance of the stock market price for the minimum value of equity security results from the possibility of their free disposal in the open market, it is irrelevant for valuation purposes in compensation cases assuming adequate liquidity of the shares whether such shares are listed on the regulated market of the Frankfurt Stock Exchange (like the Wincor Nixdorf Shares) or on the NYSE (like the Diebold Shares). For valuation purposes the Three-Month VWAP is at least equivalent to the three month average price of the Diebold Offer Shares.

Diebold Shares are listed on the NYSE and are traded under the ticker symbol `DBD`. The NYSE is the largest stock exchange worldwide by market capitalization of listed companies. From August 23, 2015 to and including November 22, 2015 (the **Three-Month Period**), a daily average of several hundred thousand Diebold Shares have been traded and a total number of 29,239,383 Diebold Shares have been traded on the NYSE during such Three-Month Period. The Three-Month VWAP of the Diebold Offer Shares during such Three-Month Period was 30.07 per Diebold Offer Share. The Three-Month VWAP of the Diebold Offer Shares was calculated by multiplying the following factors:

- (i) the \$-denominated closing price of the Diebold Shares for each trading day on the NYSE during the Three-Month Period (source: <https://www.nyse.com/quote/XNYS:DBD>),

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- (ii) the total number of Diebold Shares traded on each trading day on the NYSE during the Three-Month Period (source: <https://www.nyse.com/quote/XNYS:DBD>), and
- (iii) the noon buying rates for if paid in \$ for each such relevant trading day during the Three-Month Period (as published by the New York Federal Reserve Bank under <http://www.federalreserve.gov/releases/h10/hist>, except for those noon buying rates that were not published due to public holidays in the United States on October 12, 2015 and November 11, 2015, which were obtained from Bloomberg L.P.).

with the result of such multiplication then to be divided by the total number of Diebold Shares that were traded on the NYSE during the Three-Month Period (Annex 5).

The minimum value of the Share Component of the Offer Consideration thus amounts to 13.05, rounded in accordance with commercial practice. This result is obtained by multiplying the value of one Diebold Offer Share based on the Three-Month VWAP of the Diebold Offer Shares, i.e., approximately 30.07, and the exchange ratio of the Share Component, i.e., 0.434 Diebold Offer Shares for each Wincor Nixdorf Share.

(3) Value of the Offer Consideration

The value of the Offer Consideration, consisting of the Cash Component of 38.98 and of the Share Component of approximately 13.05 thus amounts to 52.03, rounded in accordance with commercial practice.

(4) Valuation Methods

In determining the Offer Consideration, the Bidder specifically took into account the historical development of the market value of the Wincor Nixdorf Share. The market price is a widely accepted basis for determining the adequacy of the consideration for listed shares. Wincor Nixdorf Shares are admitted to trading on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (Prime Standard). The currently issued Wincor Nixdorf Shares are included in the MDAX and meet the free-float requirement and appropriate trade activities and volumes.

With the above-determined Three-Month Average Price of 40.87 for Wincor Nixdorf Shares, the Offer Consideration of approximately 52.03 represents a premium of approximately 11.16 or 27.31 percent of the Three-Month Average Price and is therefore appropriate within the meaning of Section 31 paras. 1, 2 and 7 of the Takeover Act in conjunction with Section 3 sentence 1 of the Takeover Offer Regulation.

Additionally, the Offer Consideration represents a premium of approximately 6.22 or approximately 13.58 percent based on the XETRA closing price for Wincor Nixdorf Shares of 45.81 on November 20, 2015 (available at: http://www.boerse-frankfurt.de/aktie/Wincor_Nixdorf-Aktie/ETR), the last trading day prior to the publication of the decision to launch the Takeover Offer, whereby such price has been influenced by the negotiations about a possible merger between the Bidder and Wincor Nixdorf, published by an ad hoc announcement. With a value of approximately 52.03, the Offer Consideration is higher than each closing price of Wincor Nixdorf Shares in the 52 weeks prior to November 20, 2015 (source: German Stock Exchange).

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Furthermore, in the Bidder's opinion, the adequacy of the Offer Consideration may also be derived from the following expected prices for the Wincor Nixdorf Shares as published prior to the publication of the ad hoc notification of Wincor Nixdorf on October 17, 2015, i.e., the day on which Wincor Nixdorf announced that it had entered into a non-binding term sheet with the Bidder regarding a potential strategic business combination:

Source	Expected Price
UBS	45.00
Commerzbank	30.00
Bankhaus Metzler	39.00
MainFirst Bank AG	30.00
Nord/LB	38.00
Independent Research GmbH	40.00
Equinet (ESN)	42.00
HSBC	41.00
Bankhaus Lampe	38.00
DZ BANK AG	38.00
Landesbank Baden-Württemberg	35.00
Kepler Cheuvreux	31.00
Wedbush	36.00
Hauck & Aufhäuser	40.00
National Bank AG	40.00
Oddo Seydler Bank AG	31.50
M.M. Warburg Investment Research	45.00

The presented analyst estimates obtained for the Wincor Nixdorf Shares have an expected average price of 37.62.

No other valuation method has been employed other than those shown in this Offer Document.

The Offer Consideration for each Wincor Nixdorf Share is therefore adequate.

9.5 Non-Applicability of Section 33b Takeover Act

The Wincor Nixdorf Articles of Association do not allow for the application of Section 33b para. 2 Takeover Act. The Bidder is therefore not under the obligation to pay any indemnities in accordance with Section 33b para. 5 Takeover Act.

10. Regulatory Approvals and Procedures**10.1 Antitrust Proceedings**

The Takeover Offer will also be subject to review by antitrust authorities in jurisdictions outside Germany and the United States. Under some of these jurisdictions, the Takeover Offer and/or the Business Combination may not be consummated before a notification has been submitted to the relevant antitrust authority and/or certain consents, approvals, permits or authorizations have been obtained and/or the applicable waiting period has expired or has been

terminated. The Bidder intends to make all necessary notifications and filings in these jurisdictions as soon as practicable. For a description and the status of the antitrust proceedings see Section *Regulatory Approvals Related to the Business Combination Antitrust Clearance* on pages 178 *et seq.* of **Annex 4**.

10.2 Registration Statement

The Registration Statement is necessary in order to register the Diebold Offer Shares under the Securities Act. The Takeover Offer may only be settled after the SEC declares the Registration Statement effective.

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10.2.1 Status of the Proceedings

The Registration Statement was filed with the SEC on November 24, 2015. On December 21, 2015, January 21, 2016, and February 4, 2016 the Bidder received comment letters from the SEC with respect to the Registration Statement. On January 8, 2016, the Bidder filed the first amendment and on February 1, 2016, the Bidder filed the second amendment to the Registration Statement with the SEC. On February 3, 2016, the Bidder filed the third amendment and on February 5, 2016, the Bidder filed the fourth amendment to the Registration Statement with the SEC. On February 5, 2016 the SEC declared the Registration Statement effective.

10.2.2 Early Commencement Rule

In contrast to the general rule under applicable U.S. securities laws and in reliance on Rule 162(a) under the Securities Act (the **Early Commencement Rule**), the Bidder has begun the Takeover Offer before the Registration Statement has been declared effective by the SEC. As a result of its reliance on the Early Commencement Rule, Wincor Nixdorf Shareholders must be granted the right to withdraw their acceptance of the Takeover Offer at any time during the Acceptance Period. Furthermore, the Early Commencement Rule requires compliance with Rule 14d-4(d) under the Exchange Act. Pursuant to such rule the Wincor Nixdorf Shareholders must be notified immediately of any material changes in the information published, sent or given in connection with the Takeover Offer. In the case of a material change other than price or share levels, there must be at least five Business Days between the notice to the shareholders of such material change and the end of the Acceptance Period. In case that the material change is with respect to the price, the amount of securities sought, the dealer's soliciting fee or other similarly significant change, or a prospectus supplement is included as part of a post-effective amendment to the Registration Statement, there must be 10 Business Days between notice to the shareholders of such material change or filing and the end of the Acceptance Period. If the preliminary prospectus was materially deficient, there must be 20 Business Days between the notice to the shareholders of such deficiency and the end of the Acceptance Period. The Bidder will comply with these provisions only in accordance with the provisions of the Takeover Act. In particular, the Acceptance Period will be extended only in the events provided for in the Takeover Act.

10.2.3 Stop Order

If the SEC is of the opinion that the Registration Statement includes untrue statements of material facts or omits material facts, the SEC may, pursuant to Section 8(d) of the Securities Act, after a hearing of the Bidder, issue a stop order suspending the effectiveness of the Registration Statement. If the SEC would issue a stop order for the Takeover Offer, the Bidder could not settle the Takeover Offer. However, if the Bidder revises the Registration Statement according to the requirements of the stop order, the SEC would revoke the stop order. Usually, the SEC addresses issues that could give grounds to a stop order during the review of the Registration Statement (see Section 10.2.1). As this gives the Bidder the opportunity to address such issues, the SEC rarely issues stop orders in practice.

10.3 Permission to Publish this Offer Document

BaFin approved the publication of this Offer Document by the Bidder on February 4, 2016.

11. Requirements for the Settlement of the Takeover Offer

11.1 Closing Conditions

This Takeover Offer and the agreements which come into existence as a result of accepting the Takeover Offer will only be settled if the following Closing Conditions (the **Closing Conditions**) have been satisfied or effectively waived by the Bidder before the default of the respective Closing Condition (see Section 11.3):

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11.1.1 Regulatory Condition

After publication of this Offer Document and no later than November 21, 2016 the transactions contemplated by this Takeover Offer have been approved by the competent Antitrust Authorities in the following jurisdictions or the statutory waiting periods in the following jurisdictions have lapsed, with the result that the transactions contemplated by this Takeover Offer may be completed:

- (1) Austria, Poland, Portugal, Slovakia and Spain and/or the European Union, if and to the extent the European Commission has authority pursuant to Council Regulation (EC) No. 139/2004 of January 20, 2004;
- (2) The United States of America;
- (3) Brazil;
- (4) China;
- (5) Russia; and
- (6) Turkey.

This Closing Condition is hereinafter referred to as the **Regulatory Condition** .

11.1.2 Registration Statement Condition

The Registration Statement regarding the Diebold Offer Shares:

- (1) has been declared effective by the SEC between the publication of this Offer Document and the expiration of the Acceptance Period; and
- (2) at the expiration of the Acceptance Period is not the subject of any stop order by the SEC pursuant to Section 8(d) of the Securities Act or any proceeding initiated by the SEC seeking such a stop order.

This Closing Condition is hereinafter referred to as the **Registration Statement Condition** .

11.1.3 Minimum Tender Condition

At the time of the expiration of the Acceptance Period (as defined in Section 4.2), the sum of the number of

- (1) Tendered Wincor Nixdorf Shares (as defined in Section 12.2(2)) (including those Wincor Nixdorf Shares for which the acceptance of this Takeover Offer has been declared during the Acceptance Period but only becomes effective after the end of the Acceptance Period by transferring the Wincor Nixdorf Shares to ISIN DE000A169QN2 (WKN A16 9QN)) for which the right to withdrawal, if any, has not been validly exercised in accordance with this Offer Document,
- (2) Wincor Nixdorf Shares held directly by the Bidder, any member of Diebold Group or any person acting in concert with the Bidder within the meaning of Section 2 para. 5 Takeover Act (excluding, for the avoidance of doubt, any Wincor Nixdorf Treasury Shares),
- (3) Wincor Nixdorf Shares that must be attributed to the Bidder or any member of Diebold Group in accordance with Section 30 Takeover Act, and
- (4) Wincor Nixdorf Shares for which the Bidder, any member of Diebold Group or any person acting in concert with the Bidder within the meaning of Section 2 para. 5 Takeover Act has entered into an agreement outside of this Takeover Offer, giving them the right to demand the transfer of title of such Wincor Nixdorf Shares,

(Wincor Nixdorf Shares that fall within the scope of several of the Sections 11.1.3(1) through 11.1.3(4) are counted only once) equals at least 22,362,159 Wincor Nixdorf Shares (approximately 67.6 percent of all Wincor Nixdorf Shares existing at the time of approval of the publication of this Offer Document by BaFin) (the Minimum Acceptance Rate).

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11.1.4 No Market Material Adverse Change Condition

- (1) Between the publication of this Offer Document and the expiration of the Acceptance Period trading on the Frankfurt Stock Exchange shall not have been suspended for more than three consecutive trading days for all shares admitted to trading on the entire Frankfurt Stock Exchange.
- (2) Furthermore, the closing quotations of the DAX (ISIN DE0008469008), as determined by Deutsche Börse AG, Frankfurt am Main, Germany, or a successor thereof, and published on its website (currently: www.deutsche-boerse.com), of the two trading days prior to the end of the Acceptance Period, are no more than 28.5 percent below the closing quotation of the DAX on the trading day immediately preceding the day of approval of the publication of this Offer Document by BaFin (namely, not below 6,745.90 points).

This Closing Condition is hereinafter referred to as the **No Market Material Adverse Change Condition**.

The Closing Conditions in Sections 11.1.4(1) and 11.1.4(2) constitute independent Closing Conditions.

11.1.5 No Wincor Nixdorf Material Adverse Change Condition

Between the publication of this Offer Document and the expiration of the Acceptance Period neither

- (1) Wincor Nixdorf has published new circumstances pursuant to Section 15 Securities Trading Act, nor
- (2) circumstances have occurred that would have had to be published by Wincor Nixdorf pursuant to Section 15 Securities Trading Act or that Wincor Nixdorf did not publish because of a self-exception pursuant to Section 15 para. 3 Securities Trading Act,

that, in case of a one-time event, result in a negative effect on the annual EBITDA (as defined in Wincor Nixdorf's annual report for the fiscal year ended September 30, 2015) of Wincor Nixdorf in an amount of at least 50 million, and/or, in case of a recurring event, result in a recurring negative effect on the annual EBITDA (as defined in Wincor Nixdorf's annual report for the fiscal year ended September 30, 2015) of Wincor Nixdorf in an amount of at least 18 million for the fiscal years 2015/2016, 2016/2017 and 2017/2018, or that, in each case, could reasonably be expected to have such effect (Material Adverse Change).

Whether a Material Adverse Change has occurred between the publication of this Offer Document and the expiration of the acceptance period will be determined exclusively by an expert opinion of the Independent Expert as set out in greater detail in Section 11.2. If (i) the Independent Expert (as defined in Section 11.2) confirms that a Material Adverse Change has occurred, (ii) this expert opinion of the Independent Expert has been received by the Bidder by the expiration of the acceptance period and (iii) the Bidder has published the receipt and result of this expert opinion of the Independent Expert no later than on the required date of publication pursuant to Section 23 para. 1 sentence 1 no. 2 Takeover Act, the Closing Condition as set out in this Section 11.1.5 shall be deemed not satisfied. In all other cases, the Closing Condition as set out in this Section 11.1.5 shall be deemed to have been satisfied.

11.1.6 No Material Compliance Violation

Between the publication of this Offer Document and the expiration of the Acceptance Period no criminal or administrative offense (*Ordnungswidrigkeit*) relating to applicable corruption, anti-bribery, money-laundering or cartel laws (Material Compliance Violation) by a member of a governing body or officer of Wincor Nixdorf or a subsidiary of Wincor Nixdorf, while any such person was operating in their official capacity at, or on behalf of, Wincor Nixdorf or a subsidiary of Wincor Nixdorf is known to have occurred, if any such Material Compliance Violation constitutes insider information for Wincor Nixdorf pursuant to Section 13 Securities Trading Act or has constituted insider information prior to its publication.

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Whether a Material Compliance Violation has occurred between the publication of this Offer Document and the expiration of the acceptance period will be determined exclusively by an expert opinion of the Independent Expert as set out in greater detail in Section 11.2. If (i) the Independent Expert (as defined in Section 11.2) confirms that a Material Compliance Violation has occurred, (ii) this expert opinion of the Independent Expert has been received by the Bidder by the expiration of the acceptance period and (iii) the Bidder has published the receipt and result of the expert opinion of the Independent Expert no later than on the required date of publication pursuant to Section 23 para. 1 sentence 1 no. 2 Takeover Act, the Closing Condition as set out in this Section 11.1.6 shall be deemed not satisfied. Otherwise, the Closing Condition as set out in this Section 11.1.6 shall be deemed to have been satisfied.

11.1.7 No Increase of Share Capital; No Issuance of Wincor Nixdorf Treasury Shares

Between the publication of this Offer Document and the expiration of the Acceptance Period:

- (1) Wincor Nixdorf shall not have increased its share capital, and

- (2) Wincor Nixdorf shall not have granted, delivered, sold, committed to sell or to transfer, or in any other way disposed of any or all of the Wincor Nixdorf Treasury Shares.

The Closing Conditions in Sections 11.1.7(1) and 11.1.7(2) constitute independent Closing Conditions. For the avoidance of doubt, the issuance of new stock options to management directors and employees does not constitute a default of this Closing Condition, even if in principle such stock options could be satisfied by delivery of treasury shares or conditioned capital pursuant to the terms and conditions of the existing stock option plans.

11.1.8 No Over-Indebtedness or Insolvency

Between the publication of this Offer Document and the expiration of the Acceptance Period, Wincor Nixdorf does not publish pursuant to Section 15 Securities Trading Act that:

- (1) Insolvency proceedings under German law have been opened in respect of the assets of Wincor Nixdorf or the management board of Wincor Nixdorf has applied for such proceedings to be opened; or

- (2) There are grounds that would require an application for the opening of insolvency proceedings.

The Closing Conditions in Sections 11.1.8(1) and 11.1.8(2) constitute independent Closing Conditions.

11.1.9 No Superior Competing Offer

Between the publication of this Offer Document and the expiration of the Acceptance Period no competing offer by a third party within the meaning of Section 22 Takeover Act was announced pursuant to Section 10 para. 1 sentence 1 Takeover Act which according to an ad hoc notification by Wincor Nixdorf pursuant to Section 15 Securities Trading Act (i) offers an overall consideration exceeding the consideration offered by this Takeover Offer, or (ii) is otherwise

determined by the management board and the supervisory board of Wincor Nixdorf to be in the best interest of Wincor Nixdorf.

11.1.10 No Prohibition or Illegality of the Takeover Offer or of the Business Combination

At the expiration of the Acceptance Period, no temporary restraining order or preliminary or permanent injunction or other order of a competent governmental authority has been issued and is still in force or continues to exist in

- (1) a member state of the European Union;
- (2) the United States of America;

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- (3) Brazil;

- (4) China;

- (5) Colombia;

- (6) Russia;

- (7) Turkey;

- (8) Canada;

- (9) Australia; or

- (10) Japan

and prohibits or makes unlawful the business combination or the acquisition or direct or indirect ownership of Wincor Nixdorf Shares through the Bidder or Diebold KGaA and as a result prevents consummation of the Takeover Offer.

11.2 Independent Expert

The determination of a Material Adverse Change or a Material Compliance Violation will be conducted by the Value Trust Financial Advisors SE, München as an independent expert (the **Independent Expert**). The Independent Expert will deliver, after careful consideration pursuant to the standards of a diligent professional in the area of accounting and tax advising, an opinion in which it determines whether Material Adverse Change or a Material Compliance Violation has occurred.

The Independent Expert shall act only upon request of the Bidder. The Bidder shall publish without undue delay and with reference to this Takeover Offer, the commencement of the procedure to determine whether a Material Adverse Change (see Section 11.1.5), a Material Compliance Violation (see Section 11.1.6) has occurred between the publication of this Offer Document and at the end of the Acceptance Period, in the Federal Gazette (*Bundesanzeiger*) and on the internet (<http://www.diebold.com/> in the *Investor Relations* section).

In case the Bidder receives an expert opinion of the Independent Expert by the end of the Acceptance Period which states that between the publication of this Offer Document and the end of the Acceptance Period, a Material Adverse Change (see Section 11.1.5) or a Material Compliance Violation (see Section 11.1.6) has occurred, the Bidder is required to publish in the Federal Gazette (*Bundesanzeiger*) and on the internet (<http://www.diebold.com/> in the *Investor Relations* section) the fact that it has received such expert opinion and the result of this expert opinion without undue delay, however, at the latest on the date of the publication pursuant to Section 23 para. 1 sentence 1 no. 2 Takeover Act and with reference to this Takeover Offer. The expert opinion of the Independent Expert will be binding and final upon the acceptance of the Takeover Offer by the Bidder and the Wincor Nixdorf Shareholders. The

fees and expenses of the Independent Expert shall be borne by the Bidder.

In the Business Combination Agreement, Wincor Nixdorf committed to provide to the extent legally permissible and that all expenses incurred thereby borne by the Bidder (i) reasonable support to the Independent Expert and (ii) all requisite information regarding the Target, its subsidiaries and the business they operate.

11.3 Waiver of Closing Conditions

The Bidder shall be entitled, at its free discretion, up until one working day prior to the expiration of the Acceptance Period, to waive any Closing Condition before its default to the extent legally permissible and subject to any applicable consent by the requisite Financing Sources. Closing Conditions validly waived by the Bidder will be presumed, for the purposes of this Takeover Offer, to have been satisfied. For purposes of Section 21 para. 1 Takeover Act, the publication of the amendment of the Takeover Offer subject to Section 21 para. 2 Takeover Act in conjunction with Section 14 para. 3 Takeover Act is authoritative.

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In the event of waiving one, several or all of the Closing Conditions or the reduction of the Minimum Acceptance Rate within the last two weeks before the expiration of the Acceptance Period defined in Section 4.2 of this Offer Document, the Acceptance Period will be extended by two weeks pursuant to Section 21 para. 5 Takeover Act (until April 5, 2016 at 24:00 hours (Central European Summer Time)). The Acceptance Period will be extended only in accordance with the events provided for in the Takeover Act.

11.4 Non-Satisfaction of Closing Conditions

If (i) any of the Closing Conditions in Sections 11.1.2 to 11.1.10 of this Offer Document has not been satisfied at the end of the Acceptance Period or (ii) the Closing Condition in Sections 11.1.1 of this Offer Document has not been satisfied by November 21, 2016 (inclusive) and the Bidder has not effectively waived the relevant Closing Conditions pursuant to Section 21 para. 1 sentence 1 no. 4 Takeover Act by the end of the working day prior to the expiration of the Acceptance Period, the Takeover Offer will terminate.

In this case, the agreements entered into as a result of accepting the Takeover Offer will not be completed and will cease to exist (condition subsequent). Tendered Wincor Nixdorf Shares (as defined in Section 12.2(2)) will be reassigned and transferred where necessary to each respective Custodian Bank. Accordingly, the Custodian Banks will have to arrange for the Tendered Wincor Nixdorf Shares (as defined in Section 12.2(2)) to be transferred into DE000A0CAYB2 (WKN A0C AYB) without undue delay, and in any case, no later than five Business Days after the lapse of the Takeover Offer has been made known. The Tendered Wincor Nixdorf Shares will be rebooked free of charge for Wincor Nixdorf Shareholders pursuant to Section 12.9 of this Offer Document. However, any foreign taxes and/or fees and expenses charged by foreign Custodian Banks that do not have a mutual custody account connection with Clearstream must be borne by the relevant Wincor Nixdorf Shareholder.

If the Takeover Offer is not settled due to the non-satisfaction of a Closing Condition (Closing Failure), and if the Closing Failure was due to the non-satisfaction of (i) the Regulatory Condition, (ii) the Registration Statement Condition or (iii) the No Market Material Adverse Change Condition (and no other closing condition), the parties will use their reasonable best efforts to renegotiate the Takeover Offer and the business combination in good faith with regard to the new facts, provided that the Closing Failure has not been caused by non-compliance of either party with the terms of the business combination agreement.

11.5 Publication

The Bidder will publish without undue delay, both on the internet at the website <http://www.diebold.com/> in the *Investor Relations* section, in the Federal Gazette (*Bundesanzeiger*) and by way of an English language press release via an electronically operated information distribution system in the United States, if (i) a Closing Condition has been satisfied, (ii) a Closing Condition has been waived by the Bidder, (iii) all Closing Conditions have been satisfied unless otherwise waived, or (iv) the Takeover Offer will not be completed.

11.6 Termination Fees

If (i) the Takeover Offer is not consummated due to the failure to satisfy the Regulatory Condition (see Section 11.1.1), the Registration Statement Condition (see Section 11.1.2), or the No Market Material Adverse Change Condition (see Section 11.1.4), (ii) the Bidder and Wincor Nixdorf were unable pursuant to the Business Combination Agreement to agree upon a revised transaction and enter into a revised agreement within a period of two months and

(iii) either party has terminated the Business Combination Agreement under specific conditions according to the provisions of the Business Combination Agreement, a termination fee (*pauschalierter Schadensersatz*) must be paid to Wincor Nixdorf by the Bidder as follows:

20 million if the Registration Statement Condition has not been satisfied, except an exception applies pursuant to the Business Combination Agreement;

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30 million if the No Market Material Adverse Change Condition has not been satisfied; or

50 million if the Regulatory Condition has not been satisfied on or before November 21, 2016.

12. Acceptance and Settlement of the Takeover Offer

12.1 Settlement Agent

The Bidder has appointed Deutsche Bank Aktiengesellschaft, Taunusanlage 12, 60325 Frankfurt am Main, Germany (Offer Document inquiries by facsimile at +49 69 910 38794 or by email at dct.tender-offers@db.com) as the Settlement Agent for the technical processing of this Takeover Offer.

12.2 Acceptance of the Takeover Offer within the Acceptance Period

Wincor Nixdorf Shareholders who wish to accept the Takeover Offer should address any questions regarding the technical execution of the Takeover Offer to the Custodian Bank or other securities service company where their Wincor Nixdorf Shares are held. These institutions have been separately informed about the procedures for acceptance and settlement of the Takeover Offer, and they will inform any customers who keep the Wincor Nixdorf Shares in their securities custody accounts about the Takeover Offer and the steps required for its acceptance.

Wincor Nixdorf Shareholders may only accept the Takeover Offer if, within the Acceptance Period (for information regarding the acceptance of the Takeover Offer during the Additional Acceptance Period, see Section 12.6), they:

- (1) declare in writing to their Custodian Bank the acceptance of the Takeover Offer (the **Declaration of Acceptance**); and
- (2) instruct their Custodian Bank to effect the transfer of the Wincor Nixdorf Shares in their custody account for which they wish to accept the Takeover Offer (together with the Wincor Nixdorf Shares tendered within the Additional Acceptance Period, the **Tendered Wincor Nixdorf Shares**), into ISIN DE000A169QN2 (WKN A169QN) at Clearstream.

The Declaration of Acceptance will only be effective if the Tendered Wincor Nixdorf Shares are transferred into ISIN DE000A169QN2 (WKN A169QN) at Clearstream no later than 6:00 p.m. (Central European Time) on the second Business Day after the expiration of the Acceptance Period. The transfers are to be arranged by the Custodian Bank after receipt of the Declaration of Acceptance.

Receipt by the Custodian Bank is important for compliance with the Acceptance Period. Declarations of Acceptance that are not received by the respective Custodian Bank within the Acceptance Period or that have been erroneously or incompletely filled out will not be regarded as an acceptance of the Takeover Offer and do not entitle the respective Wincor Nixdorf Shareholder to receive the Offer Consideration. Neither the Bidder, nor persons acting in concert with the Bidder nor their subsidiaries are required to notify the respective Wincor Nixdorf Shareholder of any defects or errors in the Declaration of Acceptance, and they assume no liability in the event that such notification is not made.

12.3 Further Declarations in Connection with the Acceptance of the Takeover Offer

With regard to the Declaration of Acceptance:

- (1) the respective Wincor Nixdorf Shareholders accept the Takeover Offer, as set out in this Offer Document, for all Wincor Nixdorf Shares held in their custody account at the Custodian Bank at the time of notice, unless a different number is explicitly stated in writing in the Declaration of Acceptance;

- (2) the respective Wincor Nixdorf Shareholders instruct and authorize their Custodian Bank to transfer the Wincor Nixdorf Shares specified in the Declaration of Acceptance into ISIN DE000A169QN2 (WKN A169QN) at Clearstream, but to initially leave such shares in their own custody account;

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- (3) the respective Wincor Nixdorf Shareholders instruct their Custodian Banks to instruct and authorize Clearstream to deposit the Tendered Wincor Nixdorf Shares left in the accounts of the Custodian Banks with the ISIN DE000A169QN2 (WKN A16 9QN) to the account of the Settlement Agent at Clearstream immediately prior to the settlement of the Takeover Offer for the purpose of transferring the ownership of the Tendered Wincor Nixdorf Shares to Diebold KGaA;
- (4) the respective Wincor Nixdorf Shareholders transfer subject to the satisfaction of the Closing Conditions, unless the Bidder has waived one or several Closing Conditions pursuant to Section 21 para. 1 sentence 1 no. 4 Takeover Act their Tendered Wincor Nixdorf Shares, including all rights vested in the shares at the time of the Settlement, to Diebold KGaA.
- (5) the respective Wincor Nixdorf Shareholders instruct and authorize the Settlement Agent to transfer the Tendered Wincor Nixdorf Shares to Diebold KGaA following receipt of the Offer Consideration for each Tendered Wincor Nixdorf Share by the Settlement Agent; in the course of the settlement, the Settlement Agent will transfer the Offer Consideration through Clearstream to the Custodian Banks, and the Custodian Banks will credit the Diebold Offer Shares (subject to the fractional shares rules in this Section 12.4) in exchange for Tendered Wincor Nixdorf Shares to the securities custody account of the relevant former Wincor Nixdorf Shareholder and credit the Cash Component per Tendered Wincor Nixdorf Share to the relevant account of the former Wincor Nixdorf Shareholder at the Custodian Banks;
- (6) the respective Wincor Nixdorf Shareholders instruct and authorize their Custodian Banks to aggregate and to sell and/or transfer, as the case may be, their fractional shares associated with Diebold Offer Shares (together with other fractional shares in the form of whole Diebold Offer Shares) to the Settlement Agent's account at Clearstream for the purpose of monetizing these fractional shares, or to instruct and authorize Clearstream to do so on their behalf;
- (7) the respective Wincor Nixdorf Shareholders instruct and authorize the Settlement Agent to monetize the fractional shares of Diebold Offer Shares (and other fractional shares in the form of whole Diebold Offer Shares) that are transferred to the Settlement Agent's account at Clearstream by the Custodian Bank;
- (8) the respective Wincor Nixdorf Shareholders agree and accept that the proceeds credited for any fractional shares of Diebold Offer Shares will be determined on the basis of the average proceeds per share realized by the Custodian Bank and/or Settlement Agent by monetizing whole Diebold Offer Shares representing fractional shares of Diebold Offer Shares on behalf of the respective Wincor Nixdorf Shareholders;
- (9) the respective Wincor Nixdorf Shareholders instruct and authorize their Custodian Banks to credit the proceeds from a sale of such fractional shares of Diebold Offer Shares to the account they have set forth in the Declaration of Acceptance;
- (10) the respective Wincor Nixdorf Shareholders engage and authorize their respective Custodian Banks and the Settlement Agent, under exemption from the prohibition of self-dealing according to Section 181 of the

German Civil Code (*Bürgerliches Gesetzbuch*), to take all expedient or necessary actions for settling this Takeover Offer and to issue and receive notices, in particular to effect the transfer of ownership in the Tendered Wincor Nixdorf Shares to Diebold KGaA;

- (11) the respective Wincor Nixdorf Shareholders instruct their respective Custodian Banks to instruct and authorize Clearstream, to provide the Settlement Agent, directly or through the Custodian Bank, on each trading day, all necessary information for announcements regarding the acquisition of shares (see Section 18), particularly the number of Tendered Wincor Nixdorf Shares transferred to the custody account of the Custodian Bank at Clearstream into ISIN DE000A169QN2 (WKN A16 9QN);

- (12) the respective Wincor Nixdorf Shareholders declare that the Tendered Wincor Nixdorf Shares are in their sole ownership, are not subject to any restrictions on disposal and are free from rights and claims of third parties at the time of the transfer of ownership; and

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(13) the respective Wincor Nixdorf Shareholders instruct and authorize their Custodian Banks to transfer the Declaration of Acceptance and, in the event of withdrawal (see Section 16), the withdrawal letter for the Takeover Offer, to the Settlement Agent upon request.

The declarations, instructions, orders and authorizations listed in the above paragraphs are granted irrevocably in the interest of a smooth and quick implementation of this Takeover Offer. They will expire in case of an effective withdrawal from the agreements that were entered into as a consequence of the acceptance of the Takeover Offer or failure of a Closing Condition.

12.4 Settlement of the Takeover Offer

The Tendered Wincor Nixdorf Shares will initially remain in the custody accounts of the Tendering Wincor Nixdorf Shareholders and will be transferred into ISIN DE000A169QN2 (WKN A169QN).

Prior to the delivery of Diebold Offer Shares to Wincor Nixdorf Shareholders according to the Takeover Offer, the Bidder will apply for admission of the Diebold Offer Shares for trading on the NYSE and of all Diebold Shares for trading on the Frankfurt Stock Exchange. If all Closing Conditions have been satisfied by the end of the Additional Acceptance Period and the Takeover Offer has been settled without undue delay thereafter, the Bidder expects trading to begin immediately after delivery of the Diebold Offer Shares to the Tendering Wincor Nixdorf Shareholders, presumably on April 27, 2016. If the Regulatory Condition, which may remain outstanding until November 21, 2016, has not been satisfied by the end of the Additional Acceptance Period (or waived until one working day prior to the end of the Acceptance Period), the settlement of the Takeover Offer will be delayed accordingly until satisfaction of this condition.

The Diebold Offer Shares will be transferred to the securities custody accounts of the Custodian Banks maintained at Clearstream no later than seven Business Days following the later of (i) the publication of the results of the Additional Acceptance Period pursuant to Section 23 para. 1 no. 3 Takeover Act or (ii) the satisfaction of the Regulatory Condition that may remain outstanding until November 21, 2016.

To this end, the Settlement Agent will arrange for the Diebold Offer Shares, the Share Component and the Cash Component of the Offer Consideration to be transferred or credited for each Tendered Wincor Nixdorf Share through Clearstream and the Custodian Banks to the respective security custody accounts or accounts of the Wincor Nixdorf Shareholders who have accepted the Takeover Offer (or, in the event of a resale of the Tendered Wincor Nixdorf Shares to the respective purchaser of the Wincor Nixdorf Shares). For each Wincor Nixdorf Share 0.434 Diebold Offer Shares, related to the Share Component, and 38.98, related to the Cash Component of the Offer Consideration, will be paid to former Wincor Nixdorf Shareholders who have accepted the Takeover Offer.

The exchange of each Tendered Wincor Nixdorf Share for 0.434 Diebold Offer Shares is described in more detail below:

The Bidder will issue the Diebold Offer Shares as authorized by the resolutions approved by the board of directors of the Bidder on November 21, 2015. The issuance of new shares is different from a capital increase in kind for contribution of Tendered Wincor Nixdorf Shares under German law (as described under Section 5.2.2). As a result, prior to the transfer of ownership of Tendered Wincor Nixdorf Shares by the Tendering Wincor Nixdorf Shareholders, the Diebold Offer Shares can be transferred by the Bidder through DTC and Clearstream to a securities custody account held by the

Bidder with the Settlement Agent.

In the course of the settlement, the Settlement Agent will transfer the Offer Consideration through Clearstream to the Custodian Banks, and the Custodian Banks will credit the Diebold Offer Shares (subject to the fractional shares rules in this Section 12.4) in exchange for Tendered Wincor Nixdorf Shares to the securities custody account of the relevant former Wincor Nixdorf

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Shareholder and credit the Cash Component per Tendered Wincor Nixdorf Share to the relevant account of the former Wincor Nixdorf Shareholder at the Custodian Banks. Simultaneously, Clearstream will transfer the Tendered Wincor Nixdorf Shares to the securities custody account of Diebold KGaA held by the Settlement Agent to the securities account of the Settlement Agent at Clearstream.

As a result, in the course of the settlement, the Bidder will issue and transfer the Diebold Offer Shares together with the Cash Component through the Settlement Agent to the respective securities custody accounts or accounts of the Tendering Wincor Nixdorf Shareholders and, in return, the Tendered Wincor Nixdorf Shares are transferred through the Settlement Agent directly to Diebold KGaA. With the transfer of the Diebold Offer Shares and the Cash Component to the respective securities custody accounts and bank accounts of the Tendering Wincor Nixdorf Shareholders, the Bidder transfers ownership and pays, respectively, the Offer Consideration to the Tendering Wincor Nixdorf Shareholders and with the transfer of the Tendered Wincor Nixdorf Shares to Diebold KGaA, the Tendering Wincor Nixdorf Shareholders transfer ownership of the Tendered Wincor Nixdorf Shares to Diebold KGaA.

If fractions in Diebold Offer Shares with the ISIN US2536511031 are created as a result of the exchange ratio of the Offer Consideration, there will be no shareholder right to require an adjustment to whole shares (so-called fractional adjustment). Entitlements with respect to fractional shares will only be settled in cash. To the extent that Wincor Nixdorf Shareholders are entitled to fractional shares, those fractional entitlements will be aggregated and sold by the respective Custodian Banks and/or the Settlement Agent on the stock exchange. The proceeds of such sale will be distributed pro rata to the Wincor Nixdorf Shareholders entitled thereto who have tendered Wincor Nixdorf Shares after settlement of the Takeover Offer and the proceeds credited for any fractional shares of Diebold Offer Shares will be determined on the basis of the average proceeds per share. Because market prices of Diebold Shares will fluctuate, cash proceeds received by Wincor Nixdorf Shareholders in respect of their fractional shares may be different than an amount calculated based on the market price of a Diebold Share at the time of the settlement of the Takeover Offer.

The Bidder will have fulfilled its obligation with respect to the Tendered Wincor Nixdorf Shares to provide the Offer Consideration according to the Takeover Offer if the Diebold Offer Shares have been admitted to trading on the Frankfurt Stock Exchange and the NYSE, the Diebold Offer Shares have been transferred to the securities custody accounts held by the Custodian Bank at Clearstream and the payments to fulfill the Cash Component per Tendered Wincor Nixdorf Share and potential payments in connection with the compulsory settlement of fractional adjustments have been made to the accounts held by the Custodian Bank at Clearstream. It is the respective Custodian Banks responsibility to credit the Diebold Offer Shares, the Cash Component per Tendered Wincor Nixdorf Share as well as any proceeds from the fractional adjustments to the respective accepting Wincor Nixdorf Shareholders.

The Custodian Banks will aggregate and sell and/or transfer, as applicable, all fractional amounts of the Diebold Offer Shares belonging to Wincor Nixdorf Shareholders (in the form of full Diebold Offer Shares) to the securities custody account of the Settlement Agent at Clearstream. The Custodian Bank and/or the Settlement Agent will dispose of these fractional amounts of Diebold Offer Shares for the benefit of the Wincor Nixdorf Shareholders who accept the Takeover Offer. The proceeds resulting from these disposals will be credited to the securities custody accounts provided in the Declaration of Acceptance of the Wincor Nixdorf Shareholders who accept the Takeover Offer within ten Business Days after the deposit of Diebold Offer Shares in the accounts of the accepting Wincor Nixdorf Shareholders.

Assuming the Announcement of Results (as defined in Section 18) occurs on April 15, 2016, and all Closing Conditions are satisfied up to this point or have been effectively waived by the Bidder until one (1) working day prior to the expiration of the Acceptance Period, the Diebold Offer Shares and the Cash Component would be expected to be credited by April 26, 2016 and the proceeds from fractional adjustments would be expected to be credited by the respective Custodian Banks by May 11, 2016.

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If the Regulatory Condition, which may remain outstanding until November 21, 2016, is not satisfied by the end of the Additional Acceptance Period and has not been effectively waived, the settlement of the Takeover Offer will be delayed accordingly until satisfaction of this condition. If the Regulatory Condition (see Section 11.1.1) is satisfied on the latest possible date, November 21, 2016, and has not been waived by the expiration of the Acceptance Period, the Diebold Offer Shares and the Cash Component would be expected to be credited by November 30, 2016 and the proceeds from fractional adjustments (*Spitzenverwertung*) would be expected to be credited by the respective Custodian Banks by December 14, 2016.

12.5 Legal Consequences of Acceptance

With the acceptance of the Takeover Offer, a binding agreement regarding the sale of the Tendered Wincor Nixdorf Shares and the transfer of the ownership of the Tendered Wincor Nixdorf Shares in accordance with the provisions of this Offer Document will be entered into between the accepting Wincor Nixdorf Shareholders and the Bidder. These agreements and their interpretation are subject solely to German law. The Offer Consideration for every Tendered Wincor Nixdorf Share consists of a Cash Component in the amount of 38.98, as well as a Share Component in the amount of 0.434 Diebold Offer Shares.

Moreover, the Wincor Nixdorf Shareholders accepting the Takeover Offer will have irrevocably issued the instructions, orders, authorizations and powers-of-attorney set forth in Section 12.3 of this Offer Document, and they will also have made the declarations and assurances set forth in Section 12.3 of this Offer Document.

The *in rem* settlement of the Takeover Offer will only take place following the expiration of the Additional Acceptance Period and the satisfaction of the Closing Conditions as described in Section 12.4: The Bidder pays the Offer Consideration for all Tendered Wincor Nixdorf Shares and all Tendered Wincor Nixdorf Shares are transferred directly to Diebold KGaA. With the transfer of ownership of the Tendered Wincor Nixdorf Shares to Diebold KGaA, all rights and claims associated therewith will be transferred to Diebold KGaA.

Accordingly, Tendering Wincor Nixdorf Shareholders will acquire co-ownership of the security entitlement in the aggregate amount of Diebold Shares held through their respective Custodian Banks via Clearstream, and the position as beneficial owner with all rights of security holders in the same position, such as the right of disposal, voting rights, and dividend rights (see Section 5.2.2).

12.6 Acceptance during the Additional Acceptance Period

Wincor Nixdorf Shareholders who wish to accept the Takeover Offer during the Additional Acceptance Period should contact their Custodian Banks with any questions.

Sections 12.2 through 12.5 of this Offer Document shall apply mutatis mutandis to the acceptance of the Takeover Offer during the Additional Acceptance Period. Accordingly, Wincor Nixdorf Shareholders can accept the Takeover Offer during the Additional Acceptance Period by filing a Declaration of Acceptance as outlined in Section 12.2 of this Offer Document.

This Declaration of Acceptance also only becomes effective upon the transfer in due time of the Wincor Nixdorf Shares for which the acceptance was declared to ISIN DE000A169QN2 (WKN A16 9QN) at Clearstream. The transfer will be arranged by the respective Custodian Bank upon receipt of the Declaration of Acceptance.

The transfer of Wincor Nixdorf Shares with Clearstream shall be deemed to have been timely effected if the Custodian Bank is informed of the acceptance within the Additional Acceptance Period and the transfer of Wincor Nixdorf Shares to Clearstream is made prior to 6:00 p.m. (Central European Summer Time) on the second Business Day following the expiration of the Additional Acceptance Period. Tendered Wincor Nixdorf Shares for which the Declaration of Acceptance was made and which were timely transferred to ISIN DE000A169QN2 (WKN A16 9QN) during the Additional Acceptance Period in the Takeover Offer are likewise designated as Tendered Wincor Nixdorf Shares.

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12.7 Trading with Tendered Wincor Nixdorf Shares

The Bidder will ensure that Tendered Wincor Nixdorf Shares as well as Wincor Nixdorf Shares put to the Bidder (as defined in Section 15.5), if any, will be admitted to trading on the regulated market (*Regulierter Markt*) (Prime Standard) of the Frankfurt Stock Exchange under ISIN DE000A169QN2 (WKN A16 9QN) starting from the third trading day at the Frankfurt Stock Exchange following the commencement of the Acceptance Period.

It is expected that trading of Tendered Wincor Nixdorf Shares as well as Wincor Nixdorf Shares put to the Bidder (as defined in Section 15.5), if any, on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange will cease after the end of the regular stock exchange trading hours one working day after satisfaction of the last Closing Condition (see Section 11.1.1), or, if later, one working day after the expiry of the Additional Acceptance Period.

The date on which trading ceases shall be published by the Bidder without undue delay via an electronically operated information dissemination system within the meaning of Section 10 para. 3 sentence 1 no. 2 Takeover Act, in the Federal Gazette (*Bundesanzeiger*) and by way of an English language press release via an electronically operated information distribution system in the United States.

Any person acquiring Tendered Wincor Nixdorf Shares or Wincor Nixdorf Shares put to the Bidder (as defined in Section 15.5) will assume all rights and obligations arising from the acceptance of the Takeover Offer, including the irrevocable declarations, instructions, orders and authorizations set out in Section 12.3 of this Offer Document.

Wincor Nixdorf Shares not tendered will continue to be traded under ISIN DE000A0CAYB2 (WKN A0C AYB).

12.8 Rescission upon Non-Satisfaction of the Closing Conditions upon Which the Effectiveness of the Takeover Offer Depends

The Takeover Offer will only be completed and the Bidder will only be required to effect the transfer of the Tendered Wincor Nixdorf Shares to Diebold KGaA in accordance with this Offer Document and to effect the transfer of the Offer Consideration, if all Closing Conditions have been satisfied or the Bidder has effectively waived the Closing Conditions within the period set forth in Section 11.3 of this Offer Document. The Takeover Offer expires if one or more Closing Conditions are not met and the Bidder has not waived such Closing Conditions within the time period set forth in Section 11.3 of this Offer Document. The agreements that were entered into by accepting the Takeover Offer will not be completed and will become void in the event the Takeover Offer expires (condition subsequent). Transfer of ownership of the Tendered Wincor Nixdorf Shares to Diebold KGaA will not occur and the Tendered Wincor Nixdorf Shares will be transferred if necessary to each respective Custodian Bank. The Tendered Wincor Nixdorf Shares will be transferred into ISIN DE000A0CAYB2 (WKN A0C AYB).

Precautions will be made to ensure that the transfer takes place in due time, no later than within five(5) Business Days, if it has been announced in accordance with Section 11.5 of this Offer Document that the Takeover Offer will not be settled. Following the transfer, Wincor Nixdorf Shares will again be traded under their original ISIN DE000A0CAYB2 (WKN A0C AYB). The transfer is free of charge for Wincor Nixdorf Shareholders. However, any foreign taxes and/or fees and expenses charged by foreign Custodian Banks that do not have a mutual custody account connection with Clearstream must be borne by the relevant Wincor Nixdorf Shareholder individually.

12.9 Right of Withdrawal of Wincor Nixdorf Shareholders Who Accept the Takeover Offer

Wincor Nixdorf Shareholders that have accepted the Takeover Offer may withdraw their acceptance of the Takeover Offer under the conditions set forth in Section 16 of this Offer Document. Detailed information regarding the exercise and the legal consequences of exercising the right of withdrawal are described in Section 16 of this Offer Document.

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12.10 Costs for Wincor Nixdorf Shareholders Who Accept the Takeover Offer

The acceptance of the Takeover Offer is free of fees and expenses for the Wincor Nixdorf Shareholders who hold their Wincor Nixdorf Shares at a domestic Custodian Bank (except for costs for transmitting the Declaration of Acceptance to the respective Custodian Bank). For this purpose, the Bidder will pay a customary commission to the Custodian Banks, of which they will be informed separately.

Any foreign stock exchange trading taxes or stamp duties or other foreign taxes or expenses which may be incurred, as well as any additional costs imposed by Custodian Banks or foreign intermediate custodians, must, however, be borne by the relevant Wincor Nixdorf Shareholder.

Furthermore, the deposit of foreign securities may be more expensive than the deposit of German securities, dependent on the price model of the depository institution.

The costs incurred in the event of a necessary transfer or re-transfer resulting from a failure to satisfy the Closing Conditions on which the effectiveness of this Takeover Offer depends are described in Section 12.8 of this Offer Document.

13. Securing of the Offer Consideration

13.1 Financing Requirements

As of the date of the publication of this Offer Document, the number of Wincor Nixdorf Shares issued amounts to 33,084,988.

If the Takeover Offer would be accepted for all relevant 33,084,988 Wincor Nixdorf Shares, the Bidder would be obligated, according to the Share Component of the Offer Consideration, to deliver 14,358,885 Diebold Offer Shares and, according to the Cash Component of the Offer Consideration, to pay approximately 1,289.7 million in cash in order to pay the Offer Consideration for all Tendered Wincor Nixdorf Shares.

In addition, the Bidder will incur transaction costs for the preparation and execution of this Takeover Offer, which are not expected to exceed an amount of around \$216.6 million (which corresponds to approximately 200.3 million based on the noon buying rate for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York for \$ per 1 as of January 22, 2016 of \$1.0814) (the **Transaction Costs**). The total costs to the Bidder in cash in connection with the transaction, consisting of the Cash Component and the Transaction Costs, are estimated at a maximum of approximately 1,490.0 million (the **Maximum Total Transaction Costs**).

However, the Bidder and Wincor Nixdorf entered into a non-tender agreement pursuant to which Wincor Nixdorf is obliged not to tender the 3,268,777 Wincor Nixdorf Treasury Shares (in whole or in part) into the Takeover Offer (the **Non-Tender Agreement**). To ensure that Wincor Nixdorf cannot accept the Takeover Offer for the Wincor Nixdorf Treasury Shares, Wincor Nixdorf has also entered into an agreement with the Bidder and the Wincor Nixdorf Custodian Bank pursuant to which the Wincor Nixdorf Custodian Bank agrees that it (i) will not transfer the Wincor Nixdorf Treasury Shares from the deposit to another deposit held by Wincor Nixdorf, the Wincor Nixdorf Facility GmbH or by a third party, and (ii) it will not perform any orders by Wincor Nixdorf or the Wincor Nixdorf Facility GmbH to sell or transfer the Wincor Nixdorf Treasury Shares (including, for the avoidance of doubt, by way of an acceptance of the Takeover Offer) (the **Blocked Account Agreement**).

Therefore, the Takeover Offer can only be accepted for a maximum of 29,816,211 Wincor Nixdorf Shares (the Maximum Number of Wincor Nixdorf Shares less the Wincor Nixdorf Treasury Shares). If the Takeover Offer was accepted for 29,816,211 Wincor Nixdorf Shares, the Bidder would be obligated, according to the Share Component of the Offer Consideration, to deliver 12,940,236 Diebold Offer Shares (the **Expected Supply Obligation**) and, according to the Cash Component of the Offer Consideration, to pay

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approximately 1,162.2 million in cash in order to pay the Offer Consideration for all Tendered Wincor Nixdorf Shares. Therefore, the total costs in cash that the Bidder expects to incur in connection with the Takeover Offer, including Transaction Costs of \$216.6 million (which corresponds to approximately 200.3 million based on the noon buying rate for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York for \$ per 1 as of January 22, 2016 of \$1.0814), amount up to a maximum of 1,362.5 million (the **Expected Transaction Costs**).

13.2 Financing Measures

Prior to the publication of this Offer Document, the Bidder has taken the necessary measures to ensure that the financial means required for the complete fulfilment of the Takeover Offer will be available to it in due time.

13.2.1 Expected Supply Obligation

As set out in Section 5.2.2, the Bidder can at any time after the satisfaction of the Closing Conditions issue up to 12,940,236 Diebold Offer Shares using Authorized Shares and is therefore in a position to fulfill the Expected Supply Obligation.

On November 21, 2015, the Bidder's board of directors resolved that, subject to the satisfaction or, where permissible, waiver of the Closing Conditions, the Diebold Offer Shares be set aside, reserved and authorized for issuance in connection with the consummation of the Takeover Offer. The board of directors further resolved, among other things, that, subject to the satisfaction or, where permissible, waiver of the Closing Conditions, the Bidder, acting through certain authorized officers or each of them individually, or their designees or agents, is authorized and empowered to issue the Diebold Offer Shares pursuant to and on the terms set forth in the Business Combination Agreement and this offer document without further action by the board of directors.

The Diebold Offer Shares for the Share Component are to be issued by way of stock issuance pursuant to the Ohio Revised Code and the Articles of Incorporation and the Code of Regulations of the Bidder. The effective issuance of the Diebold Offer Shares does not require registration with a court or a public register that could be affected by the commencement of shareholder litigation. In contrast with the legal situation in Germany, this fact increases the certainty of the effective issuance of the Diebold Offer Shares.

13.2.2 Maximum Supply Obligation

If Wincor Nixdorf, contrary to its contractual obligations under the Non-Tender Agreement, accepts the Takeover Offer for any or all of the Wincor Nixdorf Treasury Shares, it has subjected itself to a contractual penalty for the benefit of the Bidder. Pursuant to the contractual penalty, Wincor Nixdorf must make available to the Bidder, for each Wincor Nixdorf Treasury Share for which it accepts the Takeover Offer, the Offer Consideration (the **Contractual Penalty**). Wincor Nixdorf is thus under the obligation (i) to make a cash payment to the Bidder corresponding to the amount which Wincor Nixdorf would be entitled to receive for all tendered Wincor Nixdorf Treasury Shares and (ii) to deliver a number of Diebold Shares to the Bidder which Wincor Nixdorf would be entitled to receive for all tendered Wincor Nixdorf Treasury Shares. The Bidder would be entitled to set-off (*aufrechnen*) its claim to the Contractual Penalty against any claim of Wincor Nixdorf to the Offer Consideration under the Takeover Offer, so that Wincor Nixdorf's claim would expire at the time of such offset. Any claim to the Contractual Penalty would become due and payable immediately. The above mentioned Contractual Penalty would also be incurred if Wincor Nixdorf

sells or transfers any of the Wincor Nixdorf Treasury Shares to a third party. Furthermore, pursuant to the Blocked Account Agreement, Wincor Nixdorf may not dispose of any of the Wincor Nixdorf Treasury Shares at any time during which the Takeover Offer could be accepted.

Table of Contents**13.2.3 Expected Transaction Costs**

The Bidder has secured the necessary financial means to pay the Expected Transaction Costs at settlement under the Takeover Offer by having arranged for cash funds which will be made available to it (directly or indirectly) for this purpose.

On October 25, 2015, the Bidder entered into a purchase agreement with a wholly owned subsidiary of Securitas AB (Securitas Electronic Security) to divest its electronic security business located in the United States and Canada for an aggregate purchase price of approximately \$350.0 million (which corresponds to approximately 323.7 million based on the noon buying rate for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York for \$ per 1 as of January 22, 2016 of \$1.0814) in cash, 10.0 percent of which is contingent and payable over a twelve-month period beginning at settlement based on the successful transition of certain customer relationships (the **Sale of the Electronic Security Business**). Net (after tax) cash proceeds from the Sale of the Electronic Security Business will be set aside in a separate bank account and held available for financing of the Maximum Total Transaction Costs and/or other Certain Funds Purposes under the Bank Credit Agreement (as defined in Section 13.2.3(1)).

The Expected Transaction Costs will be funded through third-party debt financing measures consisting of the following:

(1) Funds from the Bank Credit Agreement

On November 23, 2015, the Bidder as borrower entered into a \$1.841 billion credit agreement with, *inter alios*, J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC as joint lead arrangers and joint bookrunners, JPMorgan Chase Bank, N.A. as administrative agent and as lender, and Credit Suisse AG, Cayman Islands Branch, as syndication agent and as a lender (the **Bank Credit Agreement**). The funds available under the Bank Credit Agreement correspond to approximately 1.702 billion based on the noon buying rate for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York for \$ per 1 as of January 22, 2016 of \$1.0814. These funds will be available to the Bidder for the payment of the Expected Transaction Costs following the satisfaction of certain conditions precedent. The Bidder has no reason to believe that the conditions for the utilization of the facilities under the Bank Credit Agreement will not be satisfied in a timely manner and that the amounts to be paid out under the Bank Credit Agreement may not be transferred to it. The Bank Credit Agreement has not been terminated and, to the knowledge of the Bidder, there are no grounds for termination. The Bidder manages its currency exchange risk as the total acquisition consideration through the use of currency hedges. The Sale of the Electronic Security Business closed and the Bidder received the upfront purchase price on February 1, 2016. The Bidder expects to reduce the funds under the Bank Credit Agreement in the amount of net (after tax) cash proceeds from the Sale of the Electronic Security Business set aside in a separate bank account and held available for financing the Takeover Offer and/or other Certain Funds Purposes under the Bank Credit Agreement.

(2) Funds from the Bridge Credit Agreement or the Unsecured Notes

On November 23, 2015, the Bidder as borrower entered into a \$500.0 million bridge credit agreement with, *inter alios*, J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC as joint lead arrangers and joint bookrunners, JPMorgan Chase Bank, N.A. as administrative agent and as lender, and Credit Suisse AG, Cayman Islands Branch, as syndication agent and as a lender (the **Bridge Credit Agreement**). The funds available under the Bridge Credit Agreement correspond to approximately 462.4 million based on the noon buying rate for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York for \$ per 1 as of

January 22, 2016 of \$1.0814. These funds will be available to and transferred to the Bidder for the payment of the Expected Transaction Costs following the satisfaction of certain conditions precedent. The Bidder has no reason to believe that the conditions for the utilization of the facilities under the

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Bridge Credit Agreement will not be satisfied in a timely manner and that the amounts to be paid out under the Bridge Credit Agreement will not be transferred to it. The Bridge Credit Agreement has not been terminated and, to the knowledge of the Bidder, there are no grounds for termination. The Bidder manages its currency exchange risk as the total acquisition consideration through the use of currency hedges.

The Bidder intends to issue senior unsecured notes in an aggregate principal amount of \$500.0 million (the **Unsecured Notes**) on or prior to the settlement of the Takeover Offer. To the extent the Bidder successfully issues the Unsecured Notes, it will refrain from utilizing the facilities under the Bridge Credit Agreement (and such facilities may be terminated).

13.2.4 Maximum Total Transaction Costs

In addition, the Bidder has, before the publication of this Offer Document, taken the necessary measures to ensure that it will be able to finance the amount by which the Maximum Total Transaction Costs exceed the Expected Transaction Costs. This amount would become payable under the Takeover Offer if, contrary to Wincor Nixdorf's contractual obligations under the Non-Tender Agreement, the Takeover Offer were to be accepted for all Wincor Nixdorf Treasury Shares.

The amount by which the Maximum Total Transaction Costs exceed the Expected Transaction Costs would be financed by way of the Contractual Penalty payable by Wincor Nixdorf to the Bidder in case Wincor Nixdorf accepts the Takeover offer for all of the Wincor Nixdorf Treasury Shares. Pursuant to the Non-Tender Agreement, Wincor Nixdorf agreed to pay to the Bidder, for each Wincor Nixdorf Treasury Share for which it accepts the Takeover Offer, an amount corresponding to the Offer Consideration. The Bidder would be entitled to set-off (*aufrechnen*) its claim to the Contractual Penalty against any claim of Wincor Nixdorf to the Offer Consideration under the Takeover Offer and, therefore Wincor Nixdorf's claim would expire at the time of such offset. Any claim to the Contractual Penalty would become due and payable immediately.

13.2.5 Financing Confirmation

J.P. Morgan Securities plc, Frankfurt Branch, Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany, a securities services provider independent of the Bidder, has confirmed in a letter dated January 18, 2016, in accordance with Section 13 para. 1 sentence 2 Takeover Act, that the Bidder has taken the necessary measures to ensure that it has available the necessary cash for the settlement of the Takeover Offer at the due date of the consideration. This financing confirmation is attached to this Offer Document as **Annex 1**.

14. Expected Effects of the Completion of the Takeover Offer on the Assets, Financial and Earnings Positions of the Bidder and Diebold KGaA

The following explanatory financial information (**Explanatory Financial Information**) describes the expected effects of the Takeover Offer on the assets, financial and earnings positions of the Bidder and Diebold KGaA, as person acting in concert with the Bidder within the meaning of Section 2 para. 5 sentences 1 and 3 of the Takeover Act, resulting from a successful completion of the Takeover Offer.

14.1 Methodical Approach

Based on the Bidder's unaudited condensed consolidated balance sheet as of September 30, 2015 and unaudited condensed consolidated statement of income for the nine-month period ending September 30, 2015, prepared in accordance with U.S. GAAP and converted from U.S. Dollar to Euro, the Explanatory Financial Information describes:

the expected effects that a successful completion of the Takeover Offer by September 30, 2015 would have on the unaudited condensed consolidated balance sheet of the Bidder as of September 30, 2015, and

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the expected effects that a successful completion of the Takeover Offer by January 1, 2015 would have on the unaudited condensed consolidated statement of income of the Bidder for the nine-month period ending September 30, 2015.

Based on Diebold KGaA's unaudited individual balance sheet and an unaudited individual profit and loss statement for a nine-month period, prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*), the Explanatory Financial Information describes:

the expected effects that a successful completion of the Takeover Offer by December 31, 2015 would have on the unaudited individual balance sheet of Diebold KGaA as of December 31, 2015, and

the expected effects that a successful completion of the Takeover Offer would have on an unaudited individual profit and loss statement of Diebold KGaA for the nine-month period ending September 30, 2015, if Diebold KGaA had been formed on January 1, 2015 and the Takeover Offer had been completed by January 1, 2015.

The Explanatory Financial Information presents information within the meaning of Section 11 para. 2 sentence 3 no. 1 clause 2 of the Takeover Act and is not pro-forma financial information. It was not prepared in accordance with the IDW Accounting Guidelines for the Preparation of Pro Forma Financial Data (IDW RH HFA 1.004), from which it differs significantly. The Explanatory Financial Information includes a simplified representation and has not been audited.

By nature, the Explanatory Financial Information only describes a situation based on assumptions that may or may not prove to be correct. It does not reflect the actual assets, financial and earnings positions of the Bidder or Diebold KGaA, and it is not intended to predict the future assets, financial and earnings positions of the Bidder or Diebold KGaA.

14.2 Basis and Assumptions

14.2.1 Basis

The Explanatory Financial Information is based on the following:

- (1) The Explanatory Financial Information is based on an Offer Consideration for all outstanding Wincor Nixdorf Shares consisting of a Share Component of 0.434 Diebold Offer Shares and a Cash Component in the amount of 38.98 for each outstanding Wincor Nixdorf Share.
- (2) On January 20, 2014, the general shareholders' meeting of Wincor Nixdorf has resolved to pay a dividend of 1.48 per eligible Wincor Nixdorf Share for the fiscal year 2012/2013 on January 21, 2014 and has distributed a dividend in this amount. On January 19, 2015, the general shareholders' meeting of Wincor Nixdorf has further resolved to pay a dividend of 1.75 per eligible Wincor Nixdorf Share for the fiscal year 2013/2014 on January 20, 2015 and has distributed a dividend in this amount. Finally, on January 25, 2016,

the general shareholders meeting of Wincor Nixdorf has resolved not to pay a dividend for the fiscal year 2014/2015.

The Bidder does not prepare non-consolidated financial statements.

14.2.2 Assumptions

The Explanatory Financial Information assumes the following:

- (1) Wincor Nixdorf has issued 33,084,988 ordinary bearer shares, without par value, each representing a pro rata amount of the share capital of 1.00 (the **Maximum Number of Wincor Nixdorf Shares**). Wincor Nixdorf has 29,816,211 outstanding shares as of January 27, 2016. Pursuant to the Business Combination Agreement, there will be no changes to the Wincor Nixdorf Shares issued or outstanding after the publication of the Takeover Offer.

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- (2) Based on the above-mentioned assumptions, the total Offer Consideration amounts to 12,940,236 Diebold Offer Shares and a cash payment of \$1,297.2 (1,162.2) million for all outstanding Wincor Nixdorf Shares. Each Diebold Offer Share shall be attributed a value of \$33.53 (30.07) or approximately \$433.9 (389.1) million in total on the basis of the Three-Month VWAP of the Diebold Offer Shares (**Annex 5**). Therefore, the value of the total Offer Consideration amounts to \$1,731.1 (1,551.3) million.
- (3) Furthermore, the Bidder will incur Transaction Costs for the preparation and execution of this Takeover Offer of \$216.6 (194.4) million. These Transaction Costs account for all costs that do not depend upon the length of time between the publication and conclusion of the Takeover Offer. Time-dependent costs are not accounted for in the Explanatory Financial Information, as their amount is currently unknown and also cannot be estimated reliably.
- (4) The Bidder finances the Cash Component from two sources: the Bank Credit Agreement in the amount of \$1.8 (1.6) billion (of which \$1.6 (1.4) billion is expected to be borrowed given the completion of the Sale of the Electronic Security Business because in this case the funds under the Bank Credit Agreement are expected to be reduced in the amount of the net (after tax) cash proceeds) and the Bridge Credit Agreement in the amount of \$500.0 (448.0) million. The assumed relevant interest rates for the Bank Credit Agreement range from 2.19 percent to 4.5 percent and an average during the first year of 7.75 percent for the Bridge Credit Agreement. Therefore the assumed total interest expenses of the Bidder amount to \$115.8 million per year or \$86.9 (78.0) million for a period of nine months.
- (5) The Bidder conducts the Takeover Offer, effects the transfer and payment of the Offer Consideration for each Wincor Nixdorf Share to the Wincor Nixdorf Shareholders and causes the transfer of the Tendered Wincor Nixdorf Shares directly to Diebold KGaA in the course of the settlement of the Takeover Offer.
- (6) Diebold KGaA reimburses and holds harmless the Bidder for the costs and expenses incurred in connection with the Takeover Offer in the total amount of \$1,912.6 (1,750.8) million, comprised of the value of the total Offer Consideration in the amount of \$1,696.0 (1,551.3) million and Transaction Costs in the amount of approximately \$216.6 (199.5) million. The obligation of Diebold KGaA to reimburse and hold harmless the Bidder is converted into shareholder liability of Diebold KGaA against the Bidder in the form of Promissory Notes (the **Promissory Notes**) and in the amount of \$1,912.6 (1,750.8) million. The Bidder's receivable from the Promissory Notes is subsequently paid into the free capital reserve of Diebold KGaA prior to incurring interest.
- (7) The dividend resolved upon by Wincor Nixdorf's general shareholders' meeting for the fiscal year 2013/2014 is not included in the Explanatory Financial Information because the Bidder or Diebold KGaA were not shareholders in Wincor Nixdorf at the time of the dividend payment in 2015 and thus received no payment, and because the general shareholders' meeting of Wincor Nixdorf resolved not to pay a dividend for the fiscal year 2014/2015.
- (8) Expected future synergy effects are not considered.

Table of Contents**14.3 Expected Effects on the Unaudited Consolidated Financial Statements of the Bidder****14.3.1 Expected Effects on the Unaudited Condensed Consolidated Balance Sheet of the Bidder**

The following table shows the expected effects of a successful Takeover Offer on the unaudited condensed consolidated balance sheet of the Bidder as of September 30, 2015 based on the aforementioned basis and assumptions set out in Section 14.2 of this Offer Document if the Takeover Offer had been completed successfully by September 30, 2015:

All values in \$ million (million)	Bidder as of September 30, 2015 (unaudited)*	Expected impact from the financing measures as of September 30, 2015 (unaudited)*	Expected impact from the completion of the Takeover Offer as of September 30, 2015 (unaudited)*	Bidder at completion of the Takeover Offer as of September 30, 2015 (unaudited)*
ASSETS				
Total current assets	\$ 1,608.2(1,440.8)	\$ 1,537.5(1,377.4)	-\$ 1,297.2(- 1,162.2)	\$ 1,848.5(1,656.0)
Securities and other investments	\$ 82.2(73.6)			\$ 82.2(73.6)
Property, plant and equipment	\$ 177.0(158.6)			\$ 177.0(158.6)
Goodwill	\$ 197.4(176.9)			\$ 197.4(176.9)
Deferred income taxes	\$ 85.4(76.5)			\$ 85.4(76.5)
Finance lease receivables	\$ 44.6(40.0)			\$ 44.6(40.0)
Other assets	\$ 80.3(71.9)		\$ 1,731.1(1,551.3)	\$ 1,811.4(1,623.2)
Total assets	\$ 2,275.1(2,038.3)	\$ 1,537.5(1,377.4)	\$ 433.9(389.1)	\$ 4,246.5(3,804.8)
LIABILITIES				
Total current liabilities	\$ 966.5(865.9)			\$ 966.5(865.9)
Long-term debt	\$ 618.3(554.0)	\$ 1,841.0(1,649.3)		\$ 2,459.3(2,203.3)
Pensions and other benefits	\$ 198.2(177.6)			\$ 198.2(177.6)
Post-retirement and other benefits	\$ 20.9(18.7)			\$ 20.9(18.7)
Deferred income taxes	\$ 14.9(13.3)			\$ 14.9(13.3)
Other long-term liabilities	\$ 29.8(26.7)			\$ 29.8(26.7)
Total Diebold, Incorporated shareholders equity	\$ 401.4(359.6)	-\$ 303.5(- 271.9)	\$ 433.9(389.1)	\$ 531.8(476.8)
Noncontrolling interests	\$ 25.1(22.5)			\$ 25.1(22.5)
Total equity	\$ 426.5(382.1)	-\$ 303.5(- 271.9)	\$ 433.9(389.1)	\$ 556.9(499.3)
Total liabilities and equity	\$ 2,275.1(2,038.3)	\$ 1,537.5(1,377.4)	\$ 433.9(389.1)	\$ 4,246.5(3,804.8)

*

Euro amounts in brackets following a U.S. Dollar amount are converted to Euros based on the noon buying rate as of September 30, 2015 of 1 to \$1.1162.

Notes:

- (1) Total assets increased a net \$1,537.5 (1,377.4) million due to the \$1,841.0 (1,649.3) million cash received from the Bank Credit Agreement and the Bridge Credit Agreement net of Transaction Cost and interest payments of \$303.5 (271.9) million as shown in the column with the caption, Expected impact from financing measures as of September 30, 2015 (unaudited).
- (2) Total assets increased a net \$433.9 (389.1) million due to the \$1,297.2 (1,162.2) million in cash spent for the Cash Component to acquire the Wincor Nixdorf Shares and \$1,731.1 (1,551.3) million in value of the investment asset obtained through the acquisition of the Wincor Nixdorf Shares as shown in the column with the caption, Expected impact from completion of the Takeover Offer as of September 30, 2015 (unaudited).
- (3) Long-term debt increased by \$1,841.0 (1,649.3) million for utilization of the credit facilities provided by the Bank Credit Agreement and the Bridge Credit Agreement as shown in the column with the caption, Expected impact from financing measures as of September 30, 2015 (unaudited).
- (4) Equity increased by \$130.4 (117.2) million which represents \$433.9 (389.1) million based on the value of the 12,940,236 Diebold Shares at a price of \$33.53 (30.07) per share, which corresponds to the Three-Month VWAP of the Diebold Offer Shares (**Annex 5**), net of \$303.5 (271.9) million which consists of \$216.6 (194.4) million of Transaction Costs and \$86.9 (78.0) million of interest expenses as shown in the column with the caption, Expected impact from completion of the Takeover Offer as of September 30, 2015 (unaudited).

Table of Contents**14.3.2 Expected Effects on the Unaudited Condensed Consolidated Statements of Income of the Bidder**

The following table shows the expected effects of a successful Takeover Offer on the unaudited condensed consolidated statements of income of the Bidder for the nine-month period ending September 30, 2015 based on the aforementioned basis and assumptions set out in Section 14.2 of this offer document if the Takeover Offer had been completed successfully by January 1, 2015:

	Bidder from January 1 to September 30, 2015 (unaudited)*	Expected impact from the financing measures as of January 1, 2015 (unaudited)*	Expected impact from the completion of the Takeover Offer as of January 1, 2015 (unaudited)*	Bidder as of September 30, 2015 (unaudited)*
All values in \$ million (million)				
PROFIT AND LOSS STATEMENT				
Net sales	\$ 2,069.8(1,857.5)			\$ 2,069.8(1,857.5)
Cost of sales	\$ 1,539.7(1,381.8)			\$ 1,539.7(1,381.8)
Gross profit	\$ 530.1(475.7)			\$ 530.1(475.7)
Selling and administrative expense	\$ 392.5(352.2)		\$ 216.6(194.4)	\$ 609.1(546.6)
Research, development and engineering expense	\$ 66.2(59.4)			\$ 66.2(59.4)
Impairment of assets	\$ 18.9(17.0)			\$ 18.9(17.0)
Gain on sale of assets, net	-\$ 1.4(- 1.3)			-\$ 1.4(- 1.3)
	\$ 476.2(427.3)		\$ 216.6(194.4)	\$ 692.8(621.7)
Operating profit	\$ 53.9(48.4)		-\$ 216.6(- 194.4)	-\$ 162.7(- 146.0)
Other income/expense				
Investment income	\$ 20.6(18.5)			\$ 20.6(18.5)
Interest expense	-\$ 24.1(- 21.6)	-\$ 86.9(- 78.0)		-\$ 111.0(- 99.6)
Foreign exchange gain/loss, net	-\$ 9.2(- 8.3)			-\$ 9.2(- 8.3)
Miscellaneous, net	-\$ 1.7(- 1.5)			-\$ 1.7(- 1.5)
Income/loss before taxes	\$ 39.5(35.5)	-\$ 86.9(- 78.0)	-\$ 216.6(- 194.4)	-\$ 264.0(- 236.9)
Income tax benefit	-\$ 1.7(- 1.5)			-\$ 1.7(- 1.5)
Net income/loss	\$ 41.2(37.0)	-\$ 86.9(- 78.0)	-\$ 216.6(- 194.4)	-\$ 262.3(- 235.4)
Net income/loss attributable to noncontrolling interests	\$ 0.1(0.1)			\$ 0.1(0.1)
Net income/loss attributable to Diebold, Incorporated	\$ 41.1(36.9)	-\$ 86.9(- 78.0)	-\$ 216.6(- 194.4)	-\$ 262.4(- 235.5)

* Euro amounts in brackets following a U.S. Dollar amount are converted to Euros based on the nine-month average noon buying rate from January 1, 2015 to September 30, 2015 of 1 to \$1.1143.

Notes:

(1) The \$86.9 (78.0) million represents nine months of interest expense for the Bank Credit Agreement and the Bridge Credit Agreement.

(2) Expenses of \$216.6 (194.4) million represent the amount of the Transaction Costs for the acquisition of the Wincor Nixdorf Shares.

For the fiscal years 2012/2013 and 2013/2014, Wincor Nixdorf paid a dividend of 1.48 and 1.75, respectively. On January 25, 2016, the general shareholders meeting of Wincor Nixdorf resolved not to pay a dividend for the fiscal year 2014/2015. It is uncertain whether and to what amount Wincor Nixdorf will pay a dividend in the future. The Bidder and Diebold KGaA do not expect any further dividends.

Table of Contents**14.4 Expected Effects on the Unaudited Individual Financial Statements of Diebold KGaA****14.4.1 Expected Effects on the Unaudited Individual Balance Sheet of Diebold KGaA**

The following table shows the expected effects of a successful Takeover Offer on Diebold KGaA's unaudited individual balance sheet as of December 31, 2015 based on the aforementioned basis and assumptions set out in Section 14.2 if the Takeover Offer had been completed successfully by December 31, 2015:

All values in million (\$ million)	Diebold KGaA as of December 31, 2015 (unaudited)*	Expected impact from the completion of the Takeover Offer as of December 31, 2015 (unaudited)*	Diebold KGaA at completion of the Takeover Offer as of December 31, 2015 (unaudited)*
ASSETS			
Fixed Assets			
Financial assets(1)		1,551.3 (\$1,696.0)**	1,551.3 (\$1,696.0)**
Current Assets			
Cash and cash equivalents(2)	0.1 (\$0.1)		0.1 (\$0.1)
	0.1 (\$0.1)	1,551.3 (\$1,696.0)	1,551.4 (\$1,696.1)
LIABILITIES			
Equity			
Issued share capital(3)	0.1 (\$0.1)		0.1 (\$0.1)
Capital reserve(4)		1,750.8 (\$1,912.6)***	1,750.8 (\$1,912.6)***
Net profit/(net loss) for the year(5)		- 199.5 (-\$216.6)	- 199.5 (-\$216.6)
Liabilities			
Liabilities to affiliated companies			
	0.1 (\$0.1)	1,551.3 (\$1,696.0)	1,551.4 (\$1,696.1)

*) Unless otherwise stated, U.S. Dollar amounts in brackets following an Euro amount are converted to U.S. Dollar based on the noon buying rate as of December 31, 2015 of 1 to \$1.0859.

**) 1,551.3 (\$1,696.0) is the sum of 389.1 (\$433.9), the value of 12,940,236 Diebold Offer Shares based on the Three-Month VWAP of the Diebold Offer Shares of 30.07 (\$33.53) (Annex 5), and the Cash Component of 38.98 (\$42.33) for each of the 29,816,211 Wincor Nixdorf Shares, in a total amount of 1,162.2 (\$1,262.1), the latter converted to U.S. Dollar based on the noon buying rate as of December 31, 2015 of 1 to \$1.0859.

***) 1,750.8 (\$1,912.6) is the sum of 1,551.3 (\$1,696.0) and the Transaction Costs in the amount of 199.5 (\$216.6), the latter converted to U.S. Dollar based on the noon buying rate as of December 31, 2015 of 1 to \$1.0859.

Notes:

- (1) On the asset side of the balance sheet, the item "Financial assets" (Section 266 para. 2 A. III. of the German Commercial Code (*Handelsgesetzbuch*)) will increase by the acquisition costs for the Wincor Nixdorf Shares

in the amount of 1,551.3 (\$1,696.0) million. In the case of an exchange, the transferred asset (Wincor Nixdorf Shares) is valued at the current value of the exchanged asset (12,940,236 Diebold Offer Shares, valued at the Three-Month VWAP of 30.07 (\$33.53) (see **Annex 5**) each, or 389.1 (\$433.9) million in total and the payment of 1,162.2 (\$1,262.1) million in cash). Therefore, the value of total Offer Consideration amounts to 1,551.3 (\$1,696.0) million.

- (2) Furthermore, the item Cash and cash equivalents (Section 266 para. 2 B. IV. of the German Commercial Code (*Handelsgesetzbuch*)) initially contains the cash contribution for the share capital in the amount of 50,000 (rounded to 0.1 (\$0.1) million), contributed to Diebold KGaA on December 11, 2015.

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- (3) On the liabilities side of the balance sheet, the item Issued share capital (Section 266 para. 3 A. I. of the German Commercial Code (*Handelsgesetzbuch*)) initially contains the share capital in the amount of 50,000 (rounded to 0.1 (\$0.1) million).
- (4) The item Capital reserve (Section 266 para. 3 A. II. of the German Commercial Code (*Handelsgesetzbuch*)) increases pursuant to Section 272 para. 2 no. 4 German Commercial Code (*Handelsgesetzbuch*) due to the payment of the Bidder's receivable from the Promissory Notes into the free capital reserve of Diebold KGaA in the amount of 1,750.8 (\$1,912.6) million.
- (5) Finally, the item Net profit/(net loss) for the year (Section 266 para. 3 A. V. of the German Commercial Code (*Handelsgesetzbuch*)) reflects the net losses as evaluated with the profit and loss statement of the Bidder in Section 14.4.2.

14.4.2 Expected Effects on the Unaudited Individual Profit and Loss Statement of Diebold KGaA

The following table shows the expected effects of a successful Takeover Offer on an unaudited individual profit and loss statement of the Diebold KGaA for the nine-month period ending September 30, 2015 based on the aforementioned basis and assumptions set out in Section 14.2 if Diebold KGaA had been formed on January 1, 2015 and the Takeover Offer had been completed by January 1, 2015:

All values in million (\$ million)	Diebold KGaA from January 1 to September 30, 2015 (unaudited)	Expected impact from the completion of the Takeover Offer as of January 1, 2015 (unaudited)*	Diebold KGaA as of September 30, 2015 (unaudited)*
PROFIT AND LOSS STATEMENT			
Other operating expenses ⁽¹⁾		194.4 (\$216.6)	194.4 (\$216.6)
Income from equity investments ⁽²⁾			
Interest and similar expenses ⁽³⁾			
Net profit/(net loss)⁽⁴⁾		194.4 (\$216.6)	194.4 (\$216.6)

* U.S. Dollar amounts in brackets following an Euro amount are converted to U.S. Dollar based on the nine-month average noon buying rate from January 1, 2015 to September 30, 2015 of 1 to \$1.1143.

Notes:

- (1) The item Other operating expenses (Section 275 para. 2. no. 8 of the German Commercial Code (*Handelsgesetzbuch*)) increases in the amount of 194.4 (\$216.6) million due to the Transaction Costs.

- (2) The general shareholders' meeting of Wincor Nixdorf has resolved to pay a dividend of 1.75 per eligible Wincor Nixdorf Share for the fiscal year 2013/2014 from January 20, 2015. However, the dividend is not included in the item "Income from equity investments" (Section 275 para. 2 no. 9 of the German Commercial Code (*Handelsgesetzbuch*)) because Diebold KGaA was not shareholder in Wincor Nixdorf at the time of the dividend payment and because the general shareholders' meeting of Wincor Nixdorf resolved on January 25, 2016 not to pay a dividend for the fiscal year 2014/2015.
- (3) The item "Interest and similar expenses" (Section 275 para. 2 no. 13 of the German Commercial Code (*Handelsgesetzbuch*)) is not affected because the Bidder's receivables from the Promissory Notes are paid into the free capital reserve of Diebold KGaA prior to incurring interest.
- (4) The net loss (Section 275 para. 2 no. 17 of the German Commercial Code (*Handelsgesetzbuch*)) increases in the amount of 194.4 (\$216.6) million due to the Transaction Costs as described in note no. (1).

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For the fiscal years 2012/2013 and 2013/2014 Wincor Nixdorf paid a dividend of 1.48 and 1.75, respectively. On January 25, 2016 the general shareholders meeting of Wincor Nixdorf resolved not to pay a dividend for the fiscal year 2014/2015. It is uncertain whether and to what amount Wincor Nixdorf will pay a dividend in the future. The Bidder and Diebold KGaA do not expect any further dividends.

15. Information for Wincor Nixdorf Shareholders Not Accepting the Takeover Offer

Wincor Nixdorf Shareholders who do not wish to accept the Takeover Offer should particularly take into account the following aspects of the Bidder's intentions regarding the future business of the Target, as set out in Section 8 of this Offer Document.

15.1 Possible Reduction of the Free Float and Liquidity of the Wincor Nixdorf Shares

Wincor Nixdorf Shares, for which this Takeover Offer is not being accepted, can continue to be traded on the Frankfurt Stock Exchange for as long as they remain publicly listed. The current market price of Wincor Nixdorf Shares may, however, be influenced by the fact that the Bidder has published its decision to launch a Takeover Offer on November 23, 2015. It is, therefore, uncertain whether the share price of Wincor Nixdorf Shares will remain at its previous level, or if it will increase or decrease after the completion of this Takeover Offer.

The settlement of the Takeover Offer will lead to a reduction in the free float of Wincor Nixdorf Shares. Against this background, it is expected that after the settlement of the Takeover Offer, supply and demand of Wincor Nixdorf Shares will be lower than current levels and that this will decrease the liquidity of Wincor Nixdorf Shares. A lower liquidity of Wincor Nixdorf Shares could lead to greater fluctuations in the price of Wincor Nixdorf Shares compared to the past and it is possible that purchase and sale orders for Wincor Nixdorf Shares cannot be executed in the short term, if at all.

The settlement of the Takeover Offer, particularly the expected significant reduction of the free float of Wincor Nixdorf Shares, may lead to Wincor Nixdorf no longer being able to fulfil the respective index criteria for Wincor Nixdorf Shares to remain part of, among others, MDAX. This may lead to the exclusion of Wincor Nixdorf Shares from one or several of these indices, in which case it is expected that index funds and institutional investors who retain the respective indices in their portfolios will refrain from acquiring additional Wincor Nixdorf Shares and will sell their current Wincor Nixdorf Shares. A result of the increased supply of Wincor Nixdorf Shares in connection with a decreased demand for Wincor Nixdorf Shares may adversely affect the market price of the Wincor Nixdorf Shares.

15.2 Possible Segment Change, Downlisting or Delisting

Following the successful completion of the Takeover Offer, the Bidder can strive (i) that the Wincor Nixdorf Shares are no longer listed in the sub-segment of the regulated market of the Frankfurt Stock Exchange with additional post-admission obligations (Prime Standard) while maintain their listing on the regulated market (the **Segment Change**), (ii) to remove the Wincor Nixdorf Shares from regulated market of the Frankfurt Stock Exchange and to list them on the unregulated market (*Freiverkehr*) of the Frankfurt Stock Exchange (the **Downlisting**) or (iii) to remove the Wincor Nixdorf Shares entirely from the Frankfurt Stock Exchange (**Delisting**).

In case of a Segment Change, the Wincor Nixdorf Shareholders would no longer benefit from the more stringent reporting obligations of the sub-segment of the regulated market of the Frankfurt Stock Exchange with additional

post-admission obligations (Prime Standard). In the case of a change from regulated market into the unregulated market of the Frankfurt Stock Exchange or in case of a Delisting, the reporting obligations of Wincor Nixdorf would be further reduced or would be cancelled completely. If the Bidder would effect a Downlisting, the liquidity of the Wincor Nixdorf Shares would be negatively affected and a Delisting could make the Wincor Nixdorf Shares effectively illiquid.

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Under German securities law, no protection is afforded to the Wincor Nixdorf Shareholders if the Bidder decides to pursue a Segment Change. In case of a Downlisting or Delisting, the Bidder has to submit a public offer for all Wincor Nixdorf Shares. The consideration offered for the Wincor Nixdorf Shares must be in cash and may not be less than (i) the weighted average domestic market price of the Wincor Nixdorf Shares during the last six months prior to the publication of the decision to launch the public offer, or (ii) the highest consideration provided or agreed to by the Bidder for the acquisition of Wincor Nixdorf Shares within the last six months prior to the publication of the respective offer document.

In the event of a Segment Change, a Downlisting or a Delisting, the Wincor Nixdorf Shares could be excluded from one or more of the indices described in Section 15.1, which could lead to the consequences described therein.

15.3 Qualified Majority of the Bidder in the General Shareholders Meeting of Wincor Nixdorf

Following the successful completion of the Takeover Offer, the Bidder will have the qualified majority necessary to resolve or to approve all important corporate structural measures in a general shareholders meeting of Wincor Nixdorf. Such resolutions include amendments of the articles of association, capital increases, the exclusion of pre-emptive rights in case of capital increases, the issuance of convertible bonds, the conclusion of a domination and profit and loss transfer agreement, transformations, mergers, liquidations and the sale of all or a substantial part of the assets held by Wincor Nixdorf. Accordingly, potential Wincor Nixdorf's minority shareholders will not be in a position to materially influence important business decisions of Wincor Nixdorf. Furthermore, the execution of one or more of these measures may lead to a Delisting of the Wincor Nixdorf Shares.

15.4 Squeeze-Out

Following the successful completion of the Takeover Offer, up to three proceedings could be available to the Bidder or Diebold KGaA to seek a transfer to itself of the Wincor Nixdorf Shares held by the minority shareholders. The implementation of a Squeeze-Out of the minority shareholders would ultimately, among other things, lead to the termination of the listing of the Wincor Nixdorf Shares on the Frankfurt Stock Exchange.

15.4.1 Squeeze-Out under the Transformation Act

If Diebold KGaA holds at least 90 percent of the Wincor Nixdorf Shares entitled to vote following the successful completion of the Takeover Offer in accordance with Section 62 para. 1, 5 Transformation Act, the Bidder could prompt the general shareholders meeting of Wincor Nixdorf to resolve upon the transfer of the remaining Wincor Nixdorf Shares by the minority shareholders to Diebold KGaA against payment of an adequate cash consideration in connection with a merger (Section 62 para. 5 Transformation Act). The adequate cash consideration could be of the same value as the Offer Consideration, but could also be of a higher or lower value.

15.4.2 Squeeze-Out under the German Stock Corporation Act

If the Bidder or Diebold KGaA directly or indirectly holds at least 95 percent of the Wincor Nixdorf Shares entitled to vote following the successful completion of the Takeover Offer in accordance with Sections 327a German Stock Corporation Act, the Bidder or Diebold KGaA could prompt the general shareholders meeting of Wincor Nixdorf to resolve upon the transfer of the remaining Wincor Nixdorf Shares by the minority shareholders to Diebold KGaA

against payment of an adequate cash consideration (Sections 327a *et seq.* German Stock Corporation Act). The adequate cash consideration could be of the same value as the Offer Consideration, but could also be of a higher or lower value.

Should Wincor Nixdorf sell Wincor Nixdorf Treasury Shares, the Bidder may have to hold directly or indirectly up to 95 percent of the Wincor Nixdorf Shares entitled to vote in order to be able to pursue a Squeeze-Out under Sections 327a *et seq.* German Stock Corporation Act or Section 62 para. 1, 5 Transformation Act (see Section 15.4.1).

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15.4.3 Squeeze-Out under the Takeover Act

If the Bidder directly or indirectly holds at least 95 percent of the Wincor Nixdorf Shares entitled to vote following the successful completion of the Takeover Offer in accordance with Section 39a para. 1, 2 Takeover Act, it could further prompt the filing of an application with the competent court, within three months following the expiration of the Acceptance Period, requesting the transfer of the remaining Wincor Nixdorf Shares by the minority shareholders to the Bidder against payment of the Offer Consideration or an alternative cash only amount (Section 39a Takeover Act).

15.5 Pre-emptive Put Right pursuant to Section 39c Takeover Act

If the Bidder is entitled to request a Squeeze-Out under the Takeover Act (see Section 15.4.3), Wincor Nixdorf Shareholders who did not accept the Takeover Offer would still be entitled, pursuant to Section 39c Takeover Act, to accept the Takeover Offer within the three-month period following the expiration of the Acceptance Period (the **Put Right Period**). Pursuant to Section 23 para. 1 sentence 1 no. 4 Takeover Act, the Bidder is required to publish on the internet at <http://www.diebold.com> and in the Federal Gazette (*Bundesanzeiger*) once it holds the number of Wincor Nixdorf Shares allowing it to request a Squeeze-Out under the Takeover Act (see Section 15.4.3). The three-month Put Right Period pursuant to Section 39c Takeover Act will only begin to run after the Bidder has complied with these publication obligations.

The information on the settlement of the Takeover Offer described in Section 12 also applies correspondingly to the exercise of the put right within the Put Right Period (the **Put Right**):

In general, the exercise of the Put Right will be deemed to have been effected in time if, due to a Declaration of Acceptance (see Section 12.2), the transfer of Wincor Nixdorf Shares put to the Bidder (the **Wincor Nixdorf Shares put to the Bidder**) into ISIN DE000A169QN2 (WKN A16 9QN) at Clearstream is completed no later than 6:00 p.m. (Central European Summer Time) on the second Business Day (inclusive) after the expiration of the Put Right Period or no later than 6:00 p.m. (Central European Summer Time) on the Business Day after publication of satisfaction of the Regulatory Condition.

If the Regulatory Condition, which may remain outstanding until November 21, 2016, is not satisfied by the end of the Put Right Period and has not been effectively waived, the Wincor Nixdorf Shares put to the Bidder by effective transfer into ISIN DE000A169QN2 at Clearstream will be settled (see Section 12.4) at the same time as the Tendered Wincor Nixdorf Shares following satisfaction of the Regulatory Condition.

If the Regulatory Condition is satisfied prior to the end of the Put Right Period, (i) Wincor Nixdorf Shares put to the Bidder by effective transfer into ISIN DE000A169QN2 at Clearstream no later than 6:00 p.m. (Central European Summer Time) on the Business Day after publication of satisfaction of the Regulatory Condition will be settled at the same time as the Tendered Wincor Nixdorf Shares, and (ii) Wincor Nixdorf Shares put to the Bidder following 6:00 p.m. (Central European Summer Time) on the Business Day after publication of satisfaction of the Regulatory Condition and prior to expiration of the Put Right Period will be settled on a rolling basis twice weekly.

This settlement on a rolling basis following publication of satisfaction of the Regulatory Condition will occur by direct transfer of the Wincor Nixdorf Shares put to the Bidder under ISIN DE000A0CAYB2 (WKN A0C AYB) by the Custodian Banks to the account of the Settlement Agent at Clearstream. Shares must be put no later than 4:00 p.m. (Central European Summer Time) on the cutoff date by delivery into ISIN DE000A0CAYB2 through a Clearstream participant, who holds the relevant shares with Clearstream, to the Clearstream participant account of the Settlement Agent and corresponding instructions by the relevant Clearstream participant to the Settlement Agent, and settlement will occur no later than three Business Days following the applicable cutoff date and will include the Offer Consideration and any cash in lieu of fractional shares.

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In case the Put Right Period ends less than four Business Days after publication of satisfaction of the Regulatory Condition, the Bidder will extend the Put Right Period and permit shares to be put for at least three Business Days after 6:00 p.m. (Central European Summer Time) on the Business Day after publication of satisfaction of the Regulatory Condition. The Bidder will publish the expiration date of the Put Right Period with publication of the satisfaction of the Regulatory Condition.

The Bidder will ensure that the Wincor Nixdorf Shares put to the Bidder together with Tendered Wincor Nixdorf Shares under ISIN DE000A169QN2 (WKN A16 9QN) will be admitted to trading on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (see in Section 12.7). Trading in Tendered Wincor Nixdorf Shares and Wincor Nixdorf Shares put to the Bidder on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange is expected to cease after the end of the regular stock exchange trading hours one working day after satisfaction of the last Closing Condition (see Section 11.1) or, if later, one working day after the expiry of the Additional Acceptance Period.

16. Rights of Withdrawal

16.1 Prerequisites

Following rights of withdrawal (*Rücktrittsrechte*) are conceded to the Wincor Nixdorf Shareholders who have accepted the Takeover Offer:

- (1) In the event of an amendment of the Takeover Offer pursuant to Section 21 para. 1 Takeover Act, Wincor Nixdorf Shareholders may, at any time until the expiration of the Acceptance Period, withdraw from the agreements that were entered into as a consequence of the acceptance of the Takeover Offer if and to the extent that they have accepted the Takeover Offer prior to the publication of the amendment of the Takeover Offer (Section 21 para. 4 Takeover Act).
- (2) In the event of a competing offer by a third party for the Wincor Nixdorf Shares pursuant to Section 22 para. 1 Takeover Act, Wincor Nixdorf Shareholders may, at any time until the expiration of the Acceptance Period, withdraw from the agreements that were entered into as a consequence of the Takeover Offer if and to the extent that they have accepted the Takeover Offer prior to the publication of the offer document for the competing offer (Section 22 para. 3 Takeover Act).
- (3) In addition and without limitation to the mandatory withdrawal rights (see Sections 16.1(1) and 16.1(2)), Wincor Nixdorf Shareholders may, at any time until the expiration of the Acceptance Period, withdraw from the agreements that were entered into as a consequence of the acceptance of the Takeover Offer. This also corresponds to the requirements of the laws of the United States in the event of an Early Commencement (see Section 10.2.2).

Following the expiration of the Acceptance Period, withdrawal rights will cease, and any agreements that were entered into as a consequence of acceptance of the Takeover Offer cannot be withdrawn. There will be no withdrawal rights during the Additional Acceptance Period or during any Put Right Period.

16.2 Exercise of the Right of Withdrawal

Wincor Nixdorf Shareholders may exercise their right of withdrawal pursuant to Section 16.1 only by taking the following steps prior to expiration of the Acceptance Period:

- (1) declaring their withdrawal to their Custodian Bank in writing for a specified number of Tendered Wincor Nixdorf Shares, and
- (2) instructing their Custodian Bank to arrange for a number of Tendered Wincor Nixdorf Shares held in their securities deposit account for which they have declared their withdrawal to be rebooked under the ISIN DE000A0CAYB2 at Clearstream.

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The declaration of withdrawal has to be made by the expiration of the Acceptance Period (as defined under Section 4.2). However, the declaration of withdrawal will only become effective if the Tendered Wincor Nixdorf Shares, for which the withdrawal has been declared, have been rebooked to the ISIN DE000A0CAYB2 at Clearstream no later than 6:00 p.m. (Central European Time) on the second Business Day following expiration of the Acceptance Period. Such transfer of the Tendered Wincor Nixdorf Shares for which withdrawal has been declared into ISIN DE000A0CAYB2 at Clearstream must be procured by the respective Custodian Bank immediately following the receipt of the declaration of withdrawal. Following the transfer, Wincor Nixdorf Shares can again be traded under ISIN DE000A0CAYB2.

The withdrawal of acceptance of this Takeover Offer is irrevocable. Tendered Wincor Nixdorf Shares for which the right of withdrawal has been exercised are considered to have not been tendered under this Takeover Offer following the withdrawal. However, Wincor Nixdorf Shareholders who have exercised their right of withdrawal may re-accept the Takeover Offer prior to the expiration of the relevant Acceptance Period as described in this Offer Document.

17. Information Regarding Cash Benefits or Other Monetary Benefits to the Board Members of Wincor Nixdorf

In the case of a successful settlement of the Takeover Offer, the Bidder and the Target stipulated in the Business Combination Agreement the following provisions with regards to the following cash benefits or other monetary benefits for the members of the Target's management board and supervisory board in connection with the Takeover Offer:

Mr. Eckard Heidloff, the Target's chief executive officer, shall become a member and president of the board of directors of the Bidder and will receive customary compensation for such activity.

Messrs. Dr. Alexander Dibelius and Dr. Dieter Düsedau, both members of Target's supervisory board, shall become members of the board of directors of the Bidder and shall receive customary compensation for such activity.

Mr. Eckard Heidloff and Dr. Jürgen Wunram, both members of the management board of the Target, shall serve on the Executive Committee in the Combined Group and will receive customary compensation for such activity.

Mr. Olaf Heyden, a member of the management board of the Target, shall become head of the Line of Business entitled Services in the Combined Group and will receive customary compensation for such activity.

Following the consummation of the Takeover Offer, each member of the management board of the Target will enter into discussions with the supervisory board with the goal of agreeing new service agreements (*Dienstverträge*) with the Target which follow the Bidder's human resources

practices (in respect of terms, extension and severance).

Prior to the declaration of effectiveness of the Registration Statement, Messrs. Dr. Alexander Dibelius, Dr. Dieter Düsedau and Eckard Heidloff shall be covered by the existing management liability insurance of the Bidder, on the same basis as current members. The Bidder committed to amend its existing insurance policy as far as necessary.

The Bidder indemnifies the members of the management board of the Target regarding the completeness and correctness of statements and information provided in connection with the Business Combination Agreement (including governmental proceedings with the BaFin and the SEC), except if the material incorrectness of the statements and information is caused by a willful misconduct.

Apart from the above, no member of the Target's management or supervisory board or persons acting in concert with the Target within the meaning of Section 2 para. 5 Takeover Act, or their subsidiaries, has been granted or promised any cash benefits or other monetary benefits in connection with the Takeover Offer from the Bidder, or persons acting in concert with the Bidder within the meaning of Section 2 para. 5 Takeover Act, or their subsidiaries.

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Members of the Target's management board and supervisory board who are also Wincor Nixdorf Shareholders may accept the Takeover Offer. Should such members of Wincor Nixdorf's boards effectively decide to accept the Takeover Offer, they would receive the exact same Offer Consideration for their Tendered Wincor Nixdorf Shares that all other Wincor Nixdorf Shareholders in the context of this Takeover Offer receive for their Tendered Wincor Nixdorf Shares.

18. Results of the Takeover Offer and Other Announcements

In addition to publications of the Bidder described in other Sections of this Offer Document, the Bidder will also issue the following publications and notifications throughout the Takeover Offer:

According to Section 23 para. 1 Takeover Act, the Bidder will publish the total number of Wincor Nixdorf Shares to which it, persons acting in concert with it, and their subsidiaries are entitled, including the percentage of the share capital and the number of voting rights pursuant to Sections 25 and 25a Securities Trading Act, in addition to the number of Tendered Wincor Nixdorf Shares resulting from the Declarations of Acceptance received by the Bidder, including the percentage of the share capital of these shares and the voting rights:

on a weekly basis following the publication of this Offer Document and on a daily basis during the last week prior to the expiration of the Acceptance Period;

without undue delay following the expiration of the Acceptance Period;

without undue delay following the expiration of the Additional Acceptance Period (**Announcement of Results**); and

without undue delay as soon as the Takeover Offer has been accepted for more than 95 percent of the voting shares capital in accordance with Section 39a Takeover Act in Wincor Nixdorf enabling the Bidder to effect a Squeeze-Out pursuant to the Section 39a Takeover Act

on the internet under <http://www.diebold.com/> in the *Investor Relations* section, in the Federal Gazette (*Bundesanzeiger*) and by way of an English language press release via an electronically operated information distribution system in the United States, and the Bidder will inform the BaFin thereof.

Pursuant to Section 23 para. 2 Takeover Act, the Bidder will continue to publish on the internet at <http://www.diebold.com/> in the *Investor Relations* section, in the Federal Gazette (*Bundesanzeiger*) and by way of an English language press release via an electronically operated information distribution system in the United States, and inform the BaFin of any direct and/or indirect acquisition of Wincor Nixdorf Shares by the Bidder, by persons acting in concert with the Bidder in the meaning of Section 2 para. 5 sentence 1 and 3 Takeover Act, or by their subsidiaries, either on or off a stock market, in the time period from the publication of this Offer Document until the publication under Section 23 para. 1 sentence 1 no. 2 Takeover Act, as well as any direct and/or indirect acquisition of Wincor Nixdorf Shares prior to the end of the year following the publication pursuant to Section 23 para. 1 sentence 1 no. 2 Takeover Act stating the nature and amount of consideration.

In the cases of Section 23 paras. 1 and 2 Takeover Act, an acquisition pursuant to Section 31 para. 6 Takeover Act is equivalent to an agreement based on which the transfer of shares can be demanded.

19. Information Regarding Tax

The taxation principles are set out in the section *Material German Tax Considerations* on pages 287 *et seq.* of **Annex 4** of this Offer Document. There you will find detailed information on the domestic tax treatment of the Offer Consideration, which includes the Share Component (please refer to the more detailed description of the tax treatment thereof on pages 288 to 291 of **Annex 4** of this Offer Document) and the Cash Component that will be paid to Wincor Nixdorf Shareholders with tax residency in Germany.

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The withholding tax treatment of cash components in public takeover offers by the tax authorities was uncertain until the Federal Ministry of Finance's statement vis-à-vis the German banking associations on December 18, 2015 (docket number: IV C 1 S 2252/15/10025 :001) in this regard. According to this statement of the Federal Ministry of Finance, the responsible staff members for income tax at the supreme tax authorities of the federation and the German states have discussed the income tax treatment of the takeovers of Westgrund AG and Gagfah S.A. and it was resolved that the cash component within the meaning of Section 20 para. 4a sentence 2 of the German Income Tax Act (*Einkommensteuergesetz* or (**EStG**) will not result in a limited tax liability pursuant to Section 49 para. 1 sentence 1 number 5 sentence 1 letter a EStG. Accordingly, no withholding tax must be deducted in these cases.

Against this backdrop and given the fact that currently a U.S. company is acting as bidder, the Bidder states in accordance with the information provided in the section *Material German Tax Considerations* on pages 287 *et seq.* of **Annex 4** of this Offer Document, already at this point, its opinion on how the German tax authorities will treat the Cash Component for Wincor Nixdorf Shareholders with tax residency outside Germany, in a simplified form:

In the view of the Bidder, the Cash Component is not subject to taxation in Germany for Wincor Nixdorf Shareholders who (i) are not tax resident in Germany, (ii) do not hold their Wincor Nixdorf Shares as part of domestic business assets, and (iii) have held a participation of less than 1 percent of Wincor Nixdorf throughout the last five years.

For Wincor Nixdorf Shareholders who (i) are not tax resident in Germany, (ii) do not hold their Wincor Nixdorf Shares as part of domestic business assets, and (iii) have held a participation of at least 1 percent of Wincor Nixdorf at any time in the last five years, in the view of the Bidder, the tax authorities provide that, regardless of the fact that these Wincor Nixdorf Shareholders can be subject to German taxation for the Cash Component, no withholding tax must be deducted and paid.

Against this backdrop, domestic paying agents are thus, in the view of the Bidder, not obligated to deduct and pay withholding tax and solidarity surcharge from the Cash Component of the exchange offer payable to Wincor Nixdorf Shareholders with tax residency outside Germany, provided that those Wincor Nixdorf Shareholders do not hold the Wincor Nixdorf Shares as part of domestic business assets. In this context, the Bidder notes, in addition to its assessment of the tax treatment of the Cash Component, that Clearstream declared, in its customer announcement D15046 on December 28, 2015 for two other public exchange offers, that it will refrain from and, as the case may be, cancel, any deduction of withholding tax with respect to non-resident taxpayers.

The Bidder indicates that the taxation of Wincor Nixdorf Shareholders with tax residency in Germany is not a subject of the Federal Ministry of Finance's statement on December 18, 2015 (docket number: IV C 1 S 2252/15/10025 :001). In particular, the Bidder assumes, in accordance with the information provided in the section *Material German Tax Considerations* on pages 287 *et seq.* of **Annex 4** of this Offer Document, that for Wincor Nixdorf Shareholders who (i) have tax residency in Germany, (ii) hold their Wincor Nixdorf Shares as private assets, and (iii) have held a participation of less than 1 percent of Wincor Nixdorf throughout the last five years, (**German Retail Investors**), the Cash Component to be received is subject to withholding tax in the amount of 25 percent of the Cash Component as well as 5.5 percent solidarity surcharge thereon, which results in a total tax burden of 26.375 percent (plus church tax, if any) which is subject to withholding. The Bidder recommends that German Private Investors consult their tax advisors, whether, following the deduction of all taxes and taking into account their individual tax situations, an acceptance of the offer or alternative disposal options, such as sale of their shareholdings at the stock exchange,

constitute the most economically favorable option of disposing their Wincor Nixdorf Shares.

For all other Wincor Nixdorf Shareholders, the German taxation of the Cash Component follows the same principles which are generally applicable to pure cash offers and which are described in more detail in the section *Material German Tax Considerations* on pages 287 *et seq.* of **Annex 4**.

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This information regarding tax does not constitute a summary of the tax aspects described in the section *Material German Tax Considerations* on pages 287 *et seq.* of Annex 4 of this Offer Document, and shall not replace or serve as a substitute of reading the information provided therein. The Bidder recommends that every Wincor Nixdorf Shareholder obtains tax advice regarding the relevant tax implications of accepting the Takeover Offer, particularly taking into account their personal financial circumstances, prior to accepting the Takeover Offer.

20. Applicable Law; Place of Jurisdiction

This Takeover Offer and the agreements concluded with the Bidder as a result of the acceptance of this Takeover Offer are governed by German law. The exclusive place of jurisdiction for all legal disputes arising from, or in connection with this Takeover Offer (and any agreement which comes into existence as a result of acceptance of this Takeover Offer), to the extent legally permissible, is Frankfurt am Main, Germany.

21. Declaration of Acceptance of Responsibility for the Contents of this Offer Document

Diebold, Incorporated, registered under the laws of the State of Ohio, United States and with its principal executive offices at 5995 Mayfair Road, P.O. Box 3077, North Canton, Ohio, 44720-8077, United States, assumes responsibility for the contents of this Offer Document, pursuant to Section 11 para. 3 Takeover Act and declares that, to the best of its knowledge, the information contained in this Offer Document is correct and no material facts are omitted.

22. Signatures

North Canton, February 4, 2016

Diebold, Incorporated

Christopher A. Chapman

Senior Vice President and Chief Financial Officer

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Annex 1

Financing Confirmation

NON-BINDING ENGLISH TRANSLATION

Diebold, Incorporated
5995 Mayfair Road
P.O. Box 3077
North Canton, Ohio,
United States

January 18, 2016

Voluntary Public Takeover Offer of Diebold, Incorporated for the purchase of all shares of Wincor Nixdorf AG against, inter alia, payment of a cash consideration of EUR 39.98 per share

Confirmation pursuant to Section 13 para. 1 sentence 2 of the German Securities Acquisition and Takeover Act (WpÜG)

Dear Madams and Sirs:

J.P. Morgan Securities plc Frankfurt Branch, registered with the commercial register of the local court (*Amtsgericht*) of Frankfurt am Main under HRB 45952, is an investment services company independent from Diebold, Incorporated within the meaning of Section 13 para. 1 sentence 2 WpÜG.

We hereby confirm that Diebold, Incorporated has taken the necessary measures to ensure that it has at its disposal, at the time the cash consideration will be due, the necessary means to fully perform the payment of the cash consideration under the above-referenced offer to the shareholders of Wincor Nixdorf AG for the acquisition of the shares outstanding as of the date of this offer.

Sincerely yours,

Dorothee Blessing

Florian Roeckl

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Annex 2

Persons Acting in Concert with Diebold, Incorporated (Subsidiaries of Diebold)

as of January 27, 2016

Company

Diebold Australia Holding Company, Inc.
 Diebold China Security Holding Company, Inc.
 Diebold Enterprise Security Systems, Inc.
 Diebold Global Finance Corporation
 Diebold Holding Company, Inc.
 Diebold Latin America Holding Company, LLC
 Diebold Mexico Holding Company, Inc.
 Diebold Netherlands Holding Company, LLC
 Diebold Self-Service Systems
 Diebold Incorporated Pension Master Trust
 Diebold Software Solutions, Inc.
 Diebold SST Holding Company, Inc.
 Diebold Transaction Services, Inc.
 Impexa LLC
 Mayfair Software Distribution, Inc.
 Phoenix Interactive USA Inc.
 VDM Holding Company, Inc.
 Verdi & Associates, Inc.
 1932780 Ontario Inc.
 Altus Bilisim Hizmetleri Anonim Sirketi
 Bitelco Diebold Chile Limitada
 C.R. Panama, Inc.
 Cable Print B.V.B.A.
 Caribbean Self Service and Security LTD.
 Central de Alarmas Adler, S.A. de C.V.
 Cryptera A/S
 D&G ATMS y Seguridad de Costa Rica Ltda.
 D&G Centroamerica y GBM de Nicaragua y Compañia Ltda.
 D&G Centroamerica, S. de R.L.
 D&G Dominicana S.A.
 D&G Honduras S. de R.L.
 D&G Panama S. de R.L.
 DB & GB de El Salvador Limitada
 DB&G ATMs Seguridad de Guatemala, Limitada
 DBD EMEA Holding C.V.
 DCHC, S.A.
 Diebold (Thailand) Company Limited
 Diebold Africa (Pty) Ltd.
 Diebold Africa Investment Holdings Pty. Ltd.

Registered Office

Wilmington, Delaware
 Wilmington, Delaware
 Elmsford, New York
 Wilmington, Delaware
 Wilmington, Delaware
 Wilmington, Delaware
 Wilmington, Delaware
 Wilmington, Delaware
 Nyack, New York
 North Canton, Ohio
 Wilmington, Delaware
 Wilmington, Delaware
 Wilmington, Delaware
 Houston, Texas
 Wilmington, Delaware
 Wilmington, Delaware
 Wilmington, Delaware
 Buffalo, New York
 Ontario, Canada
 Cankaya-Ankara, Turkey
 Santiago, Chile
 Panama, Panama
 Erpe Mere, Belgium
 Bridgetown, Barbados
 Nuevo Leon, Mexico
 Glostrup, Denmark
 San Jose, Costa Rica
 Managua, Nicaragua
 Panama, Panama
 Santo Domingo, Dominican Republic
 Tegucigalpa, Honduras
 Panama, Panama
 San Salvador, El Salvador
 Ciudad, Guatemala
 Utrecht, The Netherlands
 Panama, Panama
 Bangkok, Thailand
 Johannesburg, South Africa
 Johannesburg, South Africa

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Diebold Argentina, S.A.
Diebold ATM Cihazlari Sanayi Ve Ticaret A.S.
Diebold Australia Pty. Ltd.
Diebold (Barbados) Holdings 1 Corp.
Diebold (Barbados) Holdings 2 Corp.
Diebold (Barbados) Holdings 3 Corp.
Diebold Belgium B.V.B.A
Diebold Bolivia S.R. L.

Buenos Aires, Argentina
Istanbul, Turkey
Sydney, Australia
Christ Church, Barbados
Christ Church, Barbados
Christ Church, Barbados
Zellik, Belgium
La Paz, Bolivia

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Company

Diebold Brasil LTDA
 Diebold Brasil Servicos de Tecnologia e Participacoes Ltda
 Diebold Canada Holding Company Inc.
 Diebold Colombia S.A.
 Diebold Ecuador SA
 Diebold EMEA Processing Centre Limited
 Diebold Financial Equipment Company (China), Ltd.
 Diebold France SARL
 Diebold Germany GmbH
 Diebold Holding Germany Inc. & Co. KGaA
 Diebold Hungary Trading & Servicing LLC
 Diebold Hungary Self-Service Solutions, Ltd.
 Diebold International Limited
 Diebold Italia S.p.A.
 Diebold Kazakhstan LLP
 Diebold Mexico, S.A. de C.V.
 Diebold Netherlands B.V.
 Diebold One UK Limited
 Diebold Österreich Selbstbedienungssysteme GmbH
 Diebold Pacific, Limited
 Diebold Panama, Inc.
 Diebold Paraguay S.A.
 Diebold Peru S.r.l
 Diebold Philippines, Inc.
 Diebold Poland S.p. z.o.o.
 Diebold Portugal Solucoes de Automatizacao, Limitada
 Diebold Selbstbedienungssysteme (Schweiz) GmbH
 Diebold Self-Service Solutions Limited Liability Company
 Diebold Self Service Solutions Namibia (Pty) Ltd
 Diebold Self-Service Ltd.
 Diebold Self-Service Solutions Industrial and Servicing Rom Srl
 Diebold Singapore Pte. Ltd.
 Diebold Software Solutions UK Ltd.
 Diebold South Africa (Pty) Ltd.
 Diebold Spain, S.L.
 Diebold Switzerland Holding Company, LLC
 Diebold Systems Private Limited
 Diamond UK Holdings LLP
 Diebold Uruguay S.A.
 Diebold Vietnam Company Limited
 Diebold Corp Systems Sdn. Bhd.
 GAS Informática Ltda.
 J.J.F. Panama, Inc.
 Phoenix Interactive (Aust) Pty Ltd.
 Phoenix Interactive Design Inc.
 Phoenix Interactive (UK)
 P.T. Diebold Indonesia

Registered Office

Sao Paulo, Brazil
 Sao Paulo, Brazil
 Alberta, Canada
 Bogota, Colombia
 Bodegas La Carlota, Ecuador
 Middlesex, United Kingdom
 Shanghai, Peoples Republic of China
 Guyancourt Cedex, France
 Eschborn, Germany
 Eschborn, Germany
 Budapest, Hungary
 Budapest, Hungary
 Middlesex, United Kingdom
 Milano, Italy
 Almaty, Kazakhstan
 Mexico City, Mexico
 Utrecht, The Netherlands
 Middlesex, United Kingdom
 Wiener Neudorf, Austria
 North Point, Hong Kong
 Panama, Panama
 Asuncion, Paraguay
 Lima, Peru
 Makati City, Philippines
 Warsaw, Poland
 Amadora, Portugal
 Wangen-Bruttisellen, Switzerland
 Wangen-Bruttisellen, Switzerland
 Windhoek, Namibia
 Moscow, Russia
 Bucharest, Romania
 Braddll View, Singapore
 Middlesex, United Kingdom
 Johannesburg, South Africa
 Madrid, Spain
 Wangen-Bruttisellen, Switzerland
 Mumbai, India
 Middlesex, United Kingdom
 Montevideo, Uruguay
 Hanoi, Vietnam
 Kuala Lumpur, Malaysia
 Distrito Federal, Brazil
 Panama, Panama
 Sydney, Australia
 Ontario, Canada
 Scotland, United Kingdom
 Jakarta Selatan, Indonesia

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Procomp Amazonia Industria Eletronica S.A.
Procomp Industria Eletronica LTDA
Diebold Hong Kong Services Limited (f/k/a SIAB (HK) Ltd.)
The Diebold Company of Canada, Ltd.

Amazonas, Brazil
Sao Paulo, Brazil
North Point, Hong Kong
Ontario, Canada

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Annex 3

Persons Acting in Concert with Wincor Nixdorf (Subsidiaries of Wincor Nixdorf)

as of January 27, 2016

Company	Registered Office
WINCOR NIXDORF International GmbH	Paderborn, Germany
WINCOR NIXDORF Banking Consulting GmbH	Paderborn, Germany
WINCOR NIXDORF Business Administration Center GmbH	Paderborn, Germany
WINCOR NIXDORF Customer Care GmbH	Paderborn, Germany
Wincor Nixdorf Dienstleistungs GmbH	Paderborn, Germany
WINCOR NIXDORF Facility GmbH	Paderborn, Germany
WINCOR NIXDORF Facility Services GmbH	Paderborn, Germany
WINCOR NIXDORF Global IT Operations GmbH	Paderborn, Germany
WINCOR NIXDORF Grundstücksverwaltung Ilmenau GmbH & Co. KG	Paderborn, Germany
Wincor Nixdorf Logistics GmbH	Paderborn, Germany
WINCOR NIXDORF Lottery Solutions GmbH	Paderborn, Germany
WINCOR NIXDORF Manufacturing GmbH	Paderborn, Germany
Wincor Nixdorf Portavis GmbH	Hamburg, Germany
WINCOR NIXDORF Real Estate GmbH & Co. KG	Paderborn, Germany
WINCOR NIXDORF Retail Consulting GmbH	Paderborn, Germany
Wincor Nixdorf Retail Services GmbH	Paderborn, Germany
WINCOR NIXDORF Security GmbH	Paderborn, Germany
Wincor Nixdorf Services GmbH	Paderborn, Germany
WINCOR NIXDORF Technology GmbH	Paderborn, Germany
Aevi International GmbH	Paderborn, Germany
Bankberatung Organisations- und IT-Beratung für Banken AG	Wedemark, Germany
IP Management GmbH	Paderborn, Germany
Prosystems IT GmbH	Bonn, Germany
Wincor Nixdorf N.V.	Zaventem, Belgium
Wincor Nixdorf A/S	Ballerup, Denmark
Wincor Nixdorf Oy	Espoo, Finland
Wincor Nixdorf SAS	Vélizy-Villacoublay, France
Wincor Nixdorf Information Systems S.A.	Kifissia/Athens, Greece
Wincor Nixdorf Banking Services Ltd.	Bracknell/Berkshire, Great Britain
Wincor Nixdorf Ltd.	Bracknell/Berkshire, Great Britain
Aevi UK Limited	Bracknell/Berkshire, Great Britain
Wincor Nixdorf Ltd.	Dublin, Ireland
Wincor Nixdorf S.r.l.	Basiglio/Milan, Italy
Wincor Nixdorf Finance Malta Holding Limited	St. Julians, Malta
Wincor Nixdorf Finance Malta Limited	St. Julians, Malta
SecurCash B.V.	Rotterdam, The Netherlands
SecurCash Nederland B.V.	Houten, The Netherlands
SecurCash Geldverwerking B.V.	Houten, The Netherlands
Wincor Nixdorf B.V.	Delft, The Netherlands

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WINCOR NIXDORF Software CV

WINCOR NIXDORF Software Partner B.V.

WINCOR NIXDORF Global Solutions B.V.

Wincor Nixdorf A/S

Wincor Nixdorf GmbH

Wincor Nixdorf Sp.z. o.o.

Wincor Nixdorf Lda.

Utrecht, The Netherlands

Utrecht, The Netherlands

Utrecht, The Netherlands

Oslo, Norway

Vienna, Austria

Warsaw, Poland

Carnaxide, Portugal

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Company	Registered Office
LLC WINCOR NIXDORF	Moscow, Russia
Wincor Nixdorf Oil and Gas IT LLC	Moscow, Russia
Wincor Nixdorf Oil and Gas IT Service LLC	Moscow, Russia
Wincor Nixdorf AB	Solna, Sweden
BEB Industrie- Elektronik AG	Burgdorf, Switzerland
Wincor Nixdorf Finance AG	Baar, Switzerland
Wincor Nixdorf AG	Brüttsellen, Switzerland
WINCOR NIXDORF s.r.o.	Bratislava, Slovakia
Wincor Nixdorf S.L.	Madrid, Spain
Dynasty Technology Group, S.A.U.	Madrid, Spain
Wincor Nixdorf s.r.o.	Prague, Czech Republic
WN CZ RETAIL SOLUTIONS s.r.o.	Prague, Czech Republic
Aevi CZ s.r.o.	Prague, Czech Republic
Wincor Nixdorf Bilgisayar Sistemleri A.S.	Kadikoy/Istanbul, Turkey
LIMITED LIABILITY COMPANY WINCOR NIXDORF	Kiew, Ukraine
Wincor Nixdorf Kft.	Budapest, Hungary
Wincor Nixdorf Soluções em Tecnologia da Informação Ltda.	Atibaia/São Paulo, Brazil
Dynasty Technology Brasil Software Ltda.	Barueri/São Paulo, Brazil
Wincor Nixdorf Canada Inc.	Mississauga/Ontario, Canada
Wincor Nixdorf IT Support S.A. de C.V.	Mexico City, Mexico
Wincor Nixdorf S.A. de C.V.	Mexico City, Mexico
Wincor Nixdorf Inc.	Austin, USA
Wincor Nixdorf C.A.	Caracas, Venezuela
WINCOR NIXDORF AUSTRALIA PTY LTD	Frenchs Forest/Sydney, Australia
Wincor Nixdorf (Hong Kong) Ltd.	Kwun Tong, Kowloon/ Hong Kong, China
Wincor Nixdorf Retail & Banking Systems (Shanghai) Co., Ltd.	Shanghai, China
Wincor Nixdorf Manufacturing (Shanghai) Co., Ltd.	Shanghai, China
Wincor Nixdorf India Private Ltd.	Mumbai, India
PT. Wincor Nixdorf Indonesia	Jakarta Selatan, Indonesia
WINCOR NIXDORF RETAIL SOLUTIONS (M) SDN. BHD	Kuala Lumpur, Malaysia
Wincor Nixdorf (M) Sdn. Bhd.	Kuala Lumpur, Malaysia
WINCOR NIXDORF (PHILIPPINES), INC.	Makati City, Philippines
WINCOR NIXDORF PTE. LTD.	Singapore
WINCOR NIXDORF MANUFACTURING PTE. LTD	Singapore
WINCOR NIXDORF Ltd.	Seoul, South Korea
Wincor Nixdorf Taiwan Ltd.	Taipei, Taiwan
Wincor Nixdorf (Thailand) Co., Ltd.	Bangkok, Thailand
EURL WINCOR NIXDORF	Algiers, Algeria
Wincor Nixdorf S.A.	Casablanca, Morocco
WINCOR NIXDORF (PTY) LTD	Hurlingham-Sandton, South Africa
Wincor Nixdorf Retail ME DMCC (not fully consolidated)	Dubai, UAE
Wincor Nixdorf Limited (not fully consolidated)	Lagos, Nigeria
CI Tech Components AG (Joint Venture)	Burgdorf, Switzerland
CROWN B.V. (Joint Venture)	Delft, The Netherlands
WINSERVICE AS	Oslo, Norway

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Annex 4

Information pursuant to Section 2 no. 2 of the Takeover Offer Regulation in conjunction with Section 7 Securities Prospectus Act (*Wertpapierprospektgesetz*) and the Commission Regulation (EC) No 809/2004 (April 29, 2004), as amended, implementing Directive 2003/71/EC of the European Parliament and of the Council regarding information contained in prospectuses, as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements

Regarding the information included in this **Annex 4** of this Offer Document, the following should also be taken into account:

- I. References in this **Annex 4** to this document or the prospectus should in the context of this Offer Document be read as references to this **Annex 4**.
- II. The Bidder will update this Offer Document to the extent permissible and required under the German Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*), and will comply with its obligation under U.S. law based on the Registration Statement according to the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, to inform security holders of any material change in the information published, sent or given to security holders. The Bidder will also, as applicable, publish additional accompanying information regarding the exchange offer, which will be made available on the Bidder's website at <http://www.diebold.com> under the *Company/Investor Relations* section, and will file such information in English language on the SEC's website at <http://www.sec.gov>.
- III. All notifications and announcements required according to the German Takeover Act will also be published on the internet at the website www.diebold.com (in German and English) under the *Company/Investor Relations* section, and in German language in the Federal Gazette (*Bundesanzeiger*). The Bidder will also file such notifications and announcements in English language with the SEC at <http://sec.gov> and otherwise comply with its obligation under U.S. law with respect to informing security holders of any material change in the information published, sent or given to security holders.

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Table of Contents**SUMMARY OF THE PROSPECTUS**

*Summaries are made up of disclosure requirements known as elements (**Elements**). These Elements are numbered in Sections A E (A.1 E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In such cases, the summary includes a short description of the Element with the words *not applicable* .*

A Introduction and Warnings**A.1 Warnings.**

This summary should be read as an introduction to this prospectus (the **Prospectus**). Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor.

If any claims are asserted before a court of law based on the information contained in this Prospectus, the investor appearing as plaintiff may have to bear the costs of translating the Prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area.

Diebold Incorporated, North Canton, Ohio, United States of America (the **United States**) (**Diebold, Inc.**, and, together with its consolidated subsidiaries, **Diebold**) has assumed responsibility for the contents of this summary and its German translation pursuant to Section 5 para. 2b no. 4 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*). Those persons who are responsible for the summary, including any translation thereof, or for the issuing (*Veranlassung*), can be held liable but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of this Prospectus, all necessary key information.

A.2 Information regarding the subsequent use of the prospectus.

Not applicable. Consent regarding the use of the Prospectus for a subsequent resale or placement of the shares has not been granted.

B Issuer**B.1 Legal and commercial name of the issuer.**

The issuer's legal name is Diebold, Incorporated.

The issuer's group primarily operates under the commercial name Diebold.

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B.2 Domicile, legal form, legislation under which the issuer operates, country of incorporation. Diebold, Incorporated has its registered office at 5995 Mayfair Road, P.O. Box 3077, North Canton, Ohio, United States, and is registered with the commercial register of the Ohio Secretary of State, under entity number 1276. Diebold, Inc. is a corporation incorporated under, and governed by, the laws of the State of Ohio, United States.

B.3 Current operations and principal business activities and principal markets in which the issuer competes. Diebold provides the technology, software and services that connect people around the world with their money bridging the physical and digital worlds of cash conveniently, securely and efficiently. Since its founding in 1859, Diebold believes it has evolved to become a leading provider of exceptional self-service innovation, security and services to financial, retail, commercial and other markets. Diebold has approximately 15,000 employees with business in more than 90 countries worldwide.

Diebold has two core lines of business: Financial Self-Service (**FSS**) and Security Solutions, which Diebold integrates based on its customers' needs.

A popular example of a self-service solution is the automated teller machine (**ATM**). Diebold offers an integrated line of self-service solutions and technology, including comprehensive ATM outsourcing, ATM security, deposit automation, recycling and payment terminals and software. Diebold also offers advanced functionality terminals capable of supporting mobile cardless transactions and two-way video technology to enhance bank branch automation. Diebold believes it is a global supplier of ATMs and related services and holds a leading market position in many countries around the world.

From the safes and vaults that Diebold first manufactured in 1859 to the full range of physical and electronic security offerings it provides today, Diebold's security solutions utilize an extensive services portfolio and advanced products to help address its customers' unique needs. Diebold provides its customers with the latest technological advances to better protect their assets, improve their workflow and increase their return on investment. Diebold also provides internet banking, online payment and mobile banking security solutions aimed at preventing various types of fraud, such as phishing, pharming, and key logging. All of these solutions are backed with experienced sales, installation and service teams. Diebold believes it is a leader in providing physical and electronic security systems as well as assisted transactions, providing total security systems solutions to financial, commercial, retail, and other markets.

Diebold's operations are comprised of four geographic segments: North America (**NA**), Asia Pacific (**AP**), Europe, Middle East and Africa (**EMEA**) as well as Latin America (**LA**). The four geographic segments sell and service FSS and security systems around the globe, as well as elections, lottery and information technology (**IT**) solutions in Brazil other, through wholly-owned subsidiaries, majority-owned joint ventures and independent distributors in most major countries. Beginning in the first quarter of 2015, LA and Brazil operations were reported under one single reportable operating segment.

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As part of its strategic realignment, Diebold continues to execute its multi-year transformation, Diebold 2.0, with the primary objective of transforming Diebold into a world-class, services-led and software-enabled company, supported by innovative hardware, which automates the way people connect with their money.

Diebold 2.0 consists of four pillars:

Cost Streamline the cost structure and improve near-term delivery and execution.

Cash Generate increased free cash flow in order to fund the investments necessary to drive profitable growth, while preserving the ability to return value to shareholders in the form of reliable dividends and, as appropriate, share repurchases.

Talent Attract and retain the talent necessary to drive innovation and the focused execution of the transformation strategy.

Growth Return Diebold to a sustainable, profitable growth trajectory.

Diebold is committed to its multi-year transformation plan that is expected to occur in three phases: 1) Crawl, 2) Walk, and 3) Run. As part of the transformation, Diebold has identified targeted savings of \$200.0 million that are expected to be fully realized by the end of 2017 and plans to reinvest approximately 50 percent of the cost savings to drive long-term growth.

B.4a Most significant recent trends affecting the issuer and the industry in which it operates.

Diebold participates in many highly competitive businesses in the services, software and technology space, with a mixture of local, regional and/or global competitors in our markets. The competitive environment for these types of solutions is evolving as Diebold's customers are transforming their businesses utilizing innovative technology.

Many of Diebold's customers are beginning to adopt branch automation solutions to transform their branches, which will improve the customer experience and enhance efficiency through the utilization of automated transactions, mobile solutions and other client-facing technologies. As the trend towards branch

automation continues to build more momentum, the traditional lines of behind the counter and in front of the counter are starting to blur, which is allowing for more entrants into the market. As customer requirements evolve, separate markets will converge to fulfill new customer demand. Diebold expects that this will increase the complexity and competitive nature of the business.

B.5 Description of the group and the issuer's position within the group.

Diebold, Inc. is the parent company of the group. Diebold's operations sell and service FSS and security systems around the globe, as well as elections, lottery and IT solutions in Brazil, through wholly-owned subsidiaries, joint ventures and independent distributors in most major countries.

Table of Contents**B.6 Persons who, directly or indirectly, have a (notifiable) interest in the issuer's capital and voting rights or have control over the issuer.**

To our knowledge, no person beneficially owned more than five percent of our outstanding common shares as of February 3, 2016, except for the shareholders listed below. The information provided below was derived from reports filed with the U.S. Securities and Exchange Commission (SEC) by the beneficial owners on the dates indicated in the footnotes below. Based on this information, Diebold is not aware that it is being controlled by any person.

Beneficial Owner	Actual (direct or indirect) ownership of Diebold (in %) Percent of Common Shares
GGCP, Inc. et al ⁽¹⁾	9.90
State Street Corporation ⁽²⁾	9.10
BlackRock, Inc ⁽³⁾ .	8.50
The Vanguard Group ⁽⁴⁾	6.30
SouthernSun Asset Management LLC ⁽⁵⁾	6.30
Capital World Investors ⁽⁶⁾	6.00
Prudential Financial, Inc. ⁽⁷⁾	5.30

(1) Information regarding share ownership was obtained from the Schedule 13D/A filed jointly on January 16, 2014 by Gabelli Funds, LLC, GAMCO Asset Management Inc., Gabelli Securities, Inc., MJG Associates, Inc., Gabelli Foundation, Inc., MJG-IV Limited Partnership, GGCP, Inc., GAMCO Investors, Inc. and Mario J. Gabelli. We have not received any evidence in the Schedule 13D filings of the foregoing entities that indicates an increase or decrease in the number of our common shares held by such entities during the fiscal year ended December 31, 2014. The entities reported their beneficial ownership as follows: (A) Gabelli Funds, LLC had sole voting and dispositive power with respect to 1,708,900 common shares; (B) GAMCO Asset Management Inc. had sole voting power with respect to 4,248,641 common shares and sole dispositive power with respect to 4,467,741 common shares; (C) MJG Associates, Inc. had sole voting and dispositive power with respect to 8,000 common shares; (D) MJG IV Limited Partnership had sole voting and dispositive power with respect to 5,000 common shares; (E) Gabelli Foundation, Inc. had sole voting and dispositive power with respect to 5,000 common shares; (F) GGCP, Inc. had sole voting and dispositive power with respect to 35,000 common shares; (G) Mario J. Gabelli had sole voting and dispositive power with respect to 86,403 common shares; (H) GAMCO Investors, Inc. had sole voting and dispositive power with respect to 80 common shares; and (I) Gambelli Securities, Inc. had sole voting and dispositive power of 1,000 common shares. Mario J. Gabelli is deemed to have beneficial ownership of the securities owned beneficially by each of the foregoing persons. GAMCO Investors, Inc., and GGCP, Inc. are deemed to have beneficial ownership of the securities owned beneficially by each of the foregoing persons other than Mario J. Gabelli and the Gabelli Foundation, Inc.

(2) Information regarding share ownership was obtained from the Schedule 13G filed jointly on February 12, 2015 by State Street Corporation (**State Street**) and its subsidiary, SSGA Funds

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Management, Inc. (**SSGA**). State Street has shared voting and dispositive power over 5,897,102 of our common shares. SSGA is the beneficial owner of, and has shared dispositive and voting power over 3,822,059 of our common shares, or 5.9% of our common shares outstanding. In addition to SSGA, the following direct or indirect subsidiaries of State Street also beneficially own our common shares: State Street Global Advisors Limited, State Street Global Advisors Australia Limited and State Street Global Advisors Asia Limited.

(3) Information regarding share ownership was obtained from the Schedule 13G/A filed on January 26, 2016 by BlackRock, Inc. (**BlackRock**). BlackRock has sole voting power over 5,360,909 of our common shares, and sole dispositive power over 5,504,254 of our common shares. BlackRock is the parent company of the following subsidiaries that beneficially own our common shares: BlackRock Advisors, LLC; BlackRock Asset Management Canada Limited; BlackRock Asset Management Ireland Limited; BlackRock Asset Management Schweiz AG; BlackRock Financial Management Inc.; BlackRock Fund Advisors; BlackRock Institutional Trust Company, N.A.; BlackRock Investment Management (Australia) Limited; BlackRock Investment Management (UK) Ltd; BlackRock Investment Management, LLC; BlackRock Life Limited. No one BlackRock subsidiary's interest in our common shares is more than 5% of our common shares outstanding.

(4) Information regarding share ownership was obtained from the Schedule 13G/A filed February 10, 2015 by The Vanguard Group (**Vanguard**). Vanguard has sole voting power over 43,303 of our common shares, sole dispositive power over 4,031,055 of our common shares, and shared dispositive power over 38,203 of our common shares. Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of Vanguard, is the beneficial owner of 38,203 of our common shares, or 0.1% of our common shares outstanding, as a result of its serving as investment manager of collective trust accounts. Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of Vanguard, is the beneficial owner of 5,100 of our common shares as a result of its serving as investment manager of Australian investment offerings.

(5) Information regarding share ownership was obtained from the Schedule 13G filed on February 13, 2015 by SouthernSun Asset Management LLC (**SouthernSun**). SouthernSun is an investment adviser registered under section 203 of the Investment Advisers Act of 1940. SouthernSun has sole voting power over 3,668,360 of our common shares, and sole power to dispose or direct the disposition of 4,055,030 of our common shares.

(6) Information regarding share ownership was obtained from the Schedule 13G filed on February 13, 2015 by Capital World Investors (**Capital World**). Capital World is a division of Capital Research and Management Company (**CRMC**), and is deemed to be the beneficial owner of 3,925,000 of our common shares as a result of CRMC acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940. Capital World holds more than 5% of our outstanding common shares as of

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December 31, 2014 on behalf of The Income Fund of America. Capital World has sole voting and dispositive power over 3,935,000 of our common shares.

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(7) Information regarding share ownership was obtained from the Schedule 13G filed on February 13, 2015 by Prudential Financial, Inc. (**Prudential**). Prudential is the parent holding company of Jennison Associates LLC, which is the beneficial owner of 2,114,701 of our common shares, or 3.3 percent of our common shares outstanding based on the Schedule 13G filed on February 3, 2016 by Jennison Associates LLC. Prudential is also the parent holding company of Quantitative Management Associates LLC, which is the beneficial owner of 54,380 of our common shares, or 0.1% of our common shares outstanding. Based on the Schedule 13G filed on February 13, 2015 by Prudential, Prudential has sole voting and dispositive power over 261,070 of our common shares, shared voting power over 2,572,633 of our common shares and shared dispositive power over 3,146,490 of our common shares.

Different voting rights. Each common share in Diebold, Inc. carries one vote at Diebold, Inc. s shareholders meeting. There are no restrictions on voting rights.

Direct or indirect control over the issuer and nature of such control. Not applicable. Diebold, Inc. is controlled by none of its shareholders.

B.7 Selected key historical financial information. The following table sets forth selected historical consolidated financial information for Diebold as of the end of and for the periods indicated. The statements of operations information for each of the years ended December 31, 2014, 2013 and 2012, and the balance sheet information as of December 31, 2014, 2013 and 2012, are derived from Diebold s audited financial statements for such years. The selected financial information of Diebold as of and for the nine months ended September 30, 2015 and 2014 is derived from Diebold s unaudited consolidated financial statements for such periods. The operating results for the nine-month period ended September 30, 2015 are not necessarily indicative of the results of operations for the remainder of the fiscal year or any future period.

Table of Contents*Selected Data from the Statement of Operations*

	(Unaudited)				
	Nine Months Ended		Year Ended December 31,		
	September 30,	2014	2014	2013	2012
	2015	2014	2014	2013	2012
	(in millions, except per share data)				
Results of operations					
Net sales	\$ 2,069.8	\$ 2,189.8	\$ 3,051.1	\$ 2,857.5	\$ 2,991.7
Cost of sales	1,539.7	1,638.3	2,271.7	2,217.1	2,262.1
Gross profit	\$ 530.1	\$ 551.5	\$ 779.4	\$ 640.4	\$ 729.6
Amounts attributable to Diebold, Incorporated					
Income (loss) from continuing operations, net of tax	\$ 41.1	\$ 84.5	\$ 114.4	\$ (181.6)	\$ 76.7
(Loss) income from discontinued operations, net of tax					(3.1)
Net income (loss) attributable to Diebold, Incorporated	\$ 41.1	\$ 84.5	\$ 114.4	\$ (181.6)	\$ 73.6
Basic earnings (loss) per common share					
Income (loss) from continuing operations, net of tax	\$ 0.63	\$ 1.31	\$ 1.77	\$ (2.85)	\$ 1.22
(Loss) income from discontinued operations, net of tax					(0.05)
Net income (loss) attributable to Diebold, Incorporated	\$ 0.63	\$ 1.31	\$ 1.77	\$ (2.85)	\$ 1.17
Diluted earnings (loss) per common share					
Income (loss) from continuing operations, net of tax	\$ 0.63	\$ 1.30	\$ 1.76	\$ (2.85)	\$ 1.20
(Loss) income from discontinued operations, net of tax					(0.05)
Net income (loss) attributable to Diebold, Incorporated	\$ 0.63	\$ 1.30	\$ 1.76	\$ (2.85)	\$ 1.15
Number of weighted-average shares outstanding					
Basic shares	64.9	64.5	64.5	63.7	63.1
Diluted shares	65.5	65.1	65.2	63.7	63.9
Dividends					
Common dividends paid	\$ 56.5	\$ 56.2	\$ 74.9	\$ 74.0	\$ 72.8
Common dividends paid per share	\$ 0.8625	\$ 0.8625	\$ 1.15	\$ 1.15	\$ 1.14

Selected Balance Sheet Data

	(Unaudited)				
	Nine Months Ended		Year Ended December 31,		
	September 30,	2014	2014	2013	2012
	2015	2014	2014	2013	2012
	(in millions, except per share data)				

Consolidated balance sheet data (as of period end)					
Current assets	\$ 1,608.2	\$ 1,787.7	\$ 1,655.5	\$ 1,555.4	\$ 1,814.9
Current liabilities	\$ 966.5	\$ 1,077.4	\$ 1,027.7	\$ 893.7	\$ 857.3
Net working capital	\$ 641.7	\$ 710.3	\$ 627.8	\$ 661.7	\$ 957.6
Property, plant and equipment, net	\$ 177.0	\$ 161.6	\$ 169.5	\$ 160.9	\$ 184.3
Long-term debt	\$ 618.3	\$ 555.0	\$ 479.8	\$ 480.2	\$ 617.5
Total long-term liabilities	\$ 882.1	\$ 739.7	\$ 759.5	\$ 668.9	\$ 908.8
Total assets	\$ 2,275.1	\$ 2,458.4	\$ 2,342.1	\$ 2,183.5	\$ 2,593.0
Total equity	\$ 426.5	\$ 641.3	\$ 554.9	\$ 620.8	\$ 826.8

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On March 13, 2015, Diebold acquired all of the equity interests of Phoenix Interactive Design, Inc. (**Phoenix**) for a total purchase price of approximately \$72.9 million, including approximately \$12.6 million of deferred cash payment payable over the next three years.

As of March 31, 2015, Diebold agreed to sell its equity interest in its Venezuela joint venture to its joint venture partner and recorded a \$10.3 million impairment of assets in the first quarter of 2015. On April 29, 2015, Diebold closed the sale for the estimated fair market value and recorded a \$1.0 million reversal of impairment of assets based on final adjustments in the second quarter of 2015, resulting in a \$9.3 million impairment of assets for the nine months ended September 30, 2015. Diebold no longer has a consolidating entity in Venezuela, but will continue to operate in Venezuela on an indirect basis.

FSS sales in the first nine months of 2015 of \$1,573.2 million increased \$13.4 million or 0.9 percent compared to the same period of 2014, including net unfavorable currency impact of \$109.4 million or 7.0 percent. The unfavorable currency impacts in the nine months ended September 30, 2015 were related mainly to the Brazil real and euro.

Security sales in the nine months ended September 30, 2015 of \$479.4 million increased \$25.9 million or 5.7 percent compared to the same period in 2014 due to growth in the electronic security business, which was partially offset by unfavorable currency impact and a slight decline in the physical security business. NA was the catalyst for the security revenue improvement in the nine months ended September 30, 2015 as the region increased \$26.5 million or 6.6 percent.

The decrease in operating profit for the nine months ended September 30, 2015 to \$53.9 million compared to \$127.2 million for the same period in 2014 was mainly due to lower product revenue and higher net non-routine and restructuring charges, inclusive of impairment of assets and gain on sales of assets, partially offset by an improvement in service margin.

Fiscal Years 2014 and 2013

In the second quarter of 2014, Diebold divested Diebold Eras Inc. for a sale price of \$20.0 million, including installment payments of \$1.0 million on the first and second year anniversary dates of the closing. This sale resulted in a gain of \$13.7 million recognized within gain on sale of assets, net in the condensed consolidated statement of operations.

In the third quarter of 2014, Diebold acquired 100 percent of the equity interests of Cryptera A/S, a supplier of Diebold's encrypting PIN pad technology and a leader in the research and development of secure payment technologies. The total purchase price was approximately \$13.0 million, including a 10 percent deferred cash payment payable on the first anniversary of the acquisition.

FSS sales increased by \$31.3 million to \$2,197.9 million for the financial year ended December 31, 2014. The increase included a net unfavorable

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currency impact of \$53.2 million or 2.6 percent, of which 43 percent related to the Brazilian real. The following segment results include the impact of foreign currency. NA FSS sales decreased \$17.2 million or 2.0 percent primarily from lower volume within the U.S. national bank business partially offset by improvement between years in the U.S. regional bank space and Canada. AP FSS sales increased \$19.7 million or 4.3 percent primarily due to growth in India, China and the Philippines partially offset by a decline in Indonesia due to a large order in the prior year. EMEA FSS sales increased \$59.6 million or 16.5 percent with the main drivers being growth in Western Europe, higher volume in Africa and the acquisition of Cryptera A/S. LA FSS sales decreased \$30.7 million or 6.6 percent compared to the prior year due to lower product sales volume primarily in Brazil, as a decline in Colombia coupled with a decrease in Venezuela resulting from the currency control policy of the Venezuelan government were offset by higher volume in Mexico and a net gain in the rest of the region. Brazil FSS sales decreased \$29.5 million or 10.9 percent due to lower product sales volume.

Security sales increased by \$9.2 million to \$628.0 million due to growth in the electronic security business, which was partially offset by a decline in the physical security business. From a regional perspective, the increase in total security sales resulted primarily from growth in NA.

Brazil other increased due to lottery sales volume combined with the favorable impact of deliveries of information technology (IT) equipment to the education ministry primarily in the first quarter of 2014, which are not expected to recur in 2015, offset in part by a decrease in election systems sales.

The increase in operating profit (loss) from \$(118.3) million for the financial year ended December 31, 2013 to \$180.9 million resulted from a reduction in operating expense mainly due to lower non-routine and restructuring charges. Operating profit also improved in total margin and higher product sales, offset in part by higher spend partially attributable to reinvestment of Diebold's savings into transformation strategies.

Fiscal Years 2013 and 2012

The year ended December 31, 2013 included a \$67.6 million pre-tax non-cash pension charge, a \$70.0 million pre-tax goodwill impairment charge, \$57.0 million of pre-tax restructuring charges related to Diebold's multi-year realignment plan, including \$31.3 million related to the voluntary early retirement program, \$28.0 million of additional pre-tax losses related to the settlement of the global FCPA investigation, a \$17.2 million pre-tax net charge related to settlement of the securities class action, and \$9.3 million of pre-tax

executive severance. Internationally, improvement was driven by higher FSS sales in AP and EMEA combined with security sales growth in Brazil, mainly due to the GAS Tecnologia acquisition in Brazil. These increases were partially offset by a reduction in election systems and lottery sales in Brazil as well as a decline in FSS volume for LA. Additionally, the 2013 results were significantly impacted by a higher tax

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rate, which is a result of tax expense related to the repatriation of previously undistributed earnings and the establishment of a valuation allowance on certain Brazil deferred tax assets.

FSS sales decreased by \$102.6 million to \$2,166.6 million for the financial year ended December 31, 2013. The decrease in FSS sales included a net unfavorable currency impact of \$36.9 million or 1.6 percent, of which approximately 73.0 percent related to the Brazilian real. The following segment highlights include the impact of foreign currency. NA FSS sales decreased \$167.1 million or 15.9 percent due primarily to lower volume within the U.S. regional bank business partially offset by growth in the national bank sector. A significant portion of the decline was associated with the expiration of the ADA compliance deadline in 2012. The product volume decrease in regional bank business caused a corresponding reduction in the service business specific to installation and professional services sales. AP increased \$56.5 million or 14.1 percent due to higher volume in India and China. EMEA increased \$36.1 million or 11.1 percent mainly from higher volume in Western Europe and the Middle East primarily in the emerging market of Turkey due in part to the Altus acquisition partially offset by a net decrease in the remainder of the region. Brazil decreased \$20.8 million or 7.1 percent, including \$27.0 million in unfavorable currency impact. LA declined \$28.2 million or 5.7 percent due to an unfavorable currency impact of \$27.0 million primarily in Brazil and volume deterioration in Mexico, partially offset by an increase in Colombia.

Security sales decreased by \$4.7 million to \$618.9 million from declines in the NA and AP regions offset by an increase in LA. NA experienced a reduction of \$8.4 million or 1.6 percent. AP decreased \$5.0 million or 19.7 percent as Diebold executed on its decision in 2013 to exit the security business in Australia. These reductions were partially offset by LA increased from the prior year due to the GAS Tecnologia acquisition partially offset by declines in Chile.

The decrease in Brazil other sales resulted from lower volume in lottery and election systems driven by cyclical purchasing decisions within the country offset by growth in the IT equipment business.

Recent Developments

Diebold's overall objective in 2015 was to continue executing its multi-year transformation plan Diebold 2.0 that is expected to occur in three phases: 1) Crawl, 2) Walk, and 3) Run.

During the second half of 2015, Diebold transitioned into the Walk phase of Diebold 2.0 whereby Diebold will continue to build on each pillar of cost, cash, talent and growth. The main difference in the Walk phase as compared to the Crawl phase is a greater emphasis on increasing the mix of revenue from services and software, as well as shaping Diebold's portfolio of businesses.

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As it relates to increasing the mix of services and software, Diebold has recently sharpened its focus on pursuing and winning multi-vendor services contracts in North America to further diversify its portfolio of services offerings. The total number of non-Diebold ATMs signed under contract as of September 30, 2015 was more than 11,000, which gives Diebold a solid platform for future growth. For the software business, the recent acquisition of Phoenix has significantly enhanced Diebold's ability to capture more of the dynamic self-service market. The integration of Phoenix is tracking to plan and all of Diebold's global software activities are being coordinated through the new development center in London, Ontario, Canada.

As it relates to shaping the portfolio of businesses, Diebold's announcements subsequent to the third quarter are consistent with its strategy of transforming into a world-class services-led, software-enabled company, supported by innovative hardware. Diebold announced on October 25, 2015 that it entered into a definitive asset purchase agreement to divest its North America-based electronic security business for an aggregate purchase price of approximately \$350.0 million in cash. Based on the successful transition of certain customer relationships, 10.0 percent of the purchase price is contingent and payable over a twelve-month period after closing. Diebold has also agreed to provide certain transition services for a \$6.0 million credit. The sale was completed on February 1, 2016. Additionally, Diebold is narrowing its scope in the Brazil other business to primarily focus on lottery and elections to help rationalize Diebold's solution set in that market.

In addition, on November 23, 2015, Diebold and Wincor Nixdorf entered into the business combination agreement, whereby Diebold will offer to exchange a combination of cash and Diebold common shares for each Wincor Nixdorf ordinary share in a voluntary takeover exchange offer pursuant to the German Takeover Act. The exchange offer and the other transactions contemplated by the business combination agreement are intended to result in a business combination of Diebold and Wincor Nixdorf. Upon consummation of the proposed business combination, Wincor Nixdorf would become a subsidiary of Diebold.

Also on November 23, 2015, Diebold entered into a \$500.0 million bridge credit agreement and a \$1.84 billion bank credit agreement to provide financing for the business combination. The bank credit agreement was amended on December 23, 2015 to refinance Diebold's existing \$520.0 million revolving credit facility and \$230.0 million (non-delayed draw) term loan A facility.

On December 18, 2015, Diebold announced it was forming a new joint venture with a subsidiary of the Inspur Group, a Chinese cloud computing and data center company, to develop, manufacture and distribute financial self-service solutions within China. Inspur will hold a majority stake of 51 percent in the new joint venture, which will be better positioned to respond to local market requirements. The joint venture will offer a

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complete range of selfservice terminals within the Chinese market, including ATMs. Also, Diebold will serve as the exclusive distributor outside of China for all products developed by the new joint venture. In addition, to support Diebold's services-led approach to the market, Inspur will acquire a minority share of Diebold's current China joint venture, which will refocus on providing a whole suite of services including installation, maintenance, professional and managed services related to ATMs and other automated transaction solutions.

B.8 Selected key pro forma financial information.

The following unaudited pro forma condensed combined financial information is presented to illustrate the estimated effects of the proposed business combination of Diebold and Wincor Nixdorf and certain other adjustments listed below through the exchange offer. Diebold offers to exchange each Wincor Nixdorf ordinary share for \$38.98 in cash and 0.434 common shares of Diebold. The following unaudited pro forma condensed combined financial information is derived from and should be read in conjunction with the historical consolidated financial statements and related notes of Diebold and the consolidated financial statements of Wincor Nixdorf, which are included elsewhere in this Prospectus.

The unaudited pro forma condensed combined balance sheet as of September 30, 2015, and the unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2015 and the year ended December 31, 2014, respectively, are presented herein. The unaudited pro forma condensed combined balance sheet combines the unaudited consolidated balance sheets of Diebold and Wincor Nixdorf as of September 30, 2015 and June 30, 2015, respectively, and gives effect to the proposed business combination as if it occurred on September 30, 2015. The unaudited pro forma condensed combined statements of operations combine the historical results of Diebold and Wincor Nixdorf for the nine months ended September 30, 2015 and June 30, 2015, respectively, and the year ended December 31, 2014 and September 30, 2014, respectively, and give effect to the proposed business combination as if it occurred on January 1, 2014. The historical financial information has been adjusted to give effect to pro forma adjustments that are (i) directly attributable to the proposed business combination, (ii) factually supportable, and (iii) with respect to the unaudited condensed combined statements of operations, expected to have a continuing impact on the combined entity's consolidated results.

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Unaudited Pro Forma Condensed Combined Balance Sheet as of September 30, 2015 (in millions, except per share data)

	Diebold (September 30, 2015)	Historical Wincor Nixdorf (June 30, 2015) (IFRS)	Wincor Nixdorf U.S. GAAP Adjustments	Wincor Nixdorf (U.S. GAAP)	Purchase Accounting Adjustments	Financing Adjustments	Pro Forma
Assets							
Current assets:							
Cash and cash equivalents	\$ 542.5	\$ 52.1	\$	\$ 52.1	\$ (1,260.4)	\$ 1,334.6	\$ 666.8
Short-term investments	99.2						99.2
Trade receivables, net	486.7	485.7		485.7	(2.1)		970.3
Inventories	381.8	449.2		449.2	61.5		892.5
Deferred income taxes	106.3	14.3	(1.9)	12.4			118.7
Prepaid expenses	23.5						23.5
Prepaid income taxes	42.2						42.2
Other current assets	145.1	75.8	42.3	118.1			263.2
Total current assets	1,827.3	1,077.1	40.4	1,117.5	(1,201.0)	1,334.6	3,078.4
Securities and other investments	82.2	4.0		4.0			86.2
Property, plant and equipment, net	173.7	138.6		138.6			312.3
Goodwill	163.5	377.0		377.0	427.5		968.0
Deferred income taxes	77.4	50.2	(33.2)	17.0			94.4
Finance lease receivables	44.6	5.0		5.0			49.6
Other intangible assets	65.2	19.9	(3.3)	16.6	887.5		969.3
Other assets	15.1	4.9	10.3	15.2		58.0	88.3
Total other assets, net	621.7	599.6	(26.2)	573.4	1,315.0	58.0	2,568.1
Total assets	2,449.0	1,676.7	14.2	1,690.9	114.0	1,392.6	5,646.5
LIABILITIES AND EQUITY							
Current liabilities:							
Notes payable	80.9	118.2		118.2		(152.1)	47.0
Accounts payable	257.7	352.9		352.9	(2.1)		608.5
Deferred revenue	211.2	193.6		193.6	(32.0)		372.8
Payroll and other benefits liabilities	75.5	94.5		94.5			170.0
Other current liabilities	283.3	220.9	(6.5)	214.4			497.7
Total current liabilities	908.6	980.1	(6.5)	973.6	(34.1)	(152.1)	1,696.0

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Long-term debt	618.3	79.1		79.1		1,552.2	2,249.6
Pensions and other benefits	198.2	87.4		87.4			285.6
Post-retirement and other benefits	20.9	13.7		13.7			34.6
Deferred income taxes	14.9	28.3	16.3	44.6	265.9		325.4
Other long-term liabilities	29.7	7.4	0.6	8.0			37.7
Commitments and contingencies		13.1		13.1			13.1
Equity:							
Diebold, Incorporated shareholders equity							
Preferred shares							
Common shares	99.6	37.0		37.0	(20.8)		115.8
Additional paid-in capital	431.8				333.1		764.9
Retained earnings	978.9	565.7	3.8	569.5	(569.5)	(7.5)	971.4
Treasury shares	(560.2)	(194.2)		(194.2)	194.2		(560.2)
Accumulated other comprehensive items, net	(316.8)	54.8		54.8	(54.8)		(316.8)
Total Diebold, Incorporated shareholders equity							
	633.3	463.3	3.8	467.1	(117.8)	(7.5)	975.1
Noncontrolling interests	25.1	4.3		4.3			29.4
Total equity	658.4	467.6	3.8	471.4	(117.8)	(7.5)	1,004.5
Total liabilities and equity	\$ 2,449.0	\$ 1,676.7	\$ 14.2	\$ 1,690.9	\$ 114.0	\$ 1,392.6	\$ 5,646.5

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Unaudited Pro Forma Condensed Combined Statements of Operations for the Year Ended December 31, 2014 (in millions, except per share data)

	Historical						
	Wincor Nixdorf Diebold (September 30, 2014)	Wincor Nixdorf U.S. GAAP Adjustments	Wincor Nixdorf U.S. GAAP	Wincor Nixdorf U.S. GAAP	Purchase Accounting Adjustments	Financing Adjustments	Pro Forma
Net sales							
Services	\$ 1,432.8	\$ 1,598.7	\$	\$ 1,598.7	\$ (1.8)	\$	\$ 3,029.7
Products	1,302.0	1,752.3		1,752.3	(0.2)		3,054.1
	2,734.8	3,351.0		3,351.0	(2.0)		6,083.8
Cost of sales							
Services	974.8	1,317.5		1,317.5	(0.7)		2,291.6
Products	1,033.8	1,295.6	1.7	1,297.3	79.9		2,411.0
	2,008.6	2,613.1	1.7	2,614.8	79.2		4,702.6
Gross profit	726.2	737.9	(1.7)	736.2	(81.2)		1,381.2
Selling and administrative expense	478.4	427.2	2.2	429.4	69.5		977.3
Research, development and engineering expense	93.6	133.5	0.4	133.9	(0.7)		226.8
Impairment of assets	2.1						2.1
Gain on sale of assets, net	(12.9)	(34.9)		(34.9)			(47.8)
	561.2	525.8	2.6	528.4	68.8		1,158.4
Operating profit (loss)	165.0	212.1	(4.3)	207.8	(150.0)		222.8
Other income (expense)							
Investment income	34.5	(1.7)		(1.7)			32.8
Interest expense	(31.4)	(11.8)	3.4	(8.4)		(96.8)	(136.6)
Foreign exchange (loss) gain, net	(11.8)						(11.8)
Miscellaneous. net	(1.6)						(1.6)
Income before taxes	154.7	198.6	(0.9)	197.7	(150.0)	(96.8)	105.6
Income tax expense	47.4	57.4	(0.2)	57.2	(43.4)	(28.1)	33.1
Net income (loss)	107.3	141.2	(0.7)	140.5	(106.6)	(68.7)	72.5
Net income (loss) attributable to noncontrolling interests	2.6	4.4		4.4			7.0

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Net income (loss) attributable to Diebold, Incorporated	\$ 104.7	\$ 136.8	\$ (0.7)	\$ 136.1	\$ (106.6)	\$ (68.7)	\$ 65.5
Weighted Average Common Shares Outstanding Basic	64.5				12.9		77.4
Weighted Average Common Shares Outstanding Diluted	65.2				12.9		78.1
Earnings per Share Basic	\$ 1.62						\$ 0.85
Earnings per Share Diluted	\$ 1.61						\$ 0.84

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Unaudited Pro Forma Condensed Combined Statements of Operations for the Nine Months Ended September 30, 2015 (in millions, except per share data)

	Historical						
	Diebold (September 30, 2015)	Wincor Nixdorf (June 30, 2015) (IFRS)	Wincor Nixdorf U.S. GAAP Adjustments	Wincor Nixdorf (U.S. GAAP) Adjustments	Purchase Accounting Adjustments	Financing Adjustments	Pro Forma
Net sales							
Services	\$ 1,040.9	\$ 1,075.2	\$	\$ 1,075.2	\$ (6.0)	\$	\$ 2,110.1
Products	768.0	977.4		977.4	(0.2)		1,745.2
	1,808.9	2,052.6		2,052.6	(6.2)		3,855.3
Cost of sales							
Services	699.4	898.7		898.7	(1.4)		1,596.7
Products	629.2	751.7	(5.3)	746.4	14.2		1,389.8
	1,328.6	1,650.4	(5.3)	1,645.1	12.8		2,986.5
Gross profit	480.3	402.2	5.3	407.5	(19.0)		868.8
Selling and administrative expense	363.2	273.6	2.0	275.6	50.4		689.2
Research, development and engineering expense	66.2	81.1	3.5	84.6	(0.4)		150.4
Impairment of assets	18.9						18.9
Gain on sale of assets, net	(1.4)						(1.4)
	446.9	354.7	5.5	360.2	50.0		857.1
Operating profit (loss)	33.4	47.5	(0.2)	47.3	(69.0)		11.7
Other income (expense)							
Investment income	20.6	(1.0)		(1.0)			19.6
Interest expense	(24.1)	(5.9)	1.2	(4.7)		(71.8)	(100.6)
Foreign exchange (loss) gain, net	(9.2)						(9.2)
Miscellaneous, net	(1.7)						(1.7)
Income before taxes	19.0	40.6	1.0	41.6	(69.0)	(71.8)	(80.2)
Income tax (benefit) expense	(9.7)	11.9	0.7	12.6	(20.1)	(20.8)	(38.0)
Net income (loss)	28.7	28.7	0.3	29.0	(48.9)	(51.0)	(42.2)
Net income (loss) attributable to noncontrolling interests	0.1	1.3		1.3			1.4
Net income (loss) attributable to Diebold, Incorporated	\$ 28.6	\$ 27.4	\$ 0.3	\$ 27.7	\$ (48.9)	\$ (51.0)	\$ (43.6)

Weighted Average Common Shares Outstanding Basic	64.9	12.9	77.8
Weighted Average Common Shares Outstanding Diluted	65.5	12.9	78.4
Earnings per Share Basic	\$ 0.44		\$ (0.56)
Earnings per Share Diluted	\$ 0.44		\$ (0.56)

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- B.9 Profit forecast and estimate.** Not applicable. No profit forecast or profit estimate is being presented by Diebold, Inc.
- B.10 Qualifications in the audit report on the historical financial information.** Not applicable. There are no qualifications.
- B.11 Insufficiency of the issuer's working capital for its present requirements.** Not applicable. Diebold is of the opinion that it is in a position to meet the payment obligations that become due within at least the next twelve months.

C Securities.

- C.1 Type and class of the securities being offered and admitted to trading.** Common registered shares with par value of \$1.25 (*Stammaktien mit Nennbetrag*) and carrying full dividend rights following the date of payment of the offer consideration (the **Diebold Common Shares**).

The shares of Diebold, Inc. to be transferred to the Wincor Nixdorf shareholders as part of the Offer Consideration will be new Diebold Common Shares, \$1.25 par value per share (the **Diebold Offer Shares**).

Security identification number.

ISIN/WKN/Common Code/Ticker Symbol for the Diebold Offer Shares:

International Securities Identification Number (ISIN): US2536511031

German Securities Identification Number (*Wertpapierkennnummer, WKN*): 856244

Common Code: 10307970

Trading Symbol: DBD (New York Stock Exchange (**NYSE**)); DLD (Frankfurt Stock Exchange)

- C.2 Currency.** US-Dollar (\$).
- C.3 The number of shares issued and fully paid and the par value per share.** 79,716,861 issued common shares with \$1.25 par value per share (*Stammaktien*). The share capital has been fully paid up.

C.4 A description of the rights attached to the securities.

Each Diebold common share carries one vote at Diebold's shareholder meetings. There are no restrictions on voting rights. The shares carry full dividend rights following the date of payment of the offer consideration, the Closing Date (as defined under E.3 below).

C.5 A description of any restrictions on the free transferability of the securities.

Not applicable. Diebold, Inc.'s shares are freely transferable in accordance with the legal requirements for registered shares. There are no prohibitions or restrictions on disposals with respect to the transferability of Diebold Common Shares.

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- C.6 Application for admission to trading on a regulated market and identity of regulated markets where the securities are to be traded.** Diebold will apply to list the Diebold Offer Shares issued to Wincor Nixdorf shareholders on the NYSE. In connection with the Offer (as defined under E.3), prior to the time of delivery of the Diebold Offer Shares to the Wincor Nixdorf shareholders under the Offer, Diebold will also apply to list all Diebold Common Shares on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with a concurrent listing in the subsegment of the regulated market with additional post-admission obligations (Prime Standard), such that the Diebold Offer Shares issued to Wincor Nixdorf shareholders will be fully fungible with the existing Diebold Common Shares, including with respect to dividend entitlements. Diebold will take all necessary actions to ensure that the Diebold Offer Shares that the accepting shareholders of Wincor Nixdorf will receive upon settlement of the Offer will have been admitted to trading (listed) on the Frankfurt Stock Exchange at the time of delivery to the shareholders of Wincor Nixdorf. If all conditions to the Offer have been satisfied by the end of the Additional Acceptance Period (as defined under E.3) and the Offer is consummated without undue delay thereafter, Diebold expects admission to trading on the Frankfurt Stock Exchange to occur on April 25, 2016 and commencement of trading on the NYSE and on the Frankfurt Stock Exchange on April 27, 2016. If the regulatory condition, which may remain outstanding until November 21, 2016, is not satisfied by the end of the Additional Acceptance Period (or waived until one working day prior to the end of the acceptance period) settlement of the Offer will be delayed until satisfaction of the regulatory condition; admission to, and commencement of, trading will be delayed accordingly.
- C.7 Dividend policy.** The holders of Diebold Common Shares are entitled to receive such dividends as Diebold's directors from time to time may declare out of funds legally available. Diebold paid dividends of \$56.5 million and \$56.2 million in the nine months ended September 30, 2015 and 2014, respectively. Quarterly dividends were \$0.2875 per share for both periods. Diebold paid dividends of \$74.9 million and \$74.0 million in the years ended December 31, 2014 and 2013, respectively. Annualized dividends per share were \$1.15 for the years ended December 31, 2014 and 2013.

Diebold intends to pay dividends at a lower per share rate, subject to market and other conditions, following the Closing Date (as defined under E.3 below).

D Risks

Before deciding to invest in Diebold Common Shares, prospective investors should carefully review and consider the following risks and the other information contained in this Prospectus. The market price of Diebold Common Shares could fall if any of these risks were to materialize, in which case investors could lose some or all of their investment. The following risks,

alone or together with additional risks and uncertainties not currently known to Diebold, or that Diebold might currently deem immaterial, could materially adversely affect Diebold's business, net assets, financial condition, cash flow and results of operations.

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The order in which the risks are presented is not an indication of the likelihood of the risks actually materializing or the significance or degree of the risks or the scope of any potential harm to Diebold's business, net assets, financial condition, cash flow or results of operations. The risks mentioned herein may materialize individually or cumulatively.

D.1 Key risks specific to the issuer and its industry.

Risks Relating to Diebold's Market Environment

Demand for and supply of our services and products may be adversely affected by numerous factors, some of which we cannot predict or control. This could adversely affect our operating results.

Increased energy and raw material costs could reduce our income.

Our business may be affected by general economic conditions, cyclicity and uncertainty and could be adversely affected during economic downturns.

Risks Relating to the Business Combination; the Offer

Because the market prices of Diebold Common Shares will fluctuate, Wincor Nixdorf shareholders cannot be sure of the value of the Diebold Common Shares they may receive in the Offer. Participation in the Offer may constitute a taxable event for Wincor Nixdorf shareholders.

The Offer is subject to conditions and the Business Combination Agreement may be terminated in accordance with its terms and the Business Combination may not be completed.

Diebold must obtain governmental and regulatory approvals to consummate the Offer, which, if delayed or not granted, may delay or jeopardize the Offer and the Business Combination.

If, following the consummation of the Offer, some Wincor Nixdorf ordinary shares remain outstanding, then the liquidity and market value of those shares could be materially adversely affected, and the Wincor Nixdorf ordinary shares could be removed from certain stock indexes.

Certain of the directors, board members and executive officers of Diebold and Wincor Nixdorf may have interests in the Business Combination that are different from, or in addition to, those of Wincor Nixdorf shareholders generally.

Any future sales of the Wincor Nixdorf ordinary shares by a major shareholder of Wincor Nixdorf could depress the market price of the Wincor Nixdorf ordinary shares.

The announcement and pendency of the Business Combination, during which Diebold and Wincor Nixdorf are subject to certain operating restrictions, could have an adverse effect on Wincor Nixdorf's and Diebold's businesses and cash flows, financial condition and results of operations.

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Negative publicity related to the Business Combination may materially adversely affect Diebold and Wincor Nixdorf.