

MINERALS TECHNOLOGIES INC
Form 4
January 23, 2017

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
MENDEZ WILLIAM RANDAL

2. Issuer Name and Ticker or Trading Symbol
MINERALS TECHNOLOGIES INC
[MTX]

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)
622 3RD AVENUE, 38TH FLOOR
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
01/19/2017

____ Director
____ Officer (give title below) _____ Other (specify below)
SVP & Managing Director, PCC

NEW YORK, NY 10017

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock	01/19/2017		M	1,306 A \$ 0	1,474	D	
Common Stock	01/19/2017		F	527 (1) D \$ 77.525	947	D	
Common Stock					303	I	By 401(k) (2)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price or Value of Underlying Securities (Instr. 3 and 4)
Deferred Restricted Stock Units (DRSUs)	(3)	01/19/2017		M	1,306	(4) (4)	Common Stock	1,306

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MENDEZ WILLIAM RANDAL 622 3RD AVENUE, 38TH FLOOR NEW YORK, NY 10017			SVP & Managing Director, PCC	

Signatures

THOMAS J. MEEK FOR WILLIAM R. MENDEZ
 01/23/2017
 **Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) These shares were withheld by Minerals Technologies Inc. to satisfy tax withholding obligations.
- (2) The information contained in this report is based on a Plan Statement dated as of January 19, 2017.
- (3) Each DRSU is the economic equivalent of one share of Mineral Technologies Inc. Common Stock.
- (4) The DRSUs were granted on January 19, 2016 and vest in three equal annual installments beginning on January 19, 2017.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. assumes that a holder holds Wincor Nixdorf ordinary shares or Diebold common shares as capital assets within the meaning of the Code.

EACH SHAREHOLDER IS URGED TO CONSULT ITS UNITED STATES TAX ADVISORS REGARDING THE POTENTIAL UNITED STATES TAX CONSEQUENCES OF PARTICIPATING IN THE EXCHANGE OFFER AND OWNERSHIP OF DIEBOLD COMMON SHARES, IN LIGHT OF SUCH SHAREHOLDER'S INDIVIDUAL CIRCUMSTANCES, AS WELL AS THE CONSEQUENCES OF THE TAX LAWS OF ANY FOREIGN, STATE OR LOCAL TAXING JURISDICTION.

As used herein, a "U.S. holder" means a beneficial owner of Wincor Nixdorf ordinary shares or Diebold common shares that is, for United States federal income tax purposes: (i) an individual citizen or resident of the United States; (ii) a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any State thereof or the District of Columbia; (iii) an estate the income of which is subject to United States federal income taxation regardless of its source; or (iv) a trust if (a) such trust has validly elected to be treated as a United States person for United States federal income tax purposes or (b) a United States court is able to exercise primary supervision over the administration of such trust and one or more United States persons have the authority to control all substantial decisions of such trust. As used herein, a "non-U.S. holder" means a beneficial owner of Wincor Nixdorf ordinary shares or Diebold common shares that is not a U.S. holder.

If a partnership holds Wincor Nixdorf ordinary shares or Diebold common shares, the tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. Holders of Wincor Nixdorf ordinary shares or Diebold common shares that are partnerships (and partners in such partnerships) are urged to consult their own United States tax advisors as to the consequences of the partnership participating in the exchange offer.

In certain cases, Diebold may be required to withhold United States taxes at source. Therefore, Diebold assumes responsibility for the withholding of United States taxes on distributions and other withholdable payments, in accordance with statutory provisions.

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Taxation of Diebold

Diebold, as a United States corporation, is subject to United States federal income tax on its taxable income at the graduated rates applicable to corporations (generally, at a maximum marginal rate of 35 percent) as well as state and local income taxes. Taxable income is the corporation's gross income for the year minus allowable deductions.

Material United States Federal Income Tax Considerations Related to Participation in the Exchange Offer

Tax Consequences for U.S. Holders

Tax Consequences of the Exchange Offer

The receipt of cash and Diebold common shares in exchange for Wincor Nixdorf ordinary shares pursuant to the exchange offer will be a taxable transaction for United States federal income tax purposes. In general, and subject to the PFIC rules discussed below, a U.S. holder who receives cash and Diebold common shares in exchange for Wincor Nixdorf ordinary shares pursuant to the exchange offer will recognize capital gain or loss for United States federal income tax purposes equal to the difference between the U.S. dollar value of the amount realized (equal to the cash and the fair market value of Diebold common shares to which such U.S. holder is entitled under the exchange offer) and the U.S. holder's tax basis, determined in U.S. dollars, in the Wincor Nixdorf ordinary shares. Such capital gain will generally be long term capital gain, on which a non-corporate U.S. holder is generally taxed at preferential rates, if the Wincor Nixdorf ordinary shares were held for more than one year. The deductibility of capital losses is subject to limitations. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes.

The U.S. dollar value of cash received in euro by a cash basis U.S. holder or an accrual basis U.S. holder that so elects will generally be determined by reference to the spot Euro/U.S. dollar rate on the closing date. The U.S. dollar value of cash received in euro by an accrual basis U.S. holder that does not so elect will generally be determined by reference to the spot Euro/U.S. dollar rate on the date of the exchange, and such holder generally will recognize United States source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference between such amount and the U.S. dollar value of the cash on the closing date.

PFIC Rules

If Wincor Nixdorf has been a passive foreign investment company, or PFIC, in any taxable year while a U.S. holder held any Wincor Nixdorf ordinary shares, then, whether or not Wincor Nixdorf continued to be a PFIC in any subsequent year and unless the U.S. holder made a proper election to be taxed differently, gain realized on the exchange of Wincor Nixdorf ordinary shares for Diebold common shares and cash pursuant to the exchange offer would generally be (i) allocated ratably to each taxable year in such U.S. holder's holding period for such Wincor Nixdorf ordinary shares, (ii) the amount allocated to the current taxable year and any year before the first taxable year for which Wincor Nixdorf was a PFIC would generally be taxed as ordinary income in the current year, and (iii) the amount allocated to other taxable years would be taxed at the highest ordinary income tax rate for each such taxable year and such U.S. holder would be liable for an additional tax equal to an interest charge on the tax liability for each such prior year as if such liability had actually been due in each such prior year. In general, Wincor Nixdorf would be considered a PFIC with respect to a U.S. holder if, for any taxable year in which such U.S. holder holds or held Wincor Nixdorf ordinary shares, after applying certain look through rules, either (a) at least 75% of the gross income of Wincor Nixdorf for the taxable year is passive income or (b) at least 50% of the value, determined on the basis of a quarterly average, of Wincor Nixdorf's gross assets is attributable to assets that produce or are held for the production of passive income. For this purpose, passive income generally includes interest, dividends, rents, annuities, royalties

and certain gains.

Although Wincor Nixdorf has not undertaken to determine its PFIC status in any taxable year and has not sought or obtained any opinion of tax counsel as to such determination, Wincor Nixdorf does not believe that it should be treated as a PFIC for U.S. federal income tax purposes in its current taxable year or in any prior taxable year. However, the determination of whether Wincor Nixdorf was, or will be, a PFIC for any tax year depends, in

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part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations and its status will depend, among other things, on changes in the composition and relative value of gross receipts and assets and the market value of its share capital in any year. U.S. holders are urged to consult their own tax advisors as to the possible PFIC status of Wincor Nixdorf and the consequences to them in their particular circumstances.

Medicare Tax

A U.S. holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8 percent tax on the lesser of (1) the U.S. holder's net investment income (or undistributed net investment income in the case of an estate or trust) for the relevant taxable year and (2) the excess of the U.S. holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals is between \$125,000 and \$250,000, depending on the individual's circumstances). A holder's net investment income generally includes its dividend income and its net gains from the disposition of Wincor Nixdorf ordinary shares, unless such dividend income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). U.S. holders that are individuals, estates or trusts are urged to consult their United States tax advisors regarding the applicability of the Medicare tax to income and gains recognized in respect of the exchange offer.

Tax Consequences for Non-U.S. Holders

A non-U.S. holder generally will not be subject to United States federal income tax on gain that the non-U.S. holder recognizes on the exchange offer, unless:

the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States, and the gain is attributable to a permanent establishment that the non-U.S. holder maintains in the United States, if that is required by an applicable income tax treaty as a condition for subjecting a non-U.S. holder to United States taxation on a net income basis; or

the non-U.S. holder is an individual, who holds the common shares as a capital asset, is present in the United States for 183 or more days in the taxable year of the exchange offer and certain other conditions exist.

If a non-U.S. holder is a corporation, effectively connected gains that the non-U.S. holder recognizes may also, under certain circumstances, be subject to an additional branch profits tax at a 30 percent rate or at a lower rate if the non-U.S. holder is eligible for the benefits of an income tax treaty that provides for a lower rate.

Information Reporting and Backup Withholding

Information reporting requirements may apply with respect to a holder that participates in the exchange offer. A holder may also be subject to backup withholding at a current rate of 28 percent with respect to the proceeds of participating in the exchange offer unless the holder (1) comes within certain exempt categories and demonstrates this fact or (2) provides a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. A holder may be asked to provide its correct taxpayer identification number and certify that it is not subject to backup withholding.

Backup withholding is not an additional tax. A holder subject to backup withholding may be allowed a credit in the amount withheld against such holder's United States federal income tax liability and, if withholding results in an

overpayment of tax, such holder may be entitled to a refund, provided that the requisite information is furnished to the Internal Revenue Service on a timely basis. Holders should consult their own tax advisers regarding the application of the information reporting and backup withholding rules.

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A clearing organization acting in its capacity as such and that is not otherwise a broker within the meaning of the Code or the Treasury regulations thereunder, is not required to withhold United States taxes from any payment to shareholders of Wincor Nixdorf pursuant to the exchange offer.

Material United States Federal Income Tax Considerations Related to Ownership of the Diebold Common Shares

Tax Consequences for non-U.S. Holders

Dividends

Except as described below, dividends paid to a non-U.S. holder of Diebold common shares generally will be subject to withholding of United States federal income tax at a 30 percent rate or at a lower rate if the non-U.S. holder is eligible for the benefits of an income tax treaty that provides for a lower rate. Even if a non-U.S. holder is eligible for a lower treaty rate, we and other payors will generally be required to withhold at a 30 percent rate (rather than the lower treaty rate) on dividend payments to a non-U.S. holder, unless the non-U.S. holder has furnished to us or another payor:

a valid Internal Revenue Service Form W-8 or an acceptable substitute form upon which the non-U.S. holder certifies, under penalties of perjury, the non-U.S. holder's status as a non-United States person and its entitlement to the lower treaty rate with respect to such payments, or

in the case of payments made outside the United States to an offshore account (generally, an account maintained by a non-U.S. holder at an office or branch of a bank or other financial institution at any location outside the United States), other documentary evidence establishing the non-U.S. holder's entitlement to the lower treaty rate in accordance with United States Treasury regulations.

If the non-U.S. holder is eligible for a reduced rate of United States withholding tax under a tax treaty, the non-U.S. holder may obtain a refund of any amounts withheld in excess of that rate by filing a refund claim with the Internal Revenue Service.

If dividends paid to a non-U.S. holder are effectively connected with the non-U.S. holder's conduct of a trade or business within the United States, and, if required by an applicable income tax treaty, the dividends are attributable to a permanent establishment that the non-U.S. holder maintains in the United States, we and other payors generally are not required to withhold tax from the dividends, provided that the non-U.S. holder has furnished to us or another payor a valid Internal Revenue Service Form W-8ECI or an acceptable substitute form upon which the non-U.S. holder represents, under penalties of perjury, that:

the non-U.S. holder is a non-United States person, and

the dividends are effectively connected with the non-U.S. holder's conduct of a trade or business within the United States and are includible in the non-U.S. holder's gross income.

Effectively connected dividends are taxed at rates applicable to United States citizens, resident aliens and domestic United States corporations. For a corporate non-U.S. holder, effectively connected dividends under certain

circumstances, may be subject to an additional branch profits tax at a 30 percent rate or at a lower rate if the non-U.S. holder is eligible for the benefits of an income tax treaty that provides for a lower rate.

Gain on Disposition of Diebold Common Shares

A non-U.S. holder generally will not be subject to United States federal income tax on gain that the non-U.S. holder recognizes on a disposition of Diebold common shares, unless:

the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States, and, if required by an applicable income tax treaty, the gain is attributable to a permanent establishment that the non-U.S. holder maintains in the United States; or

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the non-U.S. holder is an individual, who holds the common shares as a capital asset, is present in the United States for 183 or more days in the taxable year of the exchange offer and certain other conditions exist.

we are or have been a United States real property holding corporation for federal income tax purposes and the non-United States person held, directly or indirectly, at any time during the five-year period ending on the date of disposition, more than 5 percent of the common shares and the non-United States person is not eligible for any treaty exemption.

If a non-U.S. holder is a corporate non-U.S. holder, effectively connected gains that the non-U.S. holder recognizes may also, under certain circumstances, be subject to an additional branch profits tax at a 30 percent rate or at a lower rate if the non-U.S. holder is eligible for the benefits of an income tax treaty that provides for a lower rate.

We have not been, are not and do not anticipate becoming a United States real property holding corporation for United States federal income tax purposes.

FATCA Withholding

Pursuant to sections 1471 through 1474 of the Code, commonly known as the Foreign Account Tax Compliance Act, or FATCA, a 30 percent withholding tax, or FATCA withholding, may be imposed on certain payments to a non-U.S. holder of Diebold common shares or to certain foreign financial institutions, investment funds and other non-United States persons receiving payments on the holder's behalf if the non-U.S. holder or such persons fail to comply with certain information reporting requirements. Such payments will include United States-source dividends and the gross proceeds from the sale or other disposition of stock that can produce United States-source dividends. Payments of dividends that a non-U.S. holder receives in respect of Diebold common shares could be affected by this withholding if the non-U.S. holder is subject to the FATCA information reporting requirements and fails to comply with them or if the non-U.S. holder holds Diebold common shares through a non-United States person (e.g., a foreign bank or broker) that fails to comply with these requirements (even if payments to the non-U.S. holder would not otherwise have been subject to FATCA withholding). Payments of gross proceeds from a sale or other disposition of Diebold common shares could also be subject to FATCA withholding, unless such disposition occurs before January 1, 2019. Non-U.S. holders should consult their own tax advisors regarding the relevant United States law and other official guidance on FATCA withholding.

Backup Withholding and Information Reporting

We and other payors are required to report payments of dividends to non-U.S. holders on Internal Revenue Service Form 1042-S even if the payments are exempt from withholding. A non-U.S. holder is otherwise generally exempt from backup withholding and information reporting requirements with respect to dividend payments and the payment of the proceeds from the sale of common shares effected at a United States office of a broker provided that either (i) the payor or broker does not have actual knowledge or reason to know that the non-U.S. holder is a United States person and the non-U.S. holder has furnished a valid Internal Revenue Service Form W-8 or other documentation upon which the payor or broker may rely to treat the payments as made to a non-United States person, or (ii) the non-U.S. holder otherwise establishes an exemption.

Payment of the proceeds from the sale of Diebold common shares effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker could be subject to information reporting in the same manner as a sale within the United States (and in certain cases may be subject to backup withholding as well) if (i) the broker has certain connections to the United States, (ii) the proceeds or confirmation are sent to the United States or (iii) the sale has certain other specified connections

with the United States. In addition, certain foreign brokers may be required to report the amount of gross proceeds from the sale or other disposition of common shares under FATCA if the non-United States person is presumed to be a United States person.

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Material German Tax Considerations

The following section contains a summary of material German tax consequences related to the participation in the exchange offer and the holding and disposal of Diebold common shares that may be or may become relevant to holders of shares of Wincor Nixdorf and/or Diebold in Germany. This summary is of a general nature only and does not constitute a comprehensive or definitive explanation of all possible aspects of taxation that may be relevant for shareholders of Wincor Nixdorf and/or Diebold. In particular, this summary does not address tax considerations that may apply to a shareholder that is a tax resident of a jurisdiction other than Germany.

Where reference is made to the tax residence of a shareholder, it is assumed that the tax residence for the purposes of the respective domestic tax law and for the purposes of any applicable income tax treaty is the same. However, exceptions may apply in certain cases.

THIS SUMMARY IS NOT INTENDED TO BE A REPLACEMENT FOR, NOR SHOULD IT BE CONSIDERED AS LEGAL OR TAX ADVICE. SHAREHOLDERS OF WINCOR NIXDORF AND/OR DIEBOLD ARE THEREFORE STRONGLY ADVISED TO CONSULT THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES RELATED TO PARTICIPATION IN THE EXCHANGE OFFER AND THE HOLDING AND DISPOSAL OF DIEBOLD COMMON SHARES. THE SPECIFIC TAX SITUATION OF EACH SHAREHOLDER CAN ONLY BE ADEQUATELY ADDRESSED BY INDIVIDUAL TAX ADVICE.

General

Wincor Nixdorf shareholders may be taxed in Germany, amongst others, in connection with the exchange of Wincor Nixdorf shares for Diebold common shares (see [Taxation of Wincor Nixdorf Shareholders in Connection with the Exchange Offer](#)). Wincor Nixdorf shareholder who are presently also holders of Diebold common shares or, following the consummation of the exchange offer, will become holders of Diebold common shares may be taxed in connection with the receipt of dividend income from Diebold (see [Taxation of Diebold Shareholders Tax-Resident in Germany Taxation of Dividend Income on Diebold Common Shares](#)) and the transfer of Diebold common shares (see [Taxation of Diebold Shareholders Tax-Resident in Germany Taxation of Capital Gains on the Disposal of Diebold Common Shares](#) and [Taxation of Diebold Shareholders Tax-Resident in Germany Inheritance and Gift Tax](#)). Value added tax (VAT) may also be due in certain circumstances (see [Other Taxes](#)).

Under the applicable German tax law, dividends and capital gains may be subject to withholding tax (*Kapitalertragsteuer*). According to the relevant German law Diebold (having neither its registered seat nor a place of management in Germany) is not in charge (*entrichtungspflichtig*) to make any withholding and subsequent payment to the German tax authorities with respect to dividends and capital gains derived by its shareholders from shares in Diebold and Diebold does not assume any responsibility for withholding and paying German withholding tax.

Notwithstanding the description of certain aspects of taxation in Germany, shareholders may be liable to tax in other jurisdictions. In particular, shareholders with residency in Germany may be subject to an unlimited or limited tax liability in other jurisdictions, and shareholders that are subject to a limited tax liability in Germany may be liable to tax in the jurisdiction in which they are resident.

Any reference in this section to a tax, duty, levy or other charge or withholding of a similar nature refers to German tax law and/or concepts only. This summary is based on the domestic tax laws of the Federal Republic of Germany in effect as on the date of the publication of this document and therefore does not take into account any amendments introduced at a later date and implemented with or without retroactive effect. The relevant rules as well as their interpretation by the German tax courts or tax authorities may change, possibly with retroactive effect.

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Taxation of Wincor Nixdorf Shareholders in Connection with the Exchange Offer

The following description outlines the tax consequences of the receipt of both forms of offer consideration, and therefore differentiates, where necessary, between (i) the exchange of Wincor Nixdorf Shares for Diebold common shares, i.e. the share component of the exchange offer, and (ii) the receipt of the cash component.

Taxation of Wincor Nixdorf Shareholders Tax-Resident in Germany

Wincor Nixdorf Shares Held as Private Assets

As a general rule, if Wincor Nixdorf shareholders holding their shares as private assets (*Privatvermögen*) tender their Wincor Nixdorf shares in the exchange offer, such exchange constitutes a taxable disposal of the tendered Wincor Nixdorf shares. The consideration offered in the exchange offer, i.e. the market value of the Diebold common shares plus the cash component, constitutes the gross capital income. From this tax base the disposal costs and the acquisition costs for the Wincor Nixdorf shares are to be deducted. The difference, i.e., the capital gain, is subject to taxation. The final withholding tax rate (*Abgeltungsteuertarif*) of 25% plus solidarity surcharge of 5.5%, resulting in an aggregate withholding of 26.375% (plus church tax, if any), applies for investors whose participation amounted to less than 1% throughout at least a five year period preceding the exchange of Wincor Nixdorf shares for Diebold common shares.

However, if the requirements of the simplification rule of Section 20 para. 4a sentence 1 of the German Income Tax Act (*Einkommensteuergesetz*) are met, the share component of the combined cash and exchange offer will remain, in general, tax neutral for German tax resident holders of Wincor Nixdorf shares who hold their shares as private assets (while the cash component of the offer consideration remains subject to taxation as a dividend income, see below).

Based on a circular letter issued by the German Federal Ministry of Finance, the requirements for a tax neutral exchange will be satisfied with respect to a holder of Wincor Nixdorf shares if

- (i) the Wincor Nixdorf shares were held from the tendering Wincor Nixdorf shareholders as private assets,
- (ii) the shareholder's participation amounted to less than 1% throughout at least a five year period preceding the exchange of Wincor Nixdorf shares for Diebold common shares and
- (iii) the Diebold common shares issued in exchange for the Wincor Nixdorf shares are new shares, i.e. shares resulting from a capital increase at the level of Diebold.

This condition (iii) will be satisfied as the Diebold common shares issued in exchange for the Wincor Nixdorf shares are shares of a new issue. To the extent that Section 20 para. 4a sentence 1 of the German Income Tax Act applies, the Diebold common shares received in exchange for Wincor Nixdorf shares take the place of such Wincor Nixdorf shares and principally have the same tax status. Thus, the acquisition costs of the Wincor Nixdorf shares will be continued as acquisition costs for the exchanged Diebold common shares.

Provided that the simplification rule of Section 20 para. 4a of the German Income Tax Act applies, the cash consideration received in the context of the exchange of shares qualifies as capital income according to Section 20 para. 1 No. 1 German Income Tax Act subject to withholding flat tax (*Abgeltungsteuer*) at a rate of 25% on the amount of the cash compensation. A solidarity surcharge of 5.5% is also levied on the withholding tax amount,

resulting in an aggregate withholding of 26.375% (plus church tax, if any). Since January 1, 2015, entities required to collect withholding taxes on capital investment income are required to likewise withhold the church tax on shareholders who pay church taxes, unless the shareholder objects in writing to the German tax authorities sharing his private information regarding his affiliation with a denomination. If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, then the church tax on the capital gain is also deemed to be discharged when it is deducted. The withheld church tax cannot be deducted in the tax assessment as a special expense; however, 25% of the church tax withheld on the capital gain is deducted from

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the withholding tax (including the solidarity surcharge) withheld. Acquisition costs of accepting Wincor Nixdorf shareholders are not deducted from the tax base (i.e. the cash component paid), not even on a pro rata basis.

Even if Section 20 para. 4a sentence 1 of the German Income Tax Act did not apply, the share component of the exchange offer consideration would not be taxable to Wincor Nixdorf shareholders if

- (i) the shares of Wincor Nixdorf are held as private assets,
- (ii) the Wincor Nixdorf shareholder's participation amounted to less than 1% throughout at least a five year period preceding the exchange of Wincor Nixdorf shares for Diebold common shares and

(iii) the shares of Wincor Nixdorf have been acquired prior to January 1, 2009 (Former Shareholders). In the case of Former Shareholders, it is currently unclear whether Section 20 para. 4a sentence 2 of the German Income Tax Act applies to a cash compensation received by a Former Shareholder, the application of which would result in withholding flat tax (25% plus the solidarity surcharge in the amount of 5.5% resulting in a total withholding of 26.375%, and church tax, if any). Otherwise, a cash compensation received by a Former Shareholder would not be subject to German withholding tax.

According to the interpretation of the German tax authorities, Section 20 para. 4a sentence 2 German Income Tax Act also applies to cash compensations paid as consideration for shares acquired prior to January 1, 2009. In contrast to the tax authorities' interpretation, first-instance courts have come to the conclusion that Section 20 para. 4a sentence 2 German Income Tax Act is not applicable to shares of Former Shareholders and therefore cash components paid as consideration for shares of Former Shareholders are not subject to taxation. Whether the German Federal Tax Court (*Bundesfinanzhof*) will confirm this jurisdiction, however, is yet to be seen. Proceedings are currently pending before the German Federal Tax Court (*Bundesfinanzhof*) with regard to this legal issue.

To the extent that the share exchange is tax neutral pursuant to Section 20 para. 4a sentence 1 of the German Income Tax Act, no German withholding tax will be withheld. To the extent that the share exchange is not tax neutral as described above, the general rules of German withholding tax (see below) will apply.

If a shareholder, or in the case of a gratuitous transfer, the shareholder's legal predecessor, directly or indirectly has held at least 1% of the share capital of Wincor Nixdorf at any time during the five years preceding the exchange of Wincor Nixdorf shares for Diebold common shares, such exchange will not qualify for the simplification rule of Section 20 para. 4a sentence 1 of the German Income Tax Act. In such case, the rules applicable to the income taxation of the exchange of Wincor Nixdorf shares that are held as business assets will apply correspondingly (see Wincor Nixdorf Shares Held As Business Assets by Individual Shareholders (Sole Proprietors) below).

Wincor Nixdorf Shares Held As Business Assets by Individual Shareholders (Sole Proprietors)

For individuals with a German tax residency and holding Wincor Nixdorf shares as business assets, the exchange of Wincor Nixdorf shares for Diebold common shares in the combined cash and exchange offer will constitute a taxable event. Generally, 60% of capital gains derived from the exchange of Wincor Nixdorf shares (i.e., the market value of the Diebold common shares plus the cash component minus the disposal and acquisition costs) are taxable at the personal income tax rate (plus solidarity surcharge of 5.5% thereon and church tax, if any).

Correspondingly, only 60% of the business expenses related to such a gain (subject to general restrictions on deductions, if any) and only 60% of any capital loss are tax deductible.

If the Wincor Nixdorf shares are attributable to a permanent establishment of a trade business in Germany, 60% of the capital gains are also subject to trade tax (*Gewerbesteuer*). However, up to a certain threshold and depending on the local trade tax rate of the municipality in which the trade business is operated all or part of the trade tax is credited against the shareholder's income tax liability.

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The rules discussed in this section also apply if a shareholder, or in the case of a gratuitous acquisition the shareholder's legal predecessor, directly or indirectly has held at least 1% of the share capital of Wincor Nixdorf at any time during the five years preceding the exchange of Wincor Nixdorf shares for Diebold common shares. Special rules (i.e. limitation of tax deductibility) apply with regard to capital losses.

Wincor Nixdorf Shares Held by Corporations

Generally, capital gains recognized by corporations on the exchange of Wincor Nixdorf shares for Diebold common shares in the combined cash and exchange offer (*i.e.*, the market value of the Diebold common shares plus the cash component minus the disposal and acquisition costs) are exempt from corporate income tax and trade tax if the Wincor Nixdorf shares are held as business assets attributable to a permanent establishment in Germany. However, 5% of such capital gain is treated as non-deductible business expenses and, as such, subject to corporate income tax (plus solidarity surcharge of 5.5% thereon) and trade tax. Losses from the exchange of Wincor Nixdorf shares and any other profit reductions related to the exchange are generally not tax deductible.

The 95% tax exemption rule also applies to a cash compensation received in the context of the exchange of shares.

Special rules apply to shareholding companies that are active in the financial and insurance sectors and to so-called financial enterprises (*Finanzunternehmen*).

Wincor Nixdorf Shares Held by Partnerships

If the shareholder is a partnership engaged or deemed to be engaged in a trade or business (commercial partnership (*Mitunternehmerschaft*)), income tax or corporate income tax, as the case may be, is assessed at the level of each partner rather than at the level of the partnership. The taxation of each partner depends on whether the partner is subject to income tax or corporate income tax.

If the partner is subject to corporate income tax, capital gains from the exchange of Wincor Nixdorf shares are, in general, effectively 95% tax exempt (see section [Wincor Nixdorf Shares Held by Corporations](#) above).

If the partner is subject to income tax, 60% of the capital gains from the exchange of the Wincor Nixdorf shares are taxable (see [Wincor Nixdorf Shares Held As Business Assets by Individual Shareholders \(Sole Proprietors\)](#) above).

In addition, if the Wincor Nixdorf shares are attributable to a permanent establishment of the commercial partnership in Germany, any capital gain from their exchange is subject to trade tax at the level of the partnership, with 60% of the gain being subject to trade tax to the extent that the partners are individuals and 5% to the extent that the partners are corporations. In the case of partners who are individuals, up to a certain threshold and depending on the local trade tax rate of the municipality in which the trade business is operated all or part of the trade tax is credited against their income tax liability.

With respect to the deductibility of business expenses related to the capital gains and the deductibility of capital losses for income tax or corporate income tax purposes, as the case may be, the rules outlined above apply to the partners accordingly.

If the shareholder is a partnership which is neither engaged nor deemed to be engaged in a trade or business, each partner is taxed as though he held his share directly (see section [Wincor Nixdorf Shares Held As Private Assets](#), [Wincor Nixdorf Shares Held As Business Assets by Individual Shareholders \(Sole Proprietors\)](#) and [Wincor Nixdorf Shares Held By Corporations](#)).

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Wincor Nixdorf Shareholders with Tax Residency Outside Germany

Capital gains realized on the exchange of Wincor Nixdorf shares pursuant to the exchange offer (*i.e.*, the market value of the Diebold common shares plus the cash component minus the disposal and acquisition costs) are subject to a limited tax liability in Germany to the extent that the shares are held as part of business assets in Germany (that is, attributable to a permanent establishment or to business assets for which a permanent representative in Germany has been appointed), the provisions outlined above with respect to the taxation of shareholders that are German tax residents principally apply accordingly. The withholding tax and solidarity surcharge that is withheld at source and remitted to the German tax authorities will be credited towards the shareholder's income tax or corporate income tax liability or refunded in the amount of any excess paid.

Otherwise, capital gains realised by shareholders that are not German tax residents are taxable in Germany only if the shareholder making the disposal or, in the event of shares acquired without consideration, their legal predecessor held a direct or indirect stake of at least 1% in Wincor Nixdorf's share capital at any time in the five years preceding the disposal. As a general rule, double taxation treaties concluded by Germany often provide for full exemption from German taxation in such cases and assign fiscal jurisdiction to the shareholder's country of residence. The German tax authorities have ruled that generally no withholding tax needs to be deducted by a Domestic Paying Agent in such cases (see Federal Ministry of Finance, decree as of October 9, 2012, marginal number 315, Federal Tax Gazette part I 2012, p. 953). Therefore, the Domestic Paying Agent should be under no legal obligation to withhold withholding taxes for Wincor Nixdorf shareholders with tax residency outside Germany. However, if the capital gain is subject to tax in Germany, the shareholder is required to file a tax return and pay such taxes. Filing obligations may have to be complied with even in case the capital gain is not subject to tax in Germany.

The German tax authorities treat the cash component of the exchange offer payable to Wincor Nixdorf shareholders that are not German tax residents and that hold less than 1% in the share capital of Wincor Nixdorf on the respective Wincor Nixdorf shareholders' level as follows: According to a recently issued preliminary assessment (see Federal Ministry of Finance, draft decree as of October 23, 2015, docket number IV C 1 - S 2252/15/10025 :001) the German tax authorities will treat the cash component as dividend income in the meaning of Section 20 para. 4a sentence 2 of the German Income Tax Act (*Einkommensteuergesetz*). Dividend income earned by taxpayers with tax residency outside Germany (resulting from shares that are not held as part of business assets in Germany) is only subject to Germany taxation if the distributing corporation has either its registered seat or a place of management in Germany. Based on the preliminary assessment of the German tax authorities the cash component of the exchange offer can only be understood as dividend distributed by Diebold. Given that Diebold has neither its registered seat nor a place of management in Germany the cash component is therefore not subject to German taxation. Correspondingly, Domestic Paying Agents, if involved, are not required to withhold withholding tax and solidarity surcharge at an aggregate rate of 26.375% (plus church tax, if any) from the cash component of the exchange offer as in general no withholding needs to be made in case of capital investment income of foreign tax residents that is not subject to German taxation within the scope of the limited tax liability (see Federal Ministry of Finance, decree as of October 9, 2012, marginal numbers 313 and seq., Federal Tax Gazette part I 2012, p. 953).

Taxation of Diebold Shareholders Tax-Resident in Germany

Taxation of Diebold Shareholders Tax-Resident in Germany related to the Exchange Offer

No tax charge arises in Germany for current Diebold shareholders in regards of their holdings in Diebold common shares in connection with the exchange offer to Wincor Nixdorf shareholders.

Taxation of Dividend Income on Diebold Common Shares

General Rules for the Taxation of Dividend Income of Diebold Shareholders Tax Resident in Germany

For individuals who are tax resident in Germany (generally, individuals whose domicile (*Wohnsitz*) or habitual abode (*gewöhnlicher Aufenthalt*) is located in Germany) and who hold the shares as private assets

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(*Privatvermögen*), the flat tax rate of 25% plus 5.5% solidarity surcharge thereon (in total: 26.375%, and if applicable, church tax) applies. Shareholders may apply to have their capital investment income assessed in accordance with the general rules and with an individual's personal income tax rate if this would result in a lower tax burden. In this case, the base for taxation would be the gross dividend income less the savers' allowance of 801 (1,602 for married couples and registered partners filing jointly), with no deduction for costs actually incurred to generate the capital investment income.

If the shares form part of a shareholder's domestic business assets, taxation of the dividends depends upon whether the shareholder is a corporation, sole proprietor or commercial partnership (*Mitunternehmenshaft*).

Dividends received by corporations resident in Germany are generally at their gross amount subject to corporate income tax (plus solidarity surcharge) and trade tax. Actual business expenses incurred to generate the dividends may be deducted. However, a 95% exemption from corporation income tax (and solidarity surcharge) applies if the shareholding corporation has held on the beginning of the calendar year in which the dividend is distributed at least 10% of Diebold's registered capital and a 95% exemption from trade tax applies if the shareholding corporation has held on the beginning of the calendar year in which the dividend is distributed at least 15% of Diebold's registered capital. In addition, subject to the 10% minimum participation requirement being fulfilled an exemption from German taxation under the U.S. Treaty may apply.

If the shares are held as part of the business assets of a sole proprietor (individual), with his tax domicile in Germany, 40% of the dividend is tax exempt (so-called partial-income method *Teileinkünfteverfahren*) and 60% of the dividend is taxable. Only 60% of the expenses economically related to the dividends is tax-deductible. The partial-income method will also apply when individuals hold the shares indirectly through a partnership (with the exception of personal investors who hold their shares through an asset management partnership (*vermögensverwaltende Personengesellschaft*) which is not a deemed commercial partnership). If the shares form part of the business assets of a domestic permanent establishment of a trade, the full amount of the dividend income (after deduction of business expenses that stand in economic relation to the dividends) is generally also subject to trade tax, unless certain exceptions apply. However, up to a certain threshold and depending on the local trade tax rate of the municipality in which the trade business is operated all or part of the trade tax is credited against the sole proprietor's respectively the shareholder's income tax liability.

Special rules apply to companies active in the financial and insurance sectors as set forth below.

German dividend withholding tax on the Diebold shares applies in particular in case (i) the shares are permitted for, and held in, a joint custody (*Sammelverwahrung*) in Germany by a German securities clearing and deposit bank (*Wertpapiersammelbank*) or (ii) dividends are paid against dividend coupons (*Dividendscheine*), and in each of the cases referred to under (i) or (ii) above, the shares are held in safekeeping or administered by a Domestic Paying Agent. The withholding tax is generally satisfied by the Domestic Paying Agent who withholds taxes in the amount of 25% (plus the 5.5% solidarity surcharge and church tax, if any) on the dividends and remits them to the tax authorities.

German Taxation of Dividend Income from Diebold Common Shares for German U.S. Treaty Beneficiaries

Under certain circumstances, tax residents of the Federal Republic of Germany for purposes of the Agreement between the Federal Republic of Germany and United States of America for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital as of June 4, 2008 (*Abkommen zwischen der Bundesrepublik Deutschland und den Vereinigten Staaten von Amerika zur Vermeidung der Doppelbesteuerung und zur Verhinderung der Steuerverkürzung auf dem Gebiet der Steuern vom Einkommen und*

vom Vermögen und einiger anderer Steuern in der Fassung vom 4. Juni 2008) (the U.S. Treaty), who are fully eligible for benefits under the U.S. Treaty (the German U.S. Treaty Beneficiaries) may be eligible for a German tax credit:

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Pursuant to the U.S. Treaty, the German U.S. Treaty Beneficiary may credit United States Federal income tax withheld (see Material United States Federal Income Tax Considerations Related to Participation in the Exchange Offer Material United States Federal Income Tax Considerations Related to Ownership of the Diebold Common Shares Tax Consequences for non-U.S. Holders Dividends for further information) up to an amount of 15% of the gross dividends (and up to 5% in case of Diebold shareholders holding more than 10% of Diebold's common shares) from his or her German income tax respectively corporate income tax.

Irrespective of a German tax credit in case of German corporations and subject to the 10% minimum participation requirement being fulfilled an exemption from German taxation under the U.S. Treaty may apply.

Special rules apply, amongst others, to pension funds and certain other tax-exempt investors.

Taxation of Capital Gains on the Disposal of Diebold Common Shares

For holders of Diebold common shares tax-resident in Germany, the general principles as stated below apply:

Gains on the sale of Diebold common shares that are held as private assets by shareholders with a tax domicile in Germany, and which were acquired after December 31, 2008, are generally taxable regardless of the length of time held. The tax rate is (generally) a uniform 25% plus the 5.5% solidarity surcharge thereon (as well as church tax, if any). Losses on the sale of such shares can only be used to offset gains made on the sale of shares during the same year or in subsequent years.

If the shares were acquired and were held in safekeeping or administered by a Domestic Paying Agent, or if a Domestic Paying Agent carries out the sale of the shares and disburses or credits the sales proceeds, the tax on the sale is generally satisfied by the Domestic Paying Agent who withholds taxes in the amount of 25% (plus the 5.5% solidarity surcharge and church tax, if any) on the capital gain from the sales proceeds and remits them to the tax authorities. If the shares were held in safekeeping or administered by the respective Domestic Paying Agent after acquisition, the amount of tax withheld is generally based on the difference between the proceeds from the sale, after deducting expenses that stand in direct relation to the sale, and the amount paid to acquire the shares. However, the withholding tax rate of 25% (plus the 5.5% solidarity surcharge thereon and church tax, if any) will be applied to 30% of the gross sales proceeds if the shares were not administered by the same custodian bank since acquisition and the original cost of the shares cannot be verified or such verification is not valid. In this case, the shareholder is entitled to verify the original costs of the shares in his annual tax return.

Shareholders can apply to have gains on the sale of their shares taxed in accordance with the general rules for determining an individual's tax bracket, rather than the system of final taxation if that would result in a lower tax burden. The base for taxation would be the gross income less the savers' allowance of 801 (1,602 for married couples and registered partners filing jointly), with no deduction for costs actually incurred to generate the income. Any tax already withheld would be credited against the income tax so determined and any overpayment refunded.

Notwithstanding the foregoing, if a shareholder or, in the case of a gratuitous transfer, any of the shareholder's legal predecessors held, directly or indirectly, at least 1% of Diebold's share capital at any time during the five years preceding the sale, the capital gains on the sale of shares realized by such shareholder will be subject to the partial-income method and not the final flat tax, with the result that 60% of the capital gains on the sale of shares will be taxable at the individual's personal income tax rate, and 60% of the expenses economically related to the capital gains will be deductible.

When a Domestic Paying Agent is involved, gains on the sale of shares held as business assets are generally subject to withholding tax to the same extent as for a shareholder whose shares are held as private assets. However, the Domestic Paying Agent may refrain from withholding the withholding tax if (i) the shareholder is a corporation, association (*Personenvereinigung*) or estate (*Vermögensmasse*) with its tax domicile in Germany, or (ii) the shares

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form part of the shareholder's domestic business assets, and the shareholder informs the paying agent of this on the officially prescribed form and meets certain additional prerequisites. If the Domestic Paying Agent nevertheless withholds withholding taxes, the withholding tax withheld and remitted (including solidarity surcharge) will be credited against the shareholder's income tax or corporate income tax liability and any excess amount will be refunded.

If the shares form part of a shareholder's business assets, final taxation of the capital gains realized will then depend upon whether the shareholder is a corporation, sole proprietor or partnership.

In general, capital gains recognized on the sale of shares by corporations domiciled in Germany are 95% exempt from corporate income tax (including the solidarity surcharge) and trade tax, irrespective of the stake represented by the shares and the length of time the shares are held. However, 5% of the capital gains is treated as a non-deductible business expense and, as such, is subject to corporate income tax (plus the solidarity surcharge) and to trade tax. Losses from the sale of shares and any other reductions in profit do not qualify as tax-deductible business expenses. However, the German legislator currently considers to extend the participation requirement of 10% of the subsidiary's registered capital applicable to the 95% exemption of dividends from corporate income tax (and solidarity surcharge) to the 95% tax exemption of capital gains from corporate income tax (and solidarity surcharge) and trade tax.

If the shares were acquired after December 31, 2008, and form part of the business assets of a sole proprietor (individual) who is a tax resident of Germany, 60% of the capital gains on their sale is subject to the individual's tax bracket plus the solidarity surcharge (partial-income method). Similarly, only 60% of losses from such sales and 60% of expenses economically related to such sales are deductible. If the shares are attributable to a permanent establishment in Germany, 60% of the capital gains are also subject to trade tax. Up to a certain threshold and depending on the local trade tax rate of the municipality in which the trade business is operated all or part of the trade tax is credited against the shareholder's income tax liability.

Special rules apply to capital gains realized by companies active in the financial and insurance sectors, as well as by pension funds as set forth below.

German Controlled Foreign Corporation Rules (Außensteuergesetz)

Tax residents of Germany will have to include in their income distributed and undistributed earnings of a foreign company in which they hold shares if the foreign company qualifies as a low taxed controlled foreign corporation (CFC) for German tax purposes. The (partial) exemption of dividends from German tax does not apply to these amounts. A foreign company generally qualifies as a CFC if the majority of its shares is held by German tax residents and certain expatriates and further requirements are met. However, with regard to certain passive portfolio income (*Zwischeneinkünfte mit Kapitalanlagecharakter*) of a foreign company (including, among other things, interest and capital gains from the disposal of financial instruments but excluding dividends received), the German shareholders will be required to include these amounts into income on a pro rata basis regardless of whether the majority of the shareholders is tax resident in Germany. The inclusion will take place if the passive portfolio income of Diebold (as determined under German tax accounting principles) is subject to U.S. income tax of less than 25%. However, a German tax resident shareholder may escape such taxation of undistributed earnings if such shareholder holds less than 1% of the issued share capital of Diebold and can either show to the satisfaction of the German tax authorities that (1) less than 90% of Diebold's income is passive portfolio income or (2) that regular and substantial trading in Diebold's main class of shares takes place at a recognized stock exchange. Further with respect to income other than the aforementioned passive portfolio income, if Diebold was in a position to demonstrate that it actually performed business activities in the United States of America, a German shareholder should not be required to include the respective income items in his German tax return as income from CFC.

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Inheritance and Gift Tax

The transfer of Diebold common shares to another person upon death or as a gift is generally subject to German inheritance or gift tax in the following circumstances:

- (i) the place of residence, customary place of abode, place of management or registered seat of the testator, the donor, the heir, the donee or another acquirer is, at the time of the asset transfer, in Germany, or such person, as a German national, has not spent more than five consecutive years outside of Germany without having a place of residence in Germany (this term is extended to ten years for German expatriates); or
- (ii) the testator's or donor's shares were part of business assets for which there was a place of business in Germany or for which a permanent representative was appointed.

The small number of double taxation treaties regarding inheritance and gift tax that Germany has concluded to date generally provide for German inheritance or gift tax only to be levied in the cases under (i) and, subject to certain restrictions, in the cases under (ii). Special arrangements apply to certain German nationals and former German nationals living outside Germany.

Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds

If financial institutions (*Kreditinstitute*) or financial services providers (*Finanzdienstleistungsinstitute*) hold or sell shares that are allocable to their trading book (*Handelsbuch*) pursuant to Section 1a of the German Banking Act (*Gesetz über das Kreditwesen*), they will not be able to have 60% of their gains exempted from taxation nor be entitled to the 95% exemption from corporate income tax (plus solidarity surcharge) and trade tax, if applicable. Thus, dividend income and capital gains are fully taxable. The same applies to shares that are acquired by a financial enterprise (*Finanzunternehmen*) within the meaning of the German Banking Act (*Gesetz über das Kreditwesen*) for purposes of realizing short-term gains from proprietary trading, and to shares held through a permanent establishment in Germany by financial institutions, financial services providers and financial enterprises with their registered office in another member state of the European Union or another contracting party to the European Economic Area Agreement. Likewise, the tax exemption described earlier with respect to corporations for dividend income and capital gains from the sale of shares does not apply to shares that qualify as a capital investment in the case of life insurance and health insurance companies, or those which are held by pension funds.

Other Taxes

No German capital transfer tax, value added tax (VAT), stamp duty or similar taxes are levied on the purchase or disposal of shares or other forms of share transfer. Wealth tax is currently not levied in Germany. However, an entrepreneur can opt to pay value added tax on the sale of shares, despite being generally exempt from value added tax, if the entrepreneur has attributed the respective shares to its business and if the shares are sold to another entrepreneur for purposes of the respective entrepreneur's business.

On January 22, 2013, the Council of the EU approved the resolution of the ministers of finance from eleven member states (including Germany) to introduce a financial transaction tax within the framework of enhanced cooperation. On February 14, 2013, the European Commission accepted the Proposal for a Council Directive implementing enhanced cooperation in the area of financial transaction tax. The plan focuses on levying a financial transaction tax of 0.1% (0.01% for derivatives) on the purchase and sale of financial instruments. The recommendation of the Commission

requires however further negotiation among the participating member states and the extent of the application of such a financial transaction tax as well as its implementation date is currently unknown. The negotiations among the member states considering to implement a financial transaction tax are still pending and have not brought any reliable result so far. Whether and when the financial transaction tax will be implemented remains to be seen.

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ADDITIONAL NOTE REGARDING THE OFFER

The offer will be made solely by the exchange offer document to holders of Wincor Nixdorf ordinary shares. Diebold is not aware of any jurisdiction where the making of the offer or the tender of Wincor Nixdorf ordinary shares in connection therewith would not be in compliance with the laws of such jurisdiction. If Diebold becomes aware of any jurisdiction in which the making of the offer or the tender of Wincor Nixdorf ordinary shares in connection therewith would not be in compliance with applicable law, Diebold will make a good faith effort to comply with any such law. If, after such good faith effort, Diebold cannot comply with any such law, the offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Wincor Nixdorf ordinary shares in such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the offer to be made by a licensed broker or dealer, the offer shall be deemed to be made on behalf of Diebold by the dealer manager or by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

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LEGAL MATTERS

The legality of the Diebold common shares registered hereby will be passed upon by Sullivan & Cromwell LLP.

EXPERTS

The consolidated financial statements and schedule of Diebold, Incorporated as of December 31, 2014 and 2013, and for each of the years in the three-year period ended December 31, 2014, which appear in the current report on Form 8-K of Diebold, Incorporated dated November 23, 2015, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2014, which appears in the December 31, 2014 annual report on Form 10-K of Diebold, Incorporated, have been incorporated by reference herein in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein and upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Wincor Nixdorf and its subsidiaries, comprising the consolidated balance sheets as of September 30, 2014 and September 30, 2013, and the related consolidated statements of income, comprehensive income, cash flows and changes in group equity for each of the fiscal years in the three-year period ended September 30, 2014, are included herein in reliance on the report of KPMG AG Wirtschaftsprüfungsgesellschaft, Germany, independent auditors, given on the authority of said firm as experts in auditing and accounting.

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Independent Auditors Report

The Board of Directors

Wincor Nixdorf AG

We have audited the accompanying consolidated financial statements of Wincor Nixdorf AG and its subsidiaries, which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of income, comprehensive income, cash flows and changes in group equity for each of the years in the three-year period ended September 30, 2014, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Wincor Nixdorf AG and its subsidiaries as of September 30, 2014 and 2013, and the results of their operations and their cash flows for each of the years in the three-year period ended September 30, 2014 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

/s/ KPMG Wirtschaftsprüfungsgesellschaft AG

Bielefeld, Germany

November 18, 2014

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Wincor Nixdorf Aktiengesellschaft

CONSOLIDATED INCOME STATEMENTS

FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2014, 2013 AND 2012

	Note No.	2014/2013 k	2013/2012 k	2012/2011 k
Net sales	1	2,469,418	2,465,004	2,342,996
Cost of sales		-1,925,675	-1,922,312	-1,852,642
Gross profit	2	543,743	542,692	490,354
Research and development expenses		-98,344	-98,711	-90,469
Selling, general and administration expenses	3	-314,841	-313,385	-299,628
Other operating income	4	25,752	202	107
Other operating expenses	4	0	0	0
Result from equity accounted investments	10	-1,348	733	736
Net profit on operating activities		154,962	131,531	101,100
Finance income	5	1,009	1,120	1,501
Finance costs	5	-9,587	-8,310	-12,935
Profit before income taxes		146,384	124,341	89,666
Income taxes	6	-42,284	-36,492	-27,001
Profit for the period		104,100	87,849	62,665
Profit attributable to non-controlling interests		3,215	721	64
Profit attributable to equity holders of Wincor Nixdorf AG		100,885	87,128	62,601
Shares for calculation of basic earnings per share	7	29,796	29,776	29,776
Shares for calculation of diluted earnings per share	7	29,796	29,776	29,776
Basic earnings per share ()	7	3.39	2.93	2.10
Diluted earnings per share ()	7	3.39	2.93	2.10

Table of Contents**Wincor Nixdorf Aktiengesellschaft****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2014, 2013 AND 2012**

	Note No.	2014/2013 k	2013/2012 k	2012/2011 k
Profit for the period		104,100	87,849	62,665
Items that are or may be reclassified subsequently to profit or loss:				
Cash flow hedges - effective portion of changes in fair value		-13,271	-269	-4,986
Cash flow hedges - reclassified to profit or loss		3,118	3,052	3,501
Exchange rate changes		10,500	-6,037	6,810
Items that will not be reclassified to profit or loss:				
Actuarial gains and losses		-17,956	-4,271	-17,274
Other comprehensive income (net of tax)	16	-17,609	-7,525	-11,949
Total comprehensive income		86,491	80,324	50,716
Total comprehensive income attributable to:				
Non-controlling interests		2,456	359	50
Equity holders of Wincor Nixdorf AG		84,035	79,965	50,666

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Table of Contents**Wincor Nixdorf Aktiengesellschaft****CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2014 AND 2013**

	Note No.	2014 k	2013 k
Non-current assets		560,299	552,652
Intangible assets	8	351,961	347,396
Property, plant and equipment	9	124,933	128,604
Investments accounted for using the equity method	10	4,076	6,360
Investments	10	1,197	1,383
Reworkable service parts	11	27,448	27,498
Trade receivables	12	5,749	6,052
Other assets	12	4,045	4,234
Deferred tax assets	13	40,890	31,125
Current assets		979,641	853,302
Inventories	14	343,396	316,713
Trade receivables	12	519,629	433,936
Receivables from related companies	12	3,305	1,123
Current income tax assets	12	8,172	9,942
Other assets	12	61,536	48,399
Investments	10	19	15
Cash and cash equivalents	15	43,584	43,174
Total assets		1,539,940	1,405,954

	Note No.	2014 k	2013 k
Equity		426,809	382,861
Subscribed capital of Wincor Nixdorf AG		33,085	33,085
Retained earnings		529,407	487,541
Treasury shares		-173,712	-175,823
Other components of equity		34,241	33,890
Equity attributable to equity holders of Wincor Nixdorf AG	16	423,021	378,693
Non-controlling interests	17	3,788	4,168
Non-current liabilities		225,786	218,122
Accruals for pensions and similar commitments	18	78,197	66,407
Other accruals	19	26,619	26,987
Financial liabilities	20	85,679	90,562
Trade payables	20	27	59
Other liabilities	20	7,672	5,700
Deferred tax liabilities	13	27,592	28,407
Current liabilities		887,345	804,971
Other accruals	19	141,942	144,349
Financial liabilities	20	83,460	76,239

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Advances received	20	25,489	25,279
Trade payables	20	343,785	298,544
Liabilities to related companies	20	2,521	1,872
Current income tax liabilities	20	47,860	44,479
Other liabilities	20	242,288	214,209
Total equity and liabilities		1,539,940	1,405,954

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Wincor Nixdorf Aktiengesellschaft

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2014, 2013 AND 2012

	2014/2013	2013/2012	2012/2011
	k	k	k
Net profit on operating activities	154,962	131,531	101,100
Amortization/depreciation of property rights, licenses and property, plant and equipment	54,363	53,133	64,953
Write-down of reworkable service parts	6,585	6,454	7,775
Interest received	887	986	1,353
Interest paid	-6,731	-7,052	-12,275
Income taxes paid	-36,820	-15,090	-28,796
Result on disposal of intangible assets and property, plant and equipment	-27,056	620	-310
Change in accruals	-17,150	-16,384	33,671
Other non-cash items	12,134	-646	5,350
Change in working capital	-49,932	-3,166	-74,223
Change in other assets and other liabilities	-6,837	9,407	-10,400
Cash flow from operating activities	84,405	159,793	88,198
Payments received from the disposal of property, plant and equipment	34,258	2,862	3,930
Payments received from the disposal of investments and other payments received	16	4	37
Payments made for investment in intangible assets	-6,632	-7,283	-3,546
Payments made for investment in property, plant and equipment	-47,739	-39,235	-45,939
Payments made for acquisition of consolidated affiliated companies, jointly controlled entities, and other business units	-5,000	0	0
Payments made for investments	-15	0	-50
Payments made for investment in reworkable service parts	-10,273	-6,665	-9,518
Cash flow from investment activities	-35,385	-50,317	-55,086
Payments made to equity holders	-44,069	-31,265	-50,620
Payments received from financial loan draw-downs	100,000	0	308,690
Payments made for repayment of financial loans	-90,000	-40,419	-354,821
Payments made to non-controlling interests	-2,165	-226	-1,722
Other financing activities	-3,515	-3,697	-7,389
Cash flow from financing activities	-39,749	-75,607	-105,862
Net change in cash and cash equivalents	9,271	33,869	-72,750
Change in cash and cash equivalents from exchange rate movements	-1,276	137	153
Cash and cash equivalents at beginning of period ⁽²⁾	-32,378	-66,384	6,213
Cash and cash equivalents at end of period⁽²⁾	-24,383	-32,378	-66,384

- (1) For further explanations, see Note 27.
- (2) Include cash and cash equivalents and current bank liabilities.

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Wincor Nixdorf Aktiengesellschaft

CONSOLIDATED STATEMENTS OF CHANGES IN GROUP EQUITY

FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2014, 2013 AND 2012

	Equity attributable to equity holders of Wincor Nixdorf AG						Other components of equity		
	Subscribed capital	Retained earnings	Treasury shares	Add, paid-in capital	Exchange rate changes	Cash flow hedges	Total	Non-controlling interests	Equity
	k	k	k	k	k	k	k	k	k
As of October 1, 2011	33,085	439,666	-175,823	41,555	-10,922	-3,528	324,033	5,864	329,897
Cash flow hedges	0	0	0	0	0	-1,485	-1,485	0	-1,485
Exchange rate changes	0	3,634	0	0	3,181	0	6,815	-5	6,810
Actuarial gains and losses	0	-17,265	0	0	0	0	-17,265	-9	-17,274
Other comprehensive income	0	-13,631	0	0	3,181	-1,485	-11,935	-14	-11,949
Profit for the period	0	62,601	0	0	0	0	62,601	64	62,665
Total comprehensive income	0	48,970	0	0	3,181	-1,485	50,666	50	50,716
Share options	0	-2,613	0	3,567	0	0	954	0	954
Takeover of shares and other changes	0	-472	0	0	0	0	-472	-982	-1,454
Distributions	0	-50,620	0	0	0	0	-50,620	-266	-50,886
Transactions with equity holders	0	-53,705	0	3,567	0	0	-50,138	-1,248	-51,386
As of September 30, 2012	33,085	434,931	-175,823	45,122	-7,741	-5,013	324,561	4,666	329,227
As of October 1, 2012	33,085	434,931	-175,823	45,122	-7,741	-5,013	324,561	4,666	329,227
Cash flow hedges	0	0	0	0	0	2,783	2,783	0	2,783
	0	-688	0	0	-5,349	0	-6,037	0	-6,037

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Exchange rate changes									
Actuarial gains and losses	0	-3,909	0	0	0	0	-3,909	-362	-4,271
Other comprehensive income	0	-4,597	0	0	-5,349	2,783	-7,163	-362	-7,525
Profit for the period	0	87,128	0	0	0	0	87,128	721	87,849
Total comprehensive income	0	82,531	0	0	-5,349	2,783	79,965	359	80,324
Share options	0	1,390	0	4,088	0	0	5,478	0	5,478
Takeover of shares and other changes	0	-46	0	0	0	0	-46	-694	-740
Distributions	0	-31,265	0	0	0	0	-31,265	-163	-31,428
Transactions with equity holders	0	-29,921	0	4,088	0	0	-25,833	-857	-26,690
As of September 30, 2013	33,085	487,541	-175,823	49,210	-13,090	-2,230	378,693	4,168	382,861
As of October 1, 2013	33,085	487,541	-175,823	49,210	-13,090	-2,230	378,693	4,168	382,861
Cash flow hedges	0	0	0	0	0	-10,153	-10,153	0	-10,153
Exchange rate changes	0	0	0	0	10,528	0	10,528	-28	10,500
Actuarial gains and losses	0	-17,225	0	0	0	0	-17,225	-731	-17,956
Other comprehensive income	0	-17,225	0	0	10,528	-10,153	-16,850	-759	-17,609
Profit for the period	0	100,885	0	0	0	0	100,885	3,215	104,100
Total comprehensive income	0	83,660	0	0	10,528	-10,153	84,035	2,456	86,491
Share options	0	1,731	2,111	-24	0	0	3,818	0	3,818
Takeover of shares and other changes	0	544	0	0	0	0	544	-2,732	-2,188
Distributions	0	-44,069	0	0	0	0	-44,069	-104	-44,173
	0	-41,794	2,111	-24	0	0	-39,707	-2,836	-42,543

**Transactions
with equity
holders**

**As of
September 30,
2014**

33,085	529,407	-173,712	49,186	-2,562	-12,383	423,021	3,788	426,809
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(1)For further explanations, see Note 16.

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Table of Contents**Wincor Nixdorf Aktiengesellschaft****Notes to the Consolidated Financial Statements****Segment Report in accordance with IFRS 8.****Operating Segments⁽¹⁾**

		Banking k	Retail k	Group k
Net sales to external customers	FY 2014	1,566,498	902,920	2,469,418
	FY 2013	(1,613,512)	(851,492)	(2,465,004)
	FY 2012	(1,524,294)	(818,702)	(2,342,996)
Operating profit (EBITA)	FY 2014	104,959	50,003	154,962
	FY 2013	(102,449)	(29,082)	(131,531)
	FY 2012	(69,088)	(32,012)	(101,100)
Result from equity accounted investments	FY 2014	-1,348	0	-1,348
	FY 2013	(733)	(0)	(733)
	FY 2012	(736)	(0)	(736)
Segment assets	FY 2014	674,549	363,335	1,037,884
	FY 2013	(612,942)	(313,219)	(926,161)
Segment liabilities	FY 2014	293,102	181,978	475,080
	FY 2013	(261,321)	(155,250)	(416,571)
Investment in intangible assets and property, plant and equipment	FY 2014	47,668	11,703	59,371
	FY 2013	(40,816)	(5,502)	(46,318)
	FY 2012	(40,610)	(8,675)	(49,285)
Investment in reworkable service parts	FY 2014	8,013	2,260	10,273
	FY 2013	(5,199)	(1,466)	(6,665)
	FY 2012	(7,614)	(1,904)	(9,518)
Amortization/depreciation and impairment of property rights, licenses and property, plant and equipment	FY 2014	48,814	5,549	54,363
	FY 2013	(46,597)	(6,536)	(53,133)
	FY 2012	(56,136)	(8,817)	(64,953)
Write-down of reworkable service parts	FY 2014	5,136	1,449	6,585
	FY 2013	(5,034)	(1,420)	(6,454)
	FY 2012	(6,220)	(1,555)	(7,775)
Research and development expenses	FY 2014	63,359	34,985	98,344

FY 2013	(72,507)	(26,204)	(98,711)
FY 2012	(61,663)	(28,806)	(90,469)

Last years figures are shown in parentheses.

(1) For further explanations, see Note 28.

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		Europe	Included in	Asia/	Americas	Group
		k	Europe:	Pacific	k	k
			Germany	Africa		
			k	k		
Net sales to external customers	FY 2014	1,730,245	588,194	444,944	294,229	2,469,418
	FY 2013	(1,783,289)	(566,915)	(418,179)	(263,536)	(2,465,004)
	FY 2012	(1,706,174)	(572,469)	(385,280)	(251,542)	(2,342,996)
Segment assets	FY 2014	679,705	350,002	253,407	104,772	1,037,884
	FY 2013	(631,342)	(331,154)	(215,128)	(79,691)	(926,161)
Non-current assets	FY 2014	153,263	136,136	13,339	2,508	169,110
	FY 2013	(150,991)	(140,952)	(15,768)	(2,701)	(169,460)
Investment in intangible assets and property, plant and equipment	FY 2014	53,933	39,666	4,071	1,367	59,371
	FY 2013	(41,392)	(37,590)	(4,675)	(251)	(46,318)
	FY 2012	(41,970)	(36,159)	(4,870)	(2,445)	(49,285)
Investment in reworkable service parts	FY 2014	8,073	8,073	2,200	0	10,273
	FY 2013	(5,982)	(5,982)	(683)	(0)	(6,665)
	FY 2012	(9,480)	(9,480)	(38)	(0)	(9,518)

Last years figures are shown in parentheses.

(1) For further explanations, see Note 28.

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NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION

Wincor Nixdorf Group (in the following Wincor Nixdorf or the Group) is one of the world's leading providers of IT solutions to retailers and banks. The extensive portfolio is aimed at optimizing business processes within bank branches and retail outlets. This is essentially about reducing complexity and cost, and improving service to the end customer.

The Banking segment's proposition includes hardware, software, IT services, and consulting services. ATMs, cash recycling systems, automated teller safes and transaction terminals are key elements of the hardware portfolio. Besides software for the operating systems banks may benefit from software by means of which they are able to manage processes throughout all distribution channels.

Through the Retail segment, Wincor Nixdorf also provides hardware, software, IT services, and consulting services. Key elements are programmable ePOS systems or self-checkout systems and relate to the checkout area. The software portfolio allows the entire control of all processes and systems within the branch.

For both retail banks and retailers our IT services ensure the maximum availability of installed IT systems. Moreover, for both segments Professional Services offer software adaptation and integration to the IT environment of our customers. For reporting purposes, these services are allocated to either one of the segments Retail or Banking.

Wincor Nixdorf is represented in over 130 countries around the world and has its own subsidiary companies in 42 of these. Major business geographies are Germany and Europe. The Group's main production facilities are located in Germany, China, and Brazil. Research and development within the Group is conducted predominantly in Germany, Austria, Poland, Singapore, and China.

The parent company of the Group is Wincor Nixdorf Aktiengesellschaft (in the following Wincor Nixdorf AG) located on Heinz-Nixdorf-Ring 1, 33106 Paderborn, Germany. The Company is registered at the local court office in Paderborn, Germany. The stock of Wincor Nixdorf AG is listed on the Frankfurt Stock Exchange in the Prime Standard segment and is part of the MDAX. The Group's fiscal year commences on October 1 and ends on September 30 of the subsequent calendar year.

The functional and reporting currency of Wincor Nixdorf AG is the euro (€). The Group financial statements are set up in euro since this is the currency in which the majority of the Group's transactions are carried out. Reported figures are shown in thousands of euro (k€) unless stated otherwise.

Several Group balance sheet and Group income statement items have been combined in order to improve clarity. These items are stated and explained separately in the Notes to the Group financial statements. The Group income statement is structured using the cost of sales method.

The Group financial statements were authorized for issue by the Board of Managing Directors on November 18, 2014.

Use of International Financial Reporting Standards (IFRS)

The Group financial statements of Wincor Nixdorf AG include the group balance sheets as of September 30, 2014 (2014) and 2013 (2013) and for each of the three fiscal years then ended September 30, 2014, comprising the group income statement, the group statement of comprehensive income, the group statement of cash flows, the group

statement of changes in equity and the notes to the group financial statements, have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS

We have applied all standards issued by the IASB and interpretations by the International Financial Reporting Interpretations Committee (IFRIC) that were effective as of September 30, 2014. The new accounting standards adopted in fiscal year 2014 did not have a material impact on our group financial statements.

IFRS 13 Fair value Measurement was applied prospectively in fiscal year ended September 30, 2014, as required by the standard.

IAS 19 (revised 2011) Employee Benefits was applied in fiscal year ended September 30, 2014. Within the scope of the amendments to IAS 19 the recognition of actuarial gains and losses in the other comprehensive income represents the most important amendment. Wincor Nixdorf already complied with this amendment in the previous years. We have analyzed all further amendments and noted that they have no material effect on the consolidated financial statements of Wincor Nixdorf AG. Accordingly, the previous years have not been restated and IAS 19 (revised 2011) has been applied prospectively. IAS 19 (revised 2011) requires the application of a single interest rate on plan assets and defined benefit obligations. Due to this, the pension expense would have been 4,077k higher if the plan assets had been multiplied with a reduced interest rate. Further on, past service cost have to be immediately recognized in the income statement. As of September 30, 2013, Wincor Nixdorf presented past service cost of a plan curtailment of a pension plan in France in the amount of 571k which had not been included in the income statement. This effect has been considered in the income statement in the current fiscal year. Under retention of the stipulations of IAS 19 (until 2011) the financial expenses in the Group income statement would have been approximately 4,000k lower and the actuarial losses in other comprehensive income would have increased likewise.

IFRS 10 Consolidated Financial Statements , IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities including amendments to the transition guidance for these standards provide a single consolidation model that identifies control as the basis for consolidation for all types of entities, establishes principles for financial reporting by parties to a joint arrangement and combines and replaces the previous disclosure requirements in IAS 27 and IAS 28.

The first-time application of the new standards did not have a material effect on the Group financial statements of Wincor Nixdorf AG.

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STANDARDS ISSUED BUT NOT YET EFFECTIVE

The IASB and the IFRIC have issued additional standards and interpretations that are not yet mandatory for the reporting period. Wincor Nixdorf AG is assessing the potential impact on its consolidated financial statements resulting from the application of the following standards.

Amendments to IAS 32 Financial Instruments: Presentation (to be applied for periods beginning on or after January 1, 2014)

Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets (to be applied for periods beginning on or after January 1, 2014)

Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting (to be applied for periods beginning on or after January 1, 2014)

IFRIC 21 Levies (to be applied for periods beginning on or after July 1, 2014)

The following new or amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

METHODS OF CONSOLIDATION

Consolidation Group

The Group financial statements as of September 30, 2014, basically include those subsidiaries controlled by Wincor Nixdorf AG. Control exists if Wincor Nixdorf AG is exposed, or has rights, to variable returns of companies and has the ability to affect those returns through its power. Inclusion of such companies in the Group financial statements begins from the date Wincor Nixdorf AG obtains control. It ceases, when Wincor Nixdorf AG loses control of the company.

In fiscal 2013/2014, the consolidation group changed as follows:

WN CZ RETAIL SOLUTIONS s.r.o., Prague, Czech Republic, subscribed capital of CZK200k (7k). In the course of the new foundation predominantly software products and licenses in the amount of 5,000k have been contributed from the purchase of assets from DATEC Retail Systems a.s., Zlín, Czech Republic.

In September 2014, the remaining 49% interest in Prosystems IT GmbH, Bonn has been acquired with civil law effect from October 1, 2014. The acquisition is considered as of September 30, 2014 under the anticipated acquisition method. The purchase price under consideration of distributable dividends is 2,185k.

Since there has been no change in control, the transaction is accounted for as transaction with equity holders.

In fiscal 2012/2013, the consolidation group changed as a result of the following new foundations:

WN Software C.V., Delft, Netherlands, subscribed capital of 30k

WINCOR NIXDORF Software Partner B.V., Delft, Netherlands, subscribed capital of 30k

WINCOR NIXDORF Global Solutions B.V., Delft, Netherlands, subscribed capital of 0k
Furthermore, CCI Solutions Limited, Wokingham and Datalect Group Ltd., Perivale, Middlesex, both Great Britain, were liquidated and deconsolidated in fiscal 2012/2013.

In addition, during the year under review, Wincor Nixdorf increased its interest in Bankberatung Organisations- und IT-Beratung für Banken AG, Wedemark, by 0.80% to 91.29% for a total purchase price of 63k and Wincor Nixdorf Retail Consulting S.r.l., Segrate/Milan, Italy, merged with Wincor Nixdorf S.r.l., Assago/Milan.

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In fiscal 2011/2012, the consolidation group changed as a result of the following new foundation:

WINCOR NIXDORF Oil and Gas IT Service LLC, Moscow, Russia, subscribed capital of RUB 300k (7k) Furthermore, during the year under review, Wincor Nixdorf increased its interest in Wincor Nixdorf Portavis GmbH, Hamburg, by 17.0% to 68.0% for a total purchase price of 850k, its interest in Bankberatung Organisations- und IT-Beratung für Banken AG, Wedemark, by 0.14% to 90.49% for a total purchase price of 14k as well as its interest in Wincor Nixdorf S.A., Casablanca, Morocco, by 3.5% to 100.0% for a total purchase price of 590k.

The number of consolidated companies changed in fiscal 2013/2014 as follows:

	Germany	Other countries	Total
October 1, 2011	23	57	80
Newly founded companies	0	1	1
September 30, 2012	23	58	81
Newly founded companies	0	3	3
Liquidated and deconsolidated companies	0	-2	-2
Intragroup mergers	0	-1	-1
September 30, 2013	23	58	81
Newly founded companies	0	1	1
September 30, 2014	23	59	82

There was no significant impact on the Group's net assets, financial position, and results of operations as a result of the change of the consolidation group in fiscal 2013/2014, 2012/2013 and 2011/2012.

Consolidation Principles

The Group financial statements are based on the annual accounts of companies forming part of the Group, such accounts having been compiled under uniform Group rules as of September 30, 2014, and, for the comparative periods, as of September 30, 2013 and September 30, 2012. By departure from this, we have used interim accounts in respect of ten companies, as local statutory requirements dictate that these companies have fiscal years ending December 31.

The accounting of business combinations was carried out in accordance with IFRS 3 using the acquisition method. The cost of the acquisition is the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the transaction date. The acquired assets, liabilities, and contingent liabilities are measured at fair value from the date when control is transferred to the Group.

Goodwill is recognized at the acquisition date as the excess of the cost of the acquisition plus the amount of any non-controlling interests in the acquiree as well as the acquisition-date fair value of the acquirer's previously held

equity interest over the net fair value of identifiable assets acquired and liabilities assumed.

For each business combination, Wincor Nixdorf independently decides whether non-controlling interests of the acquiree are measured at fair value or at their proportionate share of the acquiree's identifiable net assets.

Goodwill is not amortized on a scheduled basis. Moreover, goodwill is tested for impairment annually or if an indication for impairment exists, and if applicable, an impairment loss is recorded.

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The interests in subsidiary companies, which are not attributable to the parent company, are shown within Group equity as non-controlling interests. Changes in equity interests in Group subsidiaries that reduce or increase Group's percentage ownership without changes of control status are accounted for as an equity transaction between owners. As far as binding purchase options or agreements for non-controlling interests exist, these are presented based on the respective purchase price agreement at fair value as a financial liability.

Subsidiaries and investments that do not have a material impact on the Group's financial position or results of operations are recognized in the consolidated financial statements at cost of acquisition less any impairment losses. Circumstantial subsidiaries are WINCOR NIXDORF RETAIL ME JLT, Dubai (United Arab Emirates) and Wincor Nixdorf Limited, Lagos (Nigeria).

Mutual receivables and payables between companies included in the consolidated accounts, intra-Group income and expenses, as well as intra-Group profit or loss from the delivery of goods and services, are eliminated. If necessary, deferred taxes are applied on consolidation transactions.

Joint ventures of Wincor Nixdorf Group are two companies (unchanged to previous years) which are jointly controlled with partners and in which a 50% ownership interest is held. Joint control is based on a contractual arrangement and Wincor Nixdorf has a residual interest in the net assets of the companies.

Joint Ventures are accounted for using the equity method. Based on the cost of the investment at the date of acquisition, the carrying amount of the investment is increased or decreased by the share of profit or loss, dividends distributed, the share of intra-Group profit elimination resulting from business with Wincor Nixdorf, and other changes in the equity of the jointly controlled interests attributable to the investments of Wincor Nixdorf AG or its consolidated subsidiaries.

Investments in companies accounted for using the equity method are written down as impaired if the recoverable amount falls below the carrying amount.

Currency Translation.

In the individual annual accounts prepared in local currency, foreign currency transactions are recorded at the exchange rates applicable at the time of the transactions. Monetary items in foreign currency (cash and cash equivalents, receivables and payables) are valued at the mid exchange rate on the balance sheet date. The exchange rate profits or losses arising from the valuation or transaction of monetary items are shown in the Group income statement. Non-monetary items are recorded using historical exchange rates.

Annual accounts prepared in foreign currencies have been converted into euro using the functional currency method, in accordance with IAS 21. The functional currency is the currency in which a foreign entity primary operates or settles payments. As the Group companies undertake business dealings financially, economically, and organizationally independently, the functional currency is, in general, identical with the local currency. However, in the case of Wincor Nixdorf C.A., Caracas, Venezuela, WINCOR NIXDORF PTE. LTD., Singapore, WINCOR NIXDORF MANUFACTURING PTE. LTD., Singapore, Wincor Nixdorf S.A. de C.V., Mexico City, Mexico, and Wincor Nixdorf IT Support S.A. de C.V., Mexico City, Mexico, the U.S. dollar, and in the case of Wincor Nixdorf Bilgisayar Sistemleri A.S., Kadikoy/Istanbul, Turkey, the euro, is used as the functional currency, since these currencies influence the purchase and sales prices for goods and services of the foreign entities.

Balance sheet items, including goodwill, are converted at the mid exchange rate applicable on the balance sheet date, and income and expenses in the Group income statement are converted using average exchange rates (annual

averages) provided that the foreign exchange rates are more or less stable. The variance arising from conversion is offset against shareholders' equity without affecting profit. Currency differences that result from comparison to last year's currency conversion are also charged against equity without affecting profit. In the event of the disposal of a subsidiary, which results in a loss of control, the cumulative amount of exchange rate differences previously recognized directly in equity is reclassified to the profit or loss as part of the gain or loss on disposal.

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The foreign exchange rates of the significant currencies for the Group have developed as follows:

1 =	ISO Code	Average rate			Closing rate		
		2014	2013	2012	2014	2013	2012
Pounds sterling	GBP	0.8165	0.8431	0.8228	0.7773	0.8361	0.7981
U.S. dollar	USD	1.3535	1.3153	1.3030	1.2583	1.3505	1.2930

ACCOUNTING AND VALUATION PRINCIPLES

The Group financial statements are prepared on the basis of accounting and valuation policies that are applied uniformly throughout the Group. The accounting and valuation principles have been retained unchanged compared to the previous year.

Assets and liabilities have been valued at historical acquisition/production cost, with the exception of the items reflected at fair value, such as financial instruments classified as financial asset or financial liabilities at fair value through profit or loss, derivatives, and plan assets within the scope of pension obligations.

Assumptions and Estimations

In compiling the Group financial statements, assumptions have been made and estimates used, which have affected the value and reporting of capitalized assets and liabilities, of income and expenses, and of contingent liabilities.

The assumptions mainly relate to the Group-wide setting of standard economic utilization periods of intangible assets and property, plant and equipment, and to the valuation of inventories.

Estimates that have a material influence on the consolidated financial statements are described in the course of the explanatory notes to cash flows used for impairment tests (see subsequent section on Impairment), to the ability of future tax benefits to be realized (see Note 6), to share-based payment programs (see Note 16 section Share-based Payment Program), to accruals for pensions and similar commitments (see Note 18) as well as to financial instruments (see Note 21).

The estimates are based on historical experience and other assumptions that are considered valid at the balance sheet date and reasonable under given circumstances. The underlying future business development is the one for which the highest probability can be assumed. Additionally, the development of the retail and banking industry as well as of the business environment has been accounted for. The estimates and the underlying assumptions are continuously verified. The actual values may vary in individual instances from the assumptions and estimates made if the general conditions unfold in contrast to the expectations at the balance sheet date. Changes are incorporated, with a corresponding effect on profit or loss, once improved knowledge is obtained.

With regard to the general assumptions and estimates used of circumstances beyond the aforementioned, we refer to the following general remarks in this chapter as well as in the Notes to the Group Income Statement and Group Balance Sheet and Other Information.

In compiling the Group financial statements judgments with regard to the accounting of cash flow hedges have been made in the process of applying accounting policies.

Net Sales

Net sales from the delivery of goods are recognized as soon as the entity has transferred to the customer the significant risks and rewards of ownership of the goods. Within this context, the entity retains neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold. The amount of revenue can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the enterprise. No net sales are recognized if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

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If the sale of products includes a determinable amount for subsequent services (multiple-component contracts), the related revenues are deferred and recognized as income over the period of the contract. Amounts are normally recognized as income according to the service provision.

Net sales from services are recognized when the service is rendered, insofar as the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the enterprise. In the case of maintenance agreements, net sales are recognized on a straight-line basis over the contract terms.

Net sales are generally stated net of sales taxes, other taxes, and sales deductions as discounts and allowances at the fair value of the consideration received or to be received.

Income from operating leases and finance leases is recognized based on the provisions of IAS 17.

Cost of Sales

The cost of sales includes costs of the sale of products and services as well as purchase costs of the sale of merchandise. In addition to direct material and production costs, the cost of sales comprises overheads, including the pro-rata consumption of intangible assets and property, plant and equipment.

Research and Development Expenses

Under IAS 38, research expenses are not to be capitalized. Development expenses have to be capitalized only if certain precise preconditions are met. Under these rules, capitalization is required wherever the development activity will, with an adequate degree of probability, result in future cash inflows, which will cover the relevant development expenses in addition to normal costs. Moreover, certain criteria of IAS 38.57 must also be met cumulatively, in terms of the product to be developed or the project or process to be developed.

These preconditions are not met in the Group, as the nature and dimension of characteristic research and development risks mean that the functional and commercial risk inherent in the products under development can, as a rule, only be estimated with sufficient reliability when:

development of the relevant products or processes has been completed, and

post-development sales and marketing activities conducted during the pre-marketing stage (marketing and sale as a trial product) have proven that the products meet the technical and commercial requirements posed by the market.

Inside of the Group, a major part of research and development expenses concerns enhancements and improvements of already existing products, which do not comply with the criteria of IAS 38 for separate capitalization. Since single development projects are often subject to approval and certification procedures, the conditions for the capitalization of costs incurred before receipt of approvals are not normally satisfied.

Borrowing Costs

Borrowing costs are expensed as incurred unless they are directly attributable to the acquisition, construction, or production of a qualifying asset and therefore are part of the cost of that asset.

Government Grants

Government grants are recognized only if there is a reasonable assurance that the associated conditions will be met and the grants will be received. Basically, grants related to assets are reported as a reduction of cost of the assets concerned with a corresponding reduction of depreciation and amortization in subsequent periods. Grants related to income (e.g., grants from the Federal Employment Agency) are stated as a reduction of the corresponding expenses in the periods in which the expenses the grant is intended to compensate are incurred. During the year under review, government grants related to income came to 1,410k (2012/2013: 1,859k and 2011/2012: 1,607k) and are reported in principle in the Group income statement under functional costs (cost of sales, research and development expenses and selling, general and administration expenses).

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Taxes

Income Taxes comprise both current and deferred taxes. Taxes are recorded in the Group income statement unless they refer to items directly recorded under shareholders' equity, in which case the corresponding taxes are also entered under shareholders' equity without any effect upon profit.

Current income taxes are taxes expected to be payable for the year, on the basis of tax rates valid in the year in question, plus any tax corrections for previous years.

Deferred taxes are reported in respect of temporary differences between the values, for tax purposes, of assets and liabilities and their values in the Group financial statements. In addition, deferred tax assets in respect of the future utilization of tax losses carried forward are shown. Deferred tax assets on temporary differences and tax losses carried forward are recognized to the extent that it is probable that sufficient taxable income will be available in order to use them. The deferred taxes are shown at the rates of tax that will be effective under applicable law at the time at which the temporary differences are predicted to turn around, or at which the tax losses carried forward can probably be used.

Offsetting of deferred tax assets and deferred tax liabilities is performed if the positions are related to income taxes, which are levied by the same tax authorities, for which the Group has a right to set off the recognized amounts and which arise for the same companies or within the same tax group, respectively.

The remaining taxes, such as property and energy taxes, are included in the functional costs.

Intangible Assets

Intangible assets are accounted for at cost and, as the useful lives are, with the exception of goodwill, finite, amortized in a scheduled manner in equal annual amounts over the relevant utilization period. Intangible assets are written down if there are indications of impairment (see Impairment). The write-downs are reversed with effect on profit, if the reasons for the impairment losses no longer apply, to the maximum of amortized costs.

The amortization period for commercial patents and licenses is a maximum of five years.

The amortization as well as impairment losses of intangible assets are included in the Group income statement under the functional costs (cost of sales, research and development expenses, and selling, general and administration expenses).

As in the previous year, there were no reversals of impairment losses on intangible assets. No borrowing costs were recognized as a cost component of intangible assets during the year under report.

According to IFRS 3, goodwill is not amortized on a scheduled basis, only if a need for impairment loss exists. A recorded impairment loss on goodwill may not be reversed in subsequent periods.

Property, Plant and Equipment

Property, plant and equipment are valued at cost of acquisition or production, less scheduled depreciation and impairment losses. They were not revalued in accordance with the option under IAS 16.

Items of property, plant and equipment are written down if there are indications of impairment (see Impairment). The write-downs are reversed, if the reasons for the impairment losses no longer apply, to the maximum of amortized costs.

The cost of acquisition comprises the acquisition price, ancillary costs, and subsequent acquisition costs, less any reduction received on the acquisition price. Production costs include direct costs as well as proportionate indirect costs.

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Business and factory premises are amortized over a maximum of 50 years, plant and machinery over an average of ten years, other fixed assets and office equipment mainly over five years, and products leased to customers as per the terms of the relevant contract. Property, plant and equipment are mainly depreciated using the straight-line method, in accordance with economic utilization. If parts of single assets have different useful lives, they are separately depreciated on a scheduled basis.

The depreciation of the fiscal year as well as impairment losses are included in the Group income statement under the functional costs (cost of sales, research and development expenses, and selling, general and administration expenses).

Expenses for the repair of property, plant and equipment, such as ongoing maintenance costs, are normally recognized in income. The cost of acquisition or construction is capitalized if a repair will result in future economic benefits.

As in the previous year, there were no reversals of impairment losses on property, plant and equipment. No borrowing costs were recognized as a cost component of property, plant and equipment during the year under review.

Impairment

With the exception of inventories (see Reworkable Service Parts and Current Inventories) and deferred tax assets (see Taxes), the book values of assets held by the Group are checked on the balance sheet date for indicators favoring impairment. Where such indicators exist, the settlement value of the assets (recoverable amount) is estimated and where necessary devaluation is made with a corresponding charge to the Group income statement.

According to IAS 36, goodwill is tested for impairment annually, or if an indication for impairment exists, by the execution of an impairment test. In doing so, the carrying amount of a cash-generating unit or a group of cash-generating units (cash-generating unit) is compared with the recoverable amount. The recoverable amount of a cash-generating unit is the greater of fair value less costs to sell and value in use. If the recoverable amount of a cash-generating unit is lower than its carrying amount, at first a goodwill impairment loss is recorded in the amount of the difference.

The goodwill derived from the carve-out of the Siemens Group has been allocated to the operating segments Retail and Banking. As of September 30, 2014, the aggregate carrying amounts of material goodwill amount to 205,191k (2012/2013: 204,474k) for Banking Carve-out and to 87,939k (2012/2013: 87,632k) for Retail Carve-out. Goodwill resulting from subsequent acquisitions has been individually allocated to the areas within the segments Retail and Banking. These cash-generating units refer to the lowest level within the Wincor Nixdorf Group at which goodwill is monitored for management purposes. As of September 30, 2014, goodwill allocated to cash-generating unit Banking Europe amounts to 24,712k (2012/2013: 24,711k), the total amount of the remaining goodwill is 17,389k (2012/2013: 17,221k).

In the case of Wincor Nixdorf, the recoverable amount equals the value in use, which is determined by the discounted cash flow method. The basis for the determination of future cash flows is data from the detailed Group planning for the periods until 2016/2017. The cash flow projections take into account past experience, current operating profits and influences of expected future market developments of the respective segments and geographical sub markets. Possible future cash flows from acquisitions are not included. The assumptive continual growth of 1.5% (2012/2013: 1.5%) for perpetuity complies with the general expectation of the business development of the cash-generating units.

The compulsory weighted average cost of capital for impairment testing is determined by the Capital Asset Pricing Model. The cost of capital is composed of a risk-free interest rate and the market risk premium. Moreover, the beta derived from the peer group, the debt capital spread as well as the capital structure is considered. Furthermore, tax

rates attributable to the cash-generating units and country risks are included.

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The present value of expected cash flows is calculated by discounting the free cash flows, with an interest rate before taxes between 7.9 and 10.5% (2012/2013: 5.9 to 9.5%); for the cash-generating units Retail and Banking and Banking Europe a discount rate of 9.8% (2012/2013: 9.5%) has been applied, resembling the referring rate of return of the business units.

In fiscal 2013/2014, 2012/2013, and 2011/2012, no impairment was necessary. There are also no indications for impairment under consideration of sensitivity analyses of possible changes in key assumptions.

The following table presents the key assumptions used for the impairment test of the cash-generating units in order to determine the value in use:

	2014			2013		
	Goodwill k	Long-term growth rate	Interest rate	Goodwill k	Long-term growth rate	Interest rate
Banking (Carve-out)	205,191	1.5%	9.8%	204,474	1.5%	9.5%
Retail (Carve-out)	87,939	1.5%	9.8%	87,632	1.5%	9.5%
Banking Europe	24,712	1.5%	9.8%	24,711	1.5%	9.5%
Other cash-generating units	17,389	1.5%	7.9 - 10.5%	17,221	1.5%	5.9 - 9.5%
Total	335,231			334,038		

Leasing

A lease is an agreement whereby the lessor assigns to the lessee the right to use an asset for an agreed period of time in return for a payment or series of payments. Leases are classified as either finance or operating leases. Leasing transactions that transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee are classified as finance leases. All other leasing agreements are classified as operating leases.

Where Wincor Nixdorf is the lessor in an operating lease, the lease payments received are recognized in income. The leased asset remains on the balance sheet of the lessor.

Where Wincor Nixdorf is the lessee in an operating lease, the lease payments are expensed.

Where Wincor Nixdorf is the lessor in a finance lease, the net investment in the lease is reflected in sales and a leasing receivable is recognized. The lease payments received are divided into the principal portion and the interest income using the effective-interest method.

Where Wincor Nixdorf is the lessee in a finance lease, the leased asset is capitalized at the lower of the fair value or present value of the minimum lease payments at the beginning of the lease term, and simultaneously recognized under financial liabilities. The minimum lease payments essentially comprise financing costs and the principal portion of the remaining obligation. The leased asset is depreciated by the straight-line method over the estimated useful life or the shorter lease term. The lease payments to be made are divided into the principal portion and the interest expense using the effective-interest method.

Leasing agreements where Wincor Nixdorf is the lessor in an operating lease or finance lease are agreements in connection with the rental of ATMs and POS systems.

Reworkable Service Parts and Current Inventories

Reworkable service parts and current inventories are valued at purchase or production cost, or at lower net realizable value.

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The purchase cost of reworkable service parts, raw materials, supplies, and merchandise is calculated using the average valuation method.

In accordance with IAS 2 Inventories, pro-rata material costs and production overheads (assuming normal utilization), including depreciation on production equipment and production-related social security costs, are included along with production material and production wages in the production cost of reworkable service parts and finished and unfinished products. Interest on loan capital is not capitalized.

Write-downs for inventory risks are undertaken to an appropriate and adequate extent. Lower net realizable values are used where required. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. If the reasons for a lower valuation no longer apply to inventories that have formerly been written down and the net selling price has therefore risen, the reversal of the write-down is recognized in the Group income statement as a reduction of cost of sales.

As of the balance sheet date, there were no substantial orders that would require capitalization in accordance with IAS 11 Construction Contracts.

Other Receivables and Liabilities

Non-financial assets and liabilities as well as accrued items and advance payments are carried at amortized costs.

Financial instruments

Basic Information

Financial assets are recognized if Wincor Nixdorf has a contractual right to receive cash or another financial asset from another party. Financial liabilities are recognized if Wincor Nixdorf has a contractual obligation to transfer cash or other financial assets to another party. Purchases and sales of financial assets are basically recognized as of the settlement date. However, purchases and sales of securities are accounted for with the settlement price and derivatives with the acquisition costs at trade date.

Financial assets and liabilities are initially measured at fair value. The carrying amount of financial instruments that are not measured at fair value through profit or loss in subsequent periods includes also the directly attributable transaction costs.

Wincor Nixdorf does not use the option to categorize financial assets or financial liabilities at fair value through profit or loss (Fair Value Option (FVO)) when initially recognized, with the exception of the issue described in Notes (10) and (21).

Subsequent measurement of financial instruments recognized in the Group accounts is in line with the measurement categories defined in IAS 39 Financial Instruments: Recognition and Measurement :

Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (FVO and Held for Trading (HfT)): at fair value

Held-to-Maturity Investments (HtM): at amortized cost

Loans and Receivables (LaR): at amortized cost

Available-for-Sale Financial Assets (AfS): at fair value or at cost

Financial Liabilities (FLAC): at amortized cost

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There were no reclassifications between the different IAS 39 measurement categories in the year under review.

Financial assets and liabilities are reported without being offset. They are only offset when there is a legal right to do so and the enterprise intends to settle them on a net basis. The recognized carrying amount of current financial assets and liabilities is an appropriate estimate of the fair value.

In accordance with IAS 39, an impairment loss is recognized when there are substantial, objective indications of impairment of a financial asset. The carrying amounts of financial assets not carried at fair value are examined for impairment requirements both individually (specific allowances for impairment losses) and in groups with similar default risk profiles (specific impairment allowances calculated on a portfolio basis). Objective evidence includes, for example, considerable financial difficulty of the debtor obligor, disappearance of an active market, and significant changes in the technological, market, economic, or legal environment. A significant or prolonged decline in fair value of an equity instrument is an objective evidence of impairment. The expenses are recorded in profit and loss under the functional costs. Appropriate risk provisioning was recognized for all discernible risks of default. The theoretically maximum remaining risk of default of financial assets is therefore the same as their recognized carrying amounts.

Financial assets are derecognized when the contractual rights to cash flows end, or substantially all the risks and rewards of ownership are transferred to another party. Financial liabilities are derecognized when the contractual obligation is settled or legally revoked.

Net gains and losses from financial instruments essentially include changes of write-downs and foreign currency valuation effects recognized in net profit on operating activities and interest income and expenses recognized in the financial result.

For information on risk management please refer to Note 21 and/or to the Group Management Report.

Investments

IAS 39 divides these financial instruments into the categories of financial assets at fair value through profit or loss, held to maturity, available for sale, or loans and receivables. Investments measured and managed internally at fair value and designated accordingly on initial recognition are categorized as financial assets at fair value through profit or loss. Investments whose fair value may be reliably measured are classified as Available-for-Sale Financial Assets and measured at fair value; changes in fair value will be recognized in other comprehensive income. If this is not possible, investments are measured at cost.

Loans are credits that are classified as loans and receivables according to IAS 39. Measurement in subsequent periods is at amortized cost using the effective-interest rate method.

Receivables and Other Assets

Receivables and other assets are sub-classified into Trade Receivables and Other Receivables and Other Assets.

First-time recognition of Trade Receivables is at fair value plus directly attributable transaction costs. Measurement in subsequent periods is at amortized cost using the effective-interest rate method due to the loans and receivables measurement category.

Other Receivables and Other Assets comprise both non-financial assets and financial assets including derivative financial instruments. With the exception of derivative financial instruments, financial assets are measured at fair

value plus directly attributable transaction costs at first-time recognition. They are assigned to the loans and receivables category under IAS 39, and are measured at amortized cost using the effective-interest rate method in subsequent periods. Non-financial assets are measured in line with the respective applicable standard.

Table of Contents***Cash and Cash Equivalents***

Cash and cash equivalents include marketable securities as well as cash in hand and cash at bank (including checks). Cash on hand and bank balances are measured at fair value plus directly attributable transaction costs at first-time recognition. They are assigned to the loans and receivables category under IAS 39, and are therefore measured at amortized cost in subsequent periods using the effective-interest rate method. Foreign currency stocks are valued at their mid-price on the balance sheet date. Bank balances and securities included in cash and cash equivalents have a remaining term of up to three months on acquisition.

At Wincor Nixdorf, securities are principally allocated to the categories financial assets at fair value through profit or loss or Available for Sale Financial Assets. Both categories are initially and subsequently measured at fair value. In order to determine the fair value of marketable securities at the balance sheet date, respective quotations of banks have been obtained and market prices of trading systems have been used. Changes in value of the securities classified as financial assets at fair value through profit or loss are recorded in finance income and finance costs. Changes in securities classified as available for sale financial assets are shown within equity under consideration of deferred tax effects. At the selling date, realized gains or losses are recorded in finance income and finance costs.

Financial Liabilities

Primary financial instruments include financial liabilities, trade payables and non-derivative other financial liabilities. Trade payables and non-derivative other financial liabilities include amounts for outstanding invoices and deferred staff liabilities. In accordance with IAS 39, primary financial liabilities are stated at fair value at initial recognition, considering directly attributable transaction costs. Measurement in subsequent periods is at amortized cost using the effective-interest rate method.

Derivative Financial Instruments

Derivative financial instruments of the Group comprise hedging instruments used to manage interest rates and exchange rate fluctuations. These instruments serve to reduce income volatility. No derivatives are held for trading purposes. Nevertheless, derivatives not meeting the requirements for hedge accounting in accordance with IAS 39, or for which the hedged item no longer exists, are classified as held for trading.

The scope of hedge accounting by financial derivatives comprises recognized, pending and highly probable hedged items. In accordance with IAS 39, derivatives meet the recognition criteria for assets and liabilities, as a result of which they must be capitalized (other assets) or expensed (other liabilities) at fair value.

Derivative transactions are accounted for at acquisition cost at the trading date, in general, acquisition costs of derivative transactions equal their fair values at that date. In subsequent periods, they are capitalized at their fair values. Resultant profits or losses flow through to profit for the period in question where the requirements for cash flow hedge accounting are not met. If hedging relationships are effective, the amounts of profit are under consideration of deferred tax effects credited (and losses charged) to equity, with no effect on profit or loss. The reclassification from equity to Group income statement takes place when the hedged item is recognized in income, or is no longer expected to occur.

Accruals for Pensions and Similar Commitments

Accruals in respect of beneficiaries and pensioners pension obligations are created using the projected unit credit method. This method takes account not only of known pensions and known earned future pension entitlements at the

balance sheet date, but also of expected future increases in pensions and salaries having estimated the relevant influencing factors.

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Plan assets measured at fair value are netted with directly related pension obligations. A negative net obligation arising from prepaid future contributions is only recognized as an asset to the extent that a cash refund from the plan or reductions of future contributions to the plan are available (asset ceiling). Any exceeding amount is recognized in equity in the period when it is incurred. The interest on plan assets and defined benefit obligations is calculated with a single interest rate in accordance with the provisions of IAS 19 (revised 2011).

According to IAS 19.83 the discount rate used to discount accruals for pensions and similar commitments has to be determined at each valuation date. The discount rate is based on the market yields on high-quality corporate bonds and with that at low-risk. The terms of the corporate bonds have to be consistent with the estimated terms of the obligations. Unchanged to the previous fiscal years, as of September 30, 2014, Wincor Nixdorf applies the Mercer Yield Curve approach (MYC). The interest rate determination of the MYC is based on a selection of AA-rated corporate bonds according to Bloomberg analysis.

Pension expenses are recorded immediately in the relevant year's profit for the period. Service cost is presented in the functional costs and from the start of the current fiscal year - the net interest on net defined benefit liability in the financial result. For materiality reasons the previous year has not been restated. Effects from remeasurements of the net defined benefit liability are fully recognized in the fiscal year in which they occur. They are reported as a component of other comprehensive income in the statement of comprehensive income. They remain outside profit or loss in subsequent periods as well.

Other Accruals

Other accruals are created on the balance sheet in respect of legal or actual obligations to third parties resulting from past events, as well as for onerous contracts where the outflow of funds to settle such obligations is probable and can be estimated reliably.

Other accruals are measured in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IAS 19 Employee Benefits. The values used for such accruals are based on the best estimate. Where required, accruals are stated net of unaccrued interest. Claims for reimbursements from third parties are capitalized separately if their realization is virtually certain.

Accruals for restructuring costs are recognized in accordance with IAS 37.70 et seq. when the Group has a detailed formal plan for the restructuring and has notified the affected parties. Those accruals only cover expenses that arise directly from restructuring measures, are necessary for restructuring, and are not related to future business operations.

Where income from an order does not cover prime cost, accruals are created for onerous contracts to the value of the variance between income and expenses.

Where delay and contract penalties are agreed in contracts for the supply of goods and/or services, and where the incurrance of penalties is probable in the light of the current position, a corresponding accrual for delay and contract penalties is created.

Share-based Payment Transactions

Share options, i.e., share-based payment transactions settled by the issuance of equity instruments, are measured at fair value at the grant date. The fair value of the obligation is recognized during the vesting period as a personnel expense and in equity. The fair value is obtained using the internationally recognized Black-Scholes-Merton formula.

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Table of Contents**NOTES TO THE GROUP INCOME STATEMENT****(1) Net Sales**

Net sales are comprised as follows:

	2014	2013	2012
	k	k	k
Hardware	1,126,834	1,185,075	1,100,367
Software/Services	1,342,584	1,279,929	1,242,629
	2,469,418	2,465,004	2,342,996

(2) Gross Profit

Gross margin on net sales has not changed compared to the previous year and amounts to 22.0% (2012/2013: 22.0% and 2011/2012: 20.9%). The foreign currency gains and losses of - 8,299k (2012/2013: - 9,799k and 2011/2012: - 6,536k) shown in the Group income statement are essentially comprised within the cost of sales.

(3) Selling, General and Administration Expenses

These mainly comprise personnel expenses and general costs in selling and administrative departments, plus miscellaneous taxes.

(4) Other Operating Income

Other operating income of 25,752k (2012/2013: 202k and 2011/2012: 107k) primarily results from the gain from the sale of real estate in the amount of 25,743k.

(5) Finance Income and Finance Costs

Finance income and finance costs are comprised as follows:

	2014	2013	2012
	k	k	k
Income from securities and other income	126	135	148
Interest and similar income	883	985	1,353
Finance income	1,009	1,120	1,501
Interest and similar expenses	-6,766	-6,768	-10,713
Interest element within additions to long-term accruals and other finance costs	-2,821	-1,542	-2,222
Finance costs	-9,587	-8,310	-12,935

	-8,578	-7,190	-11,434
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(6) Income Taxes.

	2014	2013	2012
	k	k	k
Current taxes on income and profit	-39,560	-29,064	-29,594
Deferred tax income and expenses	-2,724	-7,428	2,593
	-42,284	-36,492	-27,001

The amounts for ongoing taxes on income and profit relate, within Germany, to corporate income tax and municipal corporate income tax, plus proceeds from partial release of tax accruals made during the previous year and, in the case of foreign subsidiaries, income-related taxes calculated in accordance with the national tax legislation applicable to the individual companies.

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The deferred taxes are the result of time-related variances in reported values between the tax accounts of individual companies and the values of the Group balance sheet, using the liability method, plus capitalization of tax losses capable of being carried forward. In reviewing the amount of a deferred tax asset recognized in the balance sheet, it is crucial to assess whether it is probable that temporary differences will reverse and tax losses carried forward will be utilized, being the basis for the recognition of deferred tax assets. This is dependent on future taxable profits arising in those periods when taxable temporary differences reverse and tax losses carried forward may be utilized. Based on past experience and the projected development of taxable profit, Wincor Nixdorf assumes that the corresponding benefits associated with deferred tax assets will be realized. A deferred tax asset will be recognized to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered. As of September 30, 2014, tax losses carried forward exist in the amount of 10,111k (2012/2013: 10,804k and 2011/2012: 13,699k) and temporary differences in the amount of 9,417k (2012/2013: 979k and 2011/2012: 0k) on which no deferred tax asset has been capitalized. Tax losses amounting to 6,463k (2012/2013: 2,125k and 2011/2012: 6,337k) for which no deferred tax assets were recognized account for the period until 2025 (2012/2013: 2022 and 2011/2012: 2019).

Any dividends payable in the future of Wincor Nixdorf AG will have no effect upon the Group's tax charges.

Actual tax expenses are 1,631k below (2012/2013: 810k below and 2011/2012: 101k above) those which would be expected to be arrived at through the application of the ultimate parent company's tax rate.

As of September 30, 2014, unchanged to the previous years, all German deferred taxes were calculated in respect of temporary differences using a combined tax rate of rounded 30%. The reported value of all deferred taxes on tax losses carried forward was arrived at by using tax rates as, in the previous year, of 14% for municipal corporate income tax and 16% for corporation tax and solidarity tax.

The table below contains a reconciliation of expected net tax expenses to the actual reported tax:

	2014 k	2013 k	2012 k
Profit before income taxes	146,384	124,341	89,666
Expected tax expenses based on a tax rate of 30%	-43,915	-37,302	-26,900
Differences from expected tax expenses			
Difference to local tax rates	2,450	2,125	4,173
Increases/decreases in tax due to tax-exempt income and non-tax-deductible expenses	2,292	-2,723	-2,492
Corrections relating to other periods and other effects	-808	1,830	-2,857
Changes of allowances/non-recognition of deferred taxes on current losses and temporary differences	-3,223	-2,358	-460
Usage of deferred tax assets not recognized in previous years	250	1,454	1,366
Others	670	482	169
Total adjustments	1,631	810	-101
Actual tax expenses	-42,284	-36,492	-27,001

The effective tax rate is 28.9% (2012/2013: 29.3% and 2011/2012: 30.1%).

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The deferred tax assets and liabilities relate to the following balance sheet items:

	Sept. 30, 2014		Sept. 30, 2013	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	70	62,141	52	58,506
Property, plant and equipment	6,743	588	5,202	1,032
Investments	58	1,663	2	822
Inventories	14,751	2,816	14,800	474
Receivables and other current assets	5,778	4,660	2,588	2,040
Pension accruals	17,070	440	9,357	405
Other accruals	21,241	961	27,093	849
Liabilities	18,763	264	6,060	179
Losses carried forward	2,357	0	1,871	0
	86,831	73,533	67,025	64,307
Netting off of deferred tax assets and liabilities	-45,941	-45,941	-35,900	-35,900
	40,890	27,592	31,125	28,407

The changes in deferred tax assets and liabilities shown above are recognized in profit or loss with the following exceptions, which are charged directly to equity:

In the deferred tax assets to pension accruals revaluations of the net defined liability with an equity increasing effect of 18,989k (2012/2013: 11,887k) are included.

Changes in equity to the fair value of financial instruments that meet the requirements of IAS 39 for hedge accounting had an equity-enhancing effect of deferred taxes in the amount of 5,307k (2012/2013: 956k) and are presented in the deferred tax liabilities to receivables and other assets in the amount of 0k (2012/2013: 774k) and the deferred tax assets to liabilities of 5,307k (2012/2013: 1,730k).

(7) Earnings per Share

Basic earnings per share are calculated by dividing profit or loss attributable to shareholders of Wincor Nixdorf AG by the weighted average number of shares outstanding. Diluted earnings per share additionally reflect the potential dilution that would occur if stock option plans (Note 16) were exercised.

In fiscal year 2013/2014 as well as in fiscal years 2012/2013 and 2011/2012, no potentially dilutive ordinary shares had to be considered, as the average market price of ordinary shares during the period did not exceed the exercise price of the options.

	2014	2013	2012
Profit attributable to equity holders of Wincor Nixdorf AG (k)	100,885	87,128	62,601

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Number of shares outstanding as of October 1 (in thousands)	29,776	29,776	29,776
Number of shares outstanding as of September 30 (in thousands)	29,816	29,776	29,776
Weighted average number of shares outstanding (in thousands)	29,796	29,776	29,776
Basic earnings per share ()	3.39	2.93	2.10
Number of potentially dilutive ordinary shares (in thousands)	0	0	0
Weighted average number of shares used to compute diluted earnings per share (in thousands)	29,796	29,776	29,776
Diluted earnings per share ()	3.39	2.93	2.10

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NOTES TO THE GROUP BALANCE SHEET.

(8) Intangible Assets

Changes in intangible assets were as follows:

	Commercial patents and similar rights/items plus licenses to such rights/items k	Product know-how k	Goodwill k	Total k
Cost of acquisition or production				
Balance as of September 30, 2012	56,557	1,726	337,590	395,873
Currency translation	-599	0	-387	-986
Additions	7,083	0	0	7,083
Disposals	-10,176	-1,726	0	-11,902
Balance as of September 30, 2013	52,865	0	337,203	390,068
Currency translation	692	0	1,194	1,886
Additions	11,551	0	0	11,551
Transfers	8	0	0	8
Disposals	-6,579	0	0	-6,579
Balance as of September 30, 2014	58,537	0	338,397	396,934
Amortization				
Balance as of September 30, 2012	43,068	1,726	3,165	47,959
Currency translation	-494	0	0	-494
Amortization for the fiscal year	7,068	0	0	7,068
Disposals	-10,135	-1,726	0	-11,861
Balance as of September 30, 2013	39,507	0	3,165	42,672
Currency translation	692	0	0	692
Amortization for the fiscal year	8,165	0	0	8,165
Transfers	2	0	0	2
Disposals	-6,558	0	0	-6,558
Balance as of September 30, 2014	41,808	0	3,165	44,973
Carrying amount as of September 30, 2014	16,729	0	335,232	351,961
Carrying amount as of September 30, 2013	13,358	0	334,038	347,396

During fiscal 2013/2014, the acquisitions, which mainly relate to commercial patents and licenses for outsourcing projects and own infrastructure, resulted in additions of 11,551k (2012/2013: 7,083k and 2011/2012: 3,346k).

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Changes in property, plant and equipment were as follows:

	Land, buildings, and other equivalent rights k	Plant and machinery k	Other fixed assets and office equipment k	Products leased to customers k	Equipment under construction k	Total k
Cost of acquisition or production						
Balance as of September 30, 2012	57,038	62,947	289,656	12,996	3,661	426,298
Currency translation	-727	-454	-2,109	-210	-5	-3,505
Additions	2,148	3,461	27,518	2,069	4,039	39,235
Transfers	-2	2	3,527	-19	-3,508	0
Disposals	-1,966	-9,413	-27,257	-1,678	0	-40,314
Reclassifications	0	-204	204	0	0	0
Balance as of September 30, 2013	56,491	56,339	291,539	13,158	4,187	421,714
Currency translation	712	617	1,944	161	26	3,460
Additions	3,396	2,301	35,939	1,201	4,983	47,820
Transfers	245	445	3,356	0	-4,054	-8
Disposals	-9,286	-5,816	-27,904	-787	0	-43,793
Reclassifications	0	0	159	0	-159	0
Balance as of September 30, 2014	51,558	53,886	305,033	13,733	4,983	429,193
Depreciation						
Balance as of October 1, 2012	25,764	45,228	209,534	5,971	0	286,497
Currency translation	-409	-354	-1,707	-108	0	-2,578
Depreciation for the fiscal year	3,177	2,975	37,768	2,145	0	46,065
Transfers	0	0	6	-6	0	0
Disposals	-1,884	-8,677	-25,285	-1,028	0	-36,874
Reclassifications	0	-59	59	0	0	0
Balance as of September 30, 2013	26,648	39,113	220,375	6,974	0	293,110
Currency translation	323	492	1,984	129	0	2,928
Depreciation for the fiscal year	3,167	2,848	38,236	1,947	0	46,198
Transfers	1	-4	-7	0	8	-2
Disposals	-4,788	-5,493	-27,182	-511	0	-37,974
Reclassifications	0	0	8	0	-8	0
Balance as of September 30, 2014	25,351	36,956	233,414	8,539	0	304,260
Carrying amount as of September 30, 2014	26,207	16,930	71,619	5,194	4,983	124,933

Carrying amount as of

September 30, 2013	29,843	17,226	71,164	6,184	4,187	128,604
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Additions to property, plant and equipment are valued at 47,820k (2012/2013: 39,235k), with large individual elements of this being other fixed assets and office equipment at 35,939k (essentially IT equipment and specialist tools), and equipment under construction at 4,983k.

Products leased to customers concern automated teller machines, which are leased in the scope of operating lease contracts. The minimum lease periods are between three and ten years, with extension options in existence under identical terms.

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The future minimum lease payments under all non-redeemable lease agreements are as follows:

	Sept. 30, 2014	Sept. 30, 2013
	k	k
Residual term up to 1 year	8,262	3,473
Residual term between 1 and 5 years	26,267	8,661
Residual term more than 5 years	1,498	1,609
	36,027	13,743

(10) Investments and Investments Accounted for Using the Equity Method

Among investments, interests, loans, and other receivables are recorded.

The 6% interest in WINCOR NIXDORF Immobilien GmbH & Co. KG, Paderborn, is unchanged to the previous years accounted for financial assets at fair value through profit or loss (FVO). The measurement at fair value showed a decrease in the fair value of 14k as of September 30, 2014 (2012/2013: no change), and the net book value amounts to 1,047k as of September 30, 2014 (2012/2013: 1,061k). This investment does not have a quoted market price in an active market; therefore existing contractual settlements were used in order to calculate the fair value.

The following tables show the summarized financial information of the Group's joint ventures:

	2014	2013
	k	k
Current assets	21,423	27,044
Non-current assets	9,235	3,892
Current liabilities	16,189	12,021
Non-current liabilities	4,587	3,922

	2014	2013	2012
	k	k	k
Net sales	61,132	66,986	68,875
Net income	1,488	3,451	3,226

The result from equity-accounted investments including the elimination of prorated intra-Group profits amounting to - 1,348k (2012/2013: 733k and 2011/2012: 736k) include the results of CI Tech Components AG, Burgdorf, Switzerland, as well as of WINSERVICE AS, Oslo, Norway.

(11) Reworkable Service Parts

Where necessary, the lower net realizable value was used, with due regard to selling and production costs still to be incurred. The total book value of reworkable service parts, valued as of September 30, 2014, at their lower of cost and net realizable value, was 27,448k (2012/2013: 27,498k). Write-down of reworkable service parts reported under cost of sales is 6,585k (2012/2013: 6,454k and 2011/2012: 7,775k).

(12) Receivables and Other Assets

Trade receivables are comprised as follows:

	Sept. 30, 2014 k	Sept. 30, 2013 k
Trade receivables, gross	549,704	462,856
less: allowance for doubtful accounts	-24,326	-22,868
Trade receivables, net	525,378	439,988

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Trade receivables with an amount of 5,749k (2012/2013: 6,052k) become due after one year.

Allowances for trade receivables have changed as shown in the following table:

	Specific allowances		Portfolio-based allowances				Total		
	2013/2014	2012/2013	2011/2012	2013/2014	2012/2013	2011/2012	2013/2014	2012/2013	2011/2012
	k	k	k	k	k	k	k	k	k
Balance as of October 1	19,190	13,584	12,613	3,678	3,482	2,949	22,868	17,066	15,562
Changes in allowances with effect on profit and loss	1,079	5,606	971	379	196	533	1,458	5,802	1,504
Balance as of September 30	20,269	19,190	13,584	4,057	3,678	3,482	24,326	22,868	17,066

On the balance sheet date trade receivables, which are past due but not impaired, exist as follows:

	Past due 1 - 30 days k	Past due 31 - 180 days k	Past due more than 180 days k
September 30, 2014	54,884	56,397	57
September 30, 2013	42,572	36,117	985

With respect to trade receivables as at the balance sheet date past due but not impaired, based on credit history and current credit ratings, there are no indications that customers will not be able to meet their obligations. This also applies to the trade receivables that are neither past due at the balance sheet date nor impaired.

Trade receivables comprise receivables from finance leases in the amount of 12,274k (2012/2013: 8,391k). The leasing contracts are originally concluded for a term of up to ten years. There was no impairment requirement on finance lease receivables in fiscal 2013/2014, 2012/2013, and 2011/2012.

Residual Terms of Present Value of Minimum Lease Payments Receivable

	Sept. 30, 2014 k	Sept. 30, 2013 k
Residual term up to 1 year	6,545	3,551
Residual term between 1 and 5 years	5,694	4,840
Residual term more than 5 years	35	0
	12,274	8,391

Residual Terms of Total Gross Investment in the Lease

	Sept. 30, 2014	Sept. 30, 2013
	k	k
Residual term up to 1 year	7,195	3,920
Residual term between 1 and 5 years	6,073	5,056
Residual term more than 5 years	37	0
Unearned finance income	-1,031	-585
Present value of minimum lease payments receivable	12,274	8,391

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Other receivables and other assets comprise the following:

	Sept. 30, 2014		Sept. 30, 2013	
	Total	Due > 1 year	Total	Due > 1 year
Receivables from related companies	3,305	0	1,123	0
Current income tax assets	8,172	0	9,942	0
Other assets	65,581	10,208	52,633	7,109
	77,058	10,208	63,698	7,109

Other assets include the following items:

	Sept. 30, 2014		Sept. 30, 2013	
	Due > 1 year	Total	Total	Due > 1 year
Sales tax	19,820	0	12,919	0
Surplus of plan assets	1,501	1,501	1,072	1,072
Prepaid expenses	24,886	6,163	20,815	2,875
Other	5,958	18	5,332	114
Other non-financial assets	52,165	7,682	40,138	4,061
Forward currency transactions	1,540	0	3,361	0
Receivables from employees	1,807	3	1,147	1
Other	10,069	2,523	7,987	3,047
Other financial assets	13,416	2,526	12,495	3,048
	65,581	10,208	52,633	7,109

(13) Deferred Taxes

Deferred taxes have been accrued for under the temporary concept in accordance with IAS 12 Income Taxes, using the tax rates in force, approved, and known, as of the balance sheet date.

As of September 30, 2014, these items include deferred tax assets of 40,890k (2012/2013: 31,125k) and deferred tax liabilities of 27,592k (2012/2013: 28,407k), after netting off deferred tax liabilities with deferred tax assets. Deferred tax assets of 2,357k (2012/2013: 1,871k) are the result of the probable future utilization of tax losses carried forward. Further explanatory notes on deferred tax assets are contained in Note 6.

(14) Inventories

	Sept. 30, 2014	Sept. 30, 2013
	k	k
Raw materials and supplies	85,254	85,858
Unfinished goods	19,874	21,477
Finished goods and merchandise	236,813	208,562
Advances made	1,455	816
	343,396	316,713

Where necessary, the lower net realizable value was used, with due regard to selling and production costs still to be incurred. The total book value of inventories valued as of September 30, 2014, at their lower of cost and net realizable value, was 112,879k (2012/2013: 108,934k). Inventory impairment reported under cost of sales is 8,780k (2012/2013: 9,777k and 2011/2012: 14,505k).

Table of Contents**(15) Cash and Cash Equivalents**

The cash in hand of 3,266k (2012/2013: 4,518k) mainly includes test cash for automated teller machines. Bank balances add up to 38,497k (2012/2013: 38,411k). Checks amount to 1,821k (2012/2013: 245k).

(16) Group Equity

The changes in Group equity and individual elements thereof are shown in detail in the Changes in Group Equity table.

Distributions

Wincor Nixdorf remains committed to the existing dividend policy: as regards the dividend for fiscal 2013/2014, profit for the period in the amount of 104,100k will again, as in prior years, form the basis for dividend calculations. The aim is to distribute around 50% of this amount to shareholders in the form of a dividend.

For the reporting period a dividend of 1.75 (2012/2013: 1.48 and 2011/2012: 1.05) per qualifying share will be proposed to the Supervisory Board. This corresponded to a total distribution of 52,178k on the date on which the Group financial statements were released by the Board of Directors. Based on the closing share price of 40.56 as of September 30, 2014, the dividend yield is 4.31%. The dividend will be paid out on January 20, 2015, subject to the approval of the Annual General Meeting (in the following AGM).

Under the German Stock Corporation Act (AktG), the dividend payment is determined by the unappropriated profit reported in the annual financial statements of Wincor Nixdorf AG, which are prepared according to the German Commercial Code. As of September 30, 2014, the unappropriated profit of Wincor Nixdorf AG amounted to 268,799k. The undistributed portion of unappropriated profit, amounting to 216,621k, will be carried forward to new account.

The amount of 44,069k (1.48 per share) was distributed in fiscal 2013/2014 to Wincor Nixdorf AG equity holders.

Capital Management

As a matter of principle, Wincor Nixdorf pursues the goal of generating an appropriate return on invested capital. However, the Group's reported equity serves merely as a passive management parameter, with sales and EBITA applied as active management parameters. As described above, about half of the profit for the period is paid out as dividend. The remaining amount is reserved and not paid out.

Subscribed Capital

The capital stock is divided into 33,084,988 no-par shares (Stückaktien governed by German law). All shares issued up to and including September 30, 2014, 2013 and 2012, are fully paid-up. Each share is granted equal voting rights and equal dividend entitlement. Changes in the number of shares issued and entitled to dividend were as follows:

As of October 1, 2012	29,776,490
Purchase of treasury shares	0
Issuance/disposal of treasury shares	0

As of September 30, 2013	29,776,490
Weighted average of shares in fiscal 2012/2013	29,776,490
As of October 1, 2013	29,776,490
Issuance/disposal of treasury shares	39,721
As of September 30, 2014	29,816,211
Weighted average of shares in fiscal 2013/2014	29,796,351

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Treasury Shares

The vesting period for the 2010 share-based payment program expired on April 6, 2014. Of the 563,000 share options issued 449,560 have been exercised. The share options were redeemed by the allocation of 39,721 treasury shares.

As of September 30, 2014, the total number of treasury shares held by the Company was 3,268,777 (2013: 3,308,498; 2012: 3,308,498). This equals 9.88% (2013: 9.99%; 2012: 9.99%) of the subscribed capital. The acquisition costs, including ancillary costs of acquisition to the amount of 111k (2013: 113k; 2012: 113k), amounting to 173,712k (2013: 175,823k; 2012: 175,823k) were deducted in full from equity.

Authorized Share Capital

As the result of a resolution at the AGM on January 20, 2014, the Board of Directors has been authorized to increase the Company's share capital with the Supervisory Board's approval by up to 16,542,494.00 through the issue for cash and/or contributions in kind of new ordinary bearer shares under single or multiple initiatives up to January 19, 2019.

Contingent Share Capital

The share capital is conditionally increased by up to 1,654,249.00, divided into up to 1,654,249 bearer shares (Contingent Share Capital I 2014). This Contingent Share Capital increase is to be used exclusively to cover stock options issued to members of the Company's Management Board, board members of subordinate associated companies within and outside of Germany, and to other executives and employees of the Company and its subordinate associated companies, as specified in detail in the authorization resolved by the AGM on January 20, 2014. It shall only be effected to the extent that bearers of share options exercise their right to subscribe for Company shares and the Company does not provide the consideration in cash or by means of its own shares. The new shares shall carry dividend rights from the beginning of the fiscal year in which they are issued. Should the issue take place before the ordinary AGM, the new shares shall be entitled to dividends for the previous fiscal year as well.

The share capital is conditionally increased by up to 10,000,000.00, divided into up to 10,000,000 bearer shares (Contingent Share Capital II). The Contingent Share Capital increase to create Contingent Share Capital II shall be carried out only insofar as the holders of option or conversion rights, or the parties who have conversion/option obligations from participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds that are issued or guaranteed up to January 20, 2018, by the Company or a dependent group company of the Company within the meaning of Section 17 German Stock Corporation Act (AktG), pursuant to the authorization adopted by the AGM on January 21, 2013, make use of their option or conversion rights or, if they have conversion/option obligations, fulfill their conversion/option obligation. The new shares shall be issued at the option or conversion price to be defined in accordance with the above authorization adopted. The new shares shall carry dividend rights from the beginning of the fiscal year in which they are issued pursuant to the exercise of option and conversion rights or fulfillment of option or conversion obligations. If they are issued before the ordinary AGM, the new shares shall be entitled to dividends for the previous fiscal year as well. The Board of Directors is authorized, with the consent of the Supervisory Board, to define the further details of the Contingent Share Capital increase.

Authorization to issue participatory certificates with warrants and/or convertible participatory certificates and/or convertible bonds and/or bonds with warrants and/or income bonds and to exclude the subscription right

The Board of Directors was authorized by the AGM on January 21, 2013, with the consent of the Supervisory Board, once or several times up to January 20, 2018,

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to issue bearer participatory certificates (i) to which bearer participatory certificates with warrants are attached or (ii) that are attached to a conversion right for the holder for a maximum term of 20 years as of their issue, and to grant option rights to the holders of participatory certificates with warrants and conversion rights to the holders of convertible participatory certificates to bearer shares in the Company as detailed by the conditions of the participatory certificates with warrants or convertible participatory certificates and instead of or in addition

to issue bearer bonds with warrants and/or bearer convertible bonds and/or bearer income bonds (hereinafter referred to jointly as bonds with warrants and/or convertible bonds) with a maximum term of 20 years and to grant option rights to the holders of bonds with warrants and conversion rights to the holders of convertible bonds to bearer shares in the Company as detailed by the conditions of the bonds with warrants or convertible bonds.

The aggregate principle amount of the participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds to be issued under this authorization shall not exceed 500,000,000.00. Option rights or conversion rights shall only be issued for Company shares that account for a maximum total of 10,000,000.00 of the capital stock.

The Board of Directors was also authorized to exclude the subscription right of shareholders in certain cases.

Retained Earnings

Other retained earnings contain the cumulative profits made by the subsidiary companies included in the Group financial statements, the profit for the period, other consolidation reserves, reserves resulting from expired share-based payment programs, actuarial gains and losses recognized in other comprehensive income, and effects of the limit on plan assets as well as corresponding deferred tax effects.

Other Components of Equity

Other components of equity consist of all amounts recognized directly in equity resulting from the translation of the financial statements of foreign subsidiaries, the effects of recognizing changes in the fair value of derivative financial instruments directly in equity, deferred taxes on items recognized directly in equity, as well as the additional funds received from the issue of shares and the personnel expenses arising from the share-based payment programs 2011 to 2014 (2012/2013: share-based payment programs 2010 to 2013 and 2011/2012: share-based payment programs 2010 to 2012) for management members.

Other Comprehensive Income

The table below presents the development of other comprehensive income and the associated tax effects:

	2014			2013			2012		
	Gross result	Taxes k	Net result	Taxes	Gross result	Net result	Gross result	Taxes k	Net result
Cash flow hedges	-14,504	4,351	-10,153	3,976	-1,193	2,783	-2,122	637	-1,485

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Exchange rate changes	10,500	0	10,500	-6,037	0	-6,037	6,810	0	6,810
Actuarial gains and losses	-25,393	7,437	-17,956	-6,181	1,910	-4,271	-24,438	7,164	-17,274
Other comprehensive income	-29,397	11,788	-17,609	-8,242	717	-7,525	-19,750	7,801	-11,949

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Table of Contents**Share-based Payment Program**

Wincor Nixdorf has set up 11 share-based payment programs for managers since 2004 (2004-2014). The following conditions have to be applied to programs 2010 to 2013:

The vesting period of the share options is four years. Each share option entitles the bearer to purchase one share in the Company at the exercise price (strike price). There is no limit to the profit which can accrue upon purchase. In each case, the exercise price is equivalent to 112% of the average exchange price on the 30 stock exchange trading days that immediately preceded the issue of stock options on April 6, 2010 (program 2010), March 25, 2011 (program 2011), March 30, 2012 (program 2012) and March 22, 2013 (program 2013) (program 2011: 60.12, program 2012: 40.20, program 2013: 38.57); it takes account of distributions made during the life of the options, such as dividend payments and any drawing rights or other special rights. The target criteria have not been changed during the life of the programs until now. In order to sign up to acquire, and later exercise, share options employees must make a separate private investment in Company shares at a ratio of 1:10 (shares : share options), and such shares must be held by them until at least the end of the exercise period. The options can be exercised within a period of ten stock exchange trading days commencing on the first stock exchange trading day following expiration of the holding period of four years (exercise period). The vesting conditions also stipulate that the declaration of exercise may or must be issued during the specified vesting period of four years, within the last ten stock exchange trading days in XETRA on the Frankfurt Stock Exchange, effective from the end of the last day of the vesting period or a later date. The Company is entitled to settle the options either in shares or cash. Basically, the holder of the option has to remain in the Company's employ until the end of the vesting period.

As of March 26, 2014, Wincor Nixdorf granted 678,361 share options for an exercise price of 62.94 under another share-based payment program to its managers (share-based payment program 2014). The vesting period of the share options is four years. Each share option entitles the bearer to purchase one share in the Company at the exercise price (strike price). There is no limit to the profit which can accrue upon purchase. In each case, the exercise price is equivalent to 112% of the average exchange price on the 30 stock exchange trading days that immediately preceded the issue of stock options on March 26, 2014 (56.20); it takes account of distributions made during the life of the options, such as dividend payments and any drawing rights or other special rights. The target criteria have not been changed during the life of the program until now. In order to sign up to acquire, and later exercise, share options employees must make a separate private investment in Company shares at a ratio of 1:10 (shares : share options), and such shares must be held by them until at least the end of the exercise period. The options can be exercised within a period of ten stock exchange trading days in Xetra on the Frankfurt Stock Exchange commencing on the first stock exchange trading day following expiration of the holding period of four years (exercise period). The vesting conditions also stipulate that the declaration of exercise may or must be issued during the specified vesting period of four-years, within the last ten stock exchange trading days in Xetra on the Frankfurt Stock Exchange, effective from the end of the last day of the vesting period or a later date. The Company is entitled to settle the options either in shares or cash. Basically, the holder of the option has to remain in the Company's employ until the end of the vesting period.

The underlying assumptions for the programs 2010 - 2014 are as follows:

	Program 2014	Program 2013	Program 2012	Program 2011	Program 2010
Granted share options	678,361	774,806	699,725	641,167	563,000
Fair value of the option at grant date	7.58	7.50	6.57	9.73	9.80

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Exercise price of the option at grant date	62.94	43.20	45.02	67.33	56.38
Expected volatility	23.9%	31.5%	31.2%	24.5%	27.2%
Option life	4 years	4 years	4 years	4 years	4 years
Expected dividends	9.17	7.85	6.01	7.83	6.95
Risk-free interest rate	0.400%	0.430%	1.200%	2.814%	2.128%
Fluctuation rate	2.8%	2.8%	2.8%	2.8%	2.9%

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Share options reported as of September 30, 2014, consist of options from share-based payment programs 2010 to 2014. The program 2010 expired in April 2014, the program 2011 will expire in March 2015, the program 2012 in March 2016, the program 2013 in March 2017 and the program 2014 in March 2018. The weighted average residual term of the programs is about 2 years.

The vesting period for the 2010 share-based payment program expired on April 6, 2014. Of the 563,000 share options issued 449,560 have been exercised. The weighted average share price at the date of exercise was 54.91 (unweighted average price on the 30 stock exchange trading days before the exercise date April 6, 2014). The share options were redeemed by the allocation of 39,721 treasury shares. The expenses incurred have been charged directly against equity, with no effect on profit or loss. From this, there was no change to the total number of shares issued.

The fair values of the options have been calculated by the application of the Black-Scholes-Merton formula. For the programs 2010 to 2014, the expected volatility is the average of the historic volatilities of EUREX options on the Wincor Nixdorf share for 3-month and 12-month periods.

The changes in the composition of share options are as follows:

	2014		2013		2012	
	Number	Average exercise price	Number	Average exercise price	Number	Average exercise price
As of October 1	2,422,298	51.49	1,840,892	55.80	1,164,667	62.33
Granted during the period	678,361	62.94	774,806	43.20	699,725	45.02
Exercised during the period	449,560	56.38	0		0	
Expired during the period	126,770	48.76	193,400	59.28	23,500	58.85
As of September 30	2,524,329	53.83	2,422,298	51.49	1,840,892	55.80

Exercisable as of September 30 0 0 0

During the fiscal year, personnel expenses in connection with the share-based payment programs amounted to 4,854k (2012/2013: 4,088k and 2011/2012: 3,567k). The additional paid-in capital has been increased by this amount.

(17) Non-controlling Interests

Non-controlling interests are presented in detail in the Changes in Group Equity table.

(18) Accruals for Pensions and Similar Commitments

For certain groups of employees of the Group, post-employment benefit schemes are available. Schemes vary depending on the legal, economic, and tax environments of the respective country. They are primarily designed as defined benefit plans, but also as defined contribution plans. For defined benefit plans accruals for pensions and similar commitments are recorded for the net defined liability after taking account of amounts recognized as asset:

	Sept. 30, 2014	Sept. 30, 2013	Sept. 30, 2012
	k	k	k
Present value of unfunded obligations	45,292	36,784	35,242
Present value of funded obligations	262,965	235,638	229,493
Fair value of plan assets	-231,561	-207,751	-203,466
Past service cost not included in profit and loss	0	571	646
Effect of the asset ceiling	0	93	110
Net defined benefit liability	76,696	65,335	62,025
Therein amount recognized as asset	1,501	1,072	947
Accruals for pensions and similar commitments	78,197	66,407	62,972

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The over-funding (amount recognized as asset) of 1,501k (2012/2013: 1,072k) is presented under other non-current assets.

Defined benefit plans

The significant defined benefit plans are arranged for employees in Germany and in Switzerland. There are inter alia also defined benefit plans in the United Kingdom, Belgium and France. The weighted average duration of the defined benefit plans is 10 years.

In Germany, post-employment benefit schemes are set up as employer funded pension plans as well as deferred compensation plans.

With regard to employment law, the employer funded pension commitments in Germany are based upon direct performance-related commitments in terms of defined contribution plans. Each beneficiary receives, depending on individual pay-scale grouping, contractual classification, or income level, different yearly contributions. The contribution is multiplied by an age factor appropriate to the current pension scheme and credited to the individual retirement account of the employee. The retirement accounts may be used up at retirement by either a one-time pay-off or payments of ten years installments at maximum. Insured events are disability, death and reaching of retirement age.

In Switzerland, the post-employment benefit scheme stems from statutory provisions. The employees receive their pension payments as a function of contributions paid, a fixed interest rate and annuity factors. Insured events are disability, death and reaching of retirement age.

In June 2006, Wincor Nixdorf created plan assets according to IAS 19 as part of a Contractual Trust Arrangement (CTA), by transferring assets to a registered association (Wincor Nixdorf Pension Trust e. V.) in order to fund pension obligations to employees in Belgium, Germany, France and Switzerland. The association is investing in current and non-current assets; this way considering the maturity structure of the underlying pension obligations. The funding strategy is reviewed regularly by analyzing asset development as well as the current situation of the financial market. At the end of the current fiscal year, the CTA plan assets have been funded with additional 15,000k in cash (2012/2013: 0k and 2011/2012: 0k).

In addition, in Switzerland, external plan assets are invested with a country-specific retirement fund. The plan assets are subject to minimum funding requirements in Switzerland.

The only considerable risk to which the plans expose Wincor Nixdorf Group is the capital market development. The latter is influencing the discount rate for the valuation of the defined benefit obligations as well as the interest on plan assets.

Table of Contents**Change in Defined Benefit Obligation**

	Sept. 30, 2014	Sept. 30, 2013
	k	k
Present value of defined benefit obligation as of October 1	272,422	264,735
Current service cost	7,378	7,191
Effects from settlements	-255	224
Interest cost	8,881	9,059
Effect of changes in demographic assumptions	-404	0
Effect of changes in financial assumptions	30,190	6,228
Effect of experience adjustments	-522	-1,805
Pension payments	-8,897	-7,567
Settlement payments from plan	-1,438	0
Member contributions	1,765	1,229
Taxes and insurance premiums	-67	0
Divestitures/transfers	-2,467	-5,657
Exchange rate differences	1,671	-1,215
Present value of defined benefit obligation as of September 30	308,257	272,422

Change in Plan Assets

	Sept. 30, 2014	Sept. 30, 2013
	k	k
Fair value of plan assets as of October 1	207,751	203,466
Interest income	6,847	11,162
Return on plan assets (excluding interest income)	4,239	-1,770
Member contributions	761	750
Employer contributions	1,588	1,712
Transfer to pension trust	15,000	0
Pension payments	-2,081	-886
Settlement payments from plan	-1,438	0
Taxes and insurance premiums	-67	0
Divestitures/transfers	-2,602	-5,657
Exchange rate differences	1,563	-1,026
Fair value of plan assets as of September 30	231,561	207,751

For fiscal 2014/2015, employer contributions to plan assets in the amount of 1,530k are expected.

Plan assets were invested in the following assets:

	2014	2013
Equity instruments	2.9%	3.0%
Debt instruments	11.4%	9.0%
Investment funds	39.7%	41.3%
Assets held by insurance company	10.1%	9.8%
Real estate	6.3%	6.8%
Short-term financial investments	29.6%	30.1%

Plan assets do not contain any own financial instruments. The real estate is primarily not used by the Group. Shares, debt instruments and investment funds have a quoted market price in an active market, whereas real estate and insurance contracts have not.

Table of Contents**Effect of the Asset Ceiling**

	Sept. 30, 2014	Sept. 30, 2013	Sept. 30, 2012
	k	k	k
Effect of the asset ceiling as of October 1	93	110	0
Interest expense	5	0	0
Changes in asset ceiling (excluding interest expense)	-105	-12	110
Exchange rate differences	7	-5	0
Effect of the asset ceiling as of September 30	0	93	110

The effect of the asset ceiling results from the defined benefit plan in the United Kingdom.

Net Defined Benefit Liability Reconciliation

	Sept. 30, 2014	Sept. 30, 2013
	k	k
Net defined benefit liability as of October 1	65,335	62,025
Pension expenses	8,591	5,237
Actuarial gains/losses	25,025	6,193
Changes in asset ceiling (excluding interest expense)	-105	-12
Pension payments	-6,816	-6,681
Member contributions	1,004	479
Employer contributions	-1,588	-1,712
Transfer to pension trust	-15,000	0
Divestitures/transfers	135	0
Exchange rate differences	115	-194
Net defined benefit liability as of September 30	76,696	65,335

Actuarial Assumptions

With regard to the Group entities, the discount rate (weighted average) represents the significant actuarial assumption for the valuation of defined benefit obligations:

	Sept. 30, 2014	Sept. 30, 2013	Sept. 30, 2012
Discount rate	2.1%	3.3%	3.5%

Depending on the defined benefit plan, income and pension trends but also employee turnover assumptions are taken into consideration for the calculation of the defined benefit obligations. In addition, life expectancy assumptions based on current mortality tables are considered. For Germany, the 2005G Heubeck Tables and for Switzerland, BVG 2010 Generational tables have been used.

Sensitivity Analysis

For Wincor Nixdorf Group, the sensitivity of the discount rate as the significant actuarial assumption has been identified on the lines of the determination of the present value of the defined benefit obligations. An increase or decrease in the assumed interest rate by 0.25 percentage points would have the following impact on the present value of the defined benefit obligations as of September 30, 2014:

	Increase	Decrease	m
Change in discount rate by 0.25 percentage points	-6	7	

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Table of Contents**Pension Expenses**

	2014	2013	2012
	k	k	k
Current service cost	7,378	7,191	6,523
Past service cost	-571	0	0
Effects from settlements	-255	149	-188
Net Interest	2,039	-2,103	108
Pension expenses	8,591	5,237	6,443

Defined Contribution Plans

Under defined contribution plans, an entity pays fixed contributions and does not assume any other obligations. The personnel expenses of the fiscal year include expenses for defined contribution plans in the amount of 26,769k (2012/2013: 26,377k and 2011/2012: 28,704k).

(19) Other Accruals

	Oct. 1, 2013	Currency variances/ transfers	Draw- downs	Releases	Additions	Accumulation	Sept. 30, 2014
	k	k	k	k	k	k	k
Non-current other accruals							
Personnel expenses	16,587	-29	-4,615	-1	3,095	449	15,486
Environmental protection obligations	9,665	-914	-292	-922	1,182	306	9,025
Warranties	569	0	0	-120	1,407	71	1,927
Other miscellaneous accruals	166	14	0	0	0	1	181
Total non-current other accruals	26,987	-929	-4,907	-1,043	5,684	827	26,619
Current other accruals							
Current accruals associated with sales and procurement markets							
<i>Warranties</i>	41,720	1	-24,743	-4,773	31,393	0	43,598
<i>Onerous contracts</i>	4,417	13	-1,876	-1,596	2,533	0	3,491
<i>Delay and contract penalties</i>	10,636	14	-1,161	-4,502	2,273	0	7,260
<i>Miscellaneous</i>	17,985	246	-6,290	-1,223	8,522	0	19,240
	74,758	274	-34,070	-12,094	44,721	0	73,589

**Total current accruals
associated with sales and
procurement markets**

Accruals for personnel expenses	55,767	608	-35,641	-2,747	36,115	0	54,102
Accruals for other taxes	39	1	-5	-15	317	0	337
Other miscellaneous accruals	13,785	1,114	-8,278	-1,876	9,123	46	13,914
Total current other accruals	144,349	1,997	-77,994	-16,732	90,276	46	141,942
Total other accruals	171,336	1,068	-82,901	-17,775	95,960	873	168,561

The accruals for personnel expenses have been created essentially for pre-retirement part-time working arrangements, vacation and flextime not taken, service anniversary awards, as well as severance payments. As a means of entering into early retirement, several domestic legal entities offer a company-subsidized pre-retirement part-time working scheme using the block model. The term of the scheme is between two and six years, and entry to the scheme is permitted no earlier than the employee's 55th birthday. Essentially, during the working phase, the employee performs full duties on half pay. During the release phase, the employee no longer works,

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but receives the remaining 50% of his or her remuneration. The employer subsidy takes the form of topping up of remuneration and contributions to social pension insurance. The insolvency protection has been handled by a guarantee agreement closed with a bank.

Accruals for environmental protection obligations are recognized according to statutory regulations for the waste disposal of products put into circulation.

Warranty accruals are created in respect of product warranty obligations, which are prescribed by statute or contractually agreed, or which have arisen *de facto*.

Other miscellaneous accruals contain obligations associated with pending legal proceedings and accruals for costs associated with year-end closing.

(20) Liabilities

		up to 1 year k	Residual between 1 and 5 years term k	more than 5 years k
Financial liabilities	FY 2014	83,460	80,679	5,000
	FY 2013	(76,239)	(90,562)	(0)
Advances received	FY 2014	25,489	0	0
	FY 2013	(25,279)	(0)	(0)
Trade payables	FY 2014	343,785	27	0
	FY 2013	(298,544)	(59)	(0)
Liabilities to related companies	FY 2014	2,521	0	0
	FY 2013	(1,872)	(0)	(0)
Current income tax liabilities	FY 2014	47,860	0	0
	FY 2013	(44,479)	(0)	(0)
Other liabilities	FY 2014	232,921	9,511	7,528
	FY 2013	(204,685)	(10,277)	(4,947)
		736,036	90,217	12,528
		(651,098)	(100,898)	(4,947)

Last years equivalent figures are shown in parentheses.

Financial Liabilities

Financial liabilities consist of bank liabilities and liabilities from finance leases. The bank liabilities are shown at amortized costs. These are generally reflecting fair values.

On December 13, 2011, the joint borrowers Wincor Nixdorf AG and WINCOR NIXDORF International GmbH concluded a revolving credit facility of 400,000k. The facility has a term of five years, including two options for extension, each covering a period of one year, and can be drawn in euros or U.S. dollars. The one-year extension option has been drawn in fiscal 2012/2013 as well as in fiscal 2013/2014. Hence, the credit facility persists until December 12, 2018. In addition, the revolving credit facility has been reduced by 100,000k to a total of 300,000k. As of the balance sheet date, no loans were drawn under the revolving credit facility.

Furthermore, on December 18, 2013, Wincor Nixdorf AG and WINCOR NIXDORF International GmbH concluded an additional loan agreement of 100,000k with the European Investment Bank.

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Bank liabilities as of the balance sheet date came to a total of 167,967k (2012/2013: 165,551k), of which 100,000k derive from the European Investment Bank. A previous year's amount of 90,000k originated from the revolving credit facility and was repaid in full in December 2013.

Liabilities from finance leases amount to 1,172k (2012/2013: 1,250k) as of the balance sheet date. The referring assets are disclosed in property, plant and equipment as other fixed assets and office equipment amounting to 1,067k (2012/2013: 1,142k) and trade receivables amounting to 0k (2012/2013: 149k).

Residual Terms of Present Value of Minimum Lease Payments

	Sept. 30, 2014	Sept. 30, 2013
	k	k
Residual term up to 1 year	492	688
Residual term between 1 and 5 years	680	562
	1,172	1,250

Residual Terms of Future Total Minimum Lease Payments.

	Sept. 30, 2014	Sept. 30, 2013
	k	k
Residual term up to 1 year	620	813
Residual term between 1 and 5 years	784	649
Interest	-232	-212
Present value of minimum lease payments	1,172	1,250

Other Liabilities

		Residual up to term 1 year k	Residual between 1 and 5 years k	Residual more than 5 years k
Deferred income	FY 2014	96,412	9,367	0
	FY 2013	(83,165)	(9,524)	(0)
Other tax liabilities	FY 2014	36,818	0	0
	FY 2013	(26,189)	(0)	(0)
Social security liabilities	FY 2014	8,702	0	0
	FY 2013	(8,675)	(23)	(0)

Other non-financial liabilities	FY 2014	141,932	9,367	0
	FY 2013	(118,029)	(9,547)	(0)
Liabilities to employees	FY 2014	58,740	0	0
	FY 2013	(57,768)	(0)	(0)
Interest rate derivatives	FY 2014	0	0	7,528
	FY 2013	(0)	(0)	(4,947)
Forward currency transactions	FY 2014	10,486	0	0
	FY 2013	(1,439)	(0)	(0)
Others	FY 2014	21,763	144	0
	FY 2013	(27,449)	(730)	(0)
Other financial liabilities	FY 2014	90,989	144	7,528
	FY 2013	(86,656)	(730)	(4,947)
		232,921	9,511	7,528
		(204,685)	(10,277)	(4,947)

Further explanatory notes on the other financial liabilities are to be found in Note 21.

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OTHER INFORMATION

(21) Financial Instruments

Financial instruments are contractual obligations to receive or deliver cash and cash equivalents. In accordance with IAS 32 and IAS 39, these include both primary and derivative financial instruments. Primary financial instruments include, in particular, cash and cash equivalents, trade receivables and payables, credits, and loans. Derivative financial instruments primarily include forward currency transactions and interest rate hedging instruments.

The following tables show the carrying amounts and fair values of financial assets and liabilities by category of financial instruments and reconciliation to the corresponding line item in the Group balance sheet. Finance lease receivables and liabilities, and derivatives that qualify for hedge accounting are also included although they are not part of any IAS 39 measurement category. Since the line items *Other Receivables* and *Other Liabilities* contain both financial instruments and non-financial assets and liabilities (in particular, advance payments for services to be received/made in the future and other tax receivables/payables), the reconciliation is shown in the column headed thereof outside IFRS 7.

Table of Contents**Carrying Amounts, Amounts Recognized, and Fair Values by Measurement Category as of September 30, 2014.**

	Category in accordance with IAS 39 k	Carrying amount k	Thereof outside IFRS 7 k	Amortized costs k	Thereof amounts recognized in balance sheet according to IAS 39 Fair value recognized in equity profit or loss k	Thereof Fair value recognized according to IAS 17 k	Fair value of financial instruments under IFRS 7 k	
Assets								
Cash and cash equivalents	LaR	43,584	0	43,584	0	0	0	43,584
Trade receivables	LaR / n/a	525,378	0	513,104	0	0	12,274	525,378
<i>thereof: receivables from finance leases</i>	<i>n/a</i>	<i>12,274</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>12,274</i>	<i>12,274</i>
Receivables from related companies	LaR	3,305	0	3,305		0	0	3,305
Other receivables	LaR / n/a /							
	HfT	65,581	52,346	11,695	0	1,540	0	13,235
<i>thereof: derivatives with a hedging relationship</i>	<i>n/a</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>thereof: derivatives without a hedging relationship</i>	<i>HfT</i>	<i>1,540</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,540</i>	<i>0</i>	<i>1,540</i>
Investments	LaR /FVO/ AfS	1,210	0	169	0	1,047	0	1,216
Liabilities								
Trade payables	FLAC	343,812	0	343,812	0	0	0	343,812
Liabilities to related companies	FLAC	2,521	0	2,521	0	0	0	2,521
Financial liabilities	FLAC / n/a	169,139	0	167,967	0	0	1,172	169,139
<i>thereof: liabilities from finance leases</i>	<i>n/a</i>	<i>1,172</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,172</i>	<i>1,172</i>
Other liabilities	FLAC / n/a / HfT	249,960	168,989	80,647	17,690	324	0	80,971
<i>thereof: other non-interest-bearing liabilities</i>	<i>FLAC</i>	<i>231,640</i>	<i>151,299</i>	<i>80,647</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>80,647</i>
<i>thereof: other interest-bearing liabilities</i>	<i>FLAC</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>thereof: derivatives with a hedging relationship</i>	<i>n/a</i>	<i>17,690</i>	<i>17,660</i>	<i>0</i>	<i>17,690</i>	<i>0</i>	<i>0</i>	<i>0</i>

<i>thereof: derivatives without a hedging relationship</i>	<i>HfT</i>	<i>324</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>324</i>	<i>0</i>	<i>324</i>
Aggregated by Category in Accordance with IAS 39								
Loans and receivables	LaR	571,805	0	571,805	0	0	0	571,805
Available-for-Sale financial assets	AfS	52	0	52	0	0	0	52
Financial assets and liabilities measured at fair value through profit or loss (Fair Value Option)	FVO	1,047	0	0	0	1,047	0	1,047
Financial assets measured at fair value through profit or loss (Held for Trading)	HfT	1,540	0	0	0	1,540	0	1,540
Financial liabilities measured at fair value through profit or loss (Held for Trading)	HfT	324	0	0	0	324	0	324
Financial liabilities measured at amortized costs	FLAC	594,947	0	594,947	0	0	0	594,947

LaR: Loans and Receivables

FVO: Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (Fair Value Option)

HfT: Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (Held for Trading)

AfS: Available-for-Sale Financial Assets (At Cost)

FLAC: Financial Liabilities at Amortized Cost

Table of Contents**Carrying Amounts, Amounts Recognized, and Fair Values by Measurement Category as of September 30, 2013.**

	Category in accordance with IAS 39 k	Carrying amount k	Thereof outside IFRS 7 k	Thereof amounts recognized in balance sheet according to IAS 39			Thereof amounts recognized to IAS 17 k	Fair value of financial instruments under IFRS 7 k
				Amortized costs k	Fair value recognized in equity k	Fair value recognized in profit or loss k		
Assets								
Cash and cash equivalents	LaR	43,174	0	43,174	0	0	0	43,174
Trade receivables	LaR / n/a	439,988	0	431,597	0	0	8,391	439,988
<i>thereof: receivables from finance leases</i>	n/a	8,391	0	0	0	0	8,391	8,391
Receivables from related companies	LaR	1,123	0	1,123	0	0	0	1,123
Other receivables	LaR / n/a / HfT	52,633	42,721	9,135	2,585	777	0	9,912
<i>thereof: derivatives with a hedging relationship</i>	n/a	2,585	2,585	0	2,585	0	0	0
<i>thereof: derivatives without a hedging relationship</i>	HfT	777	0	0	0	777	0	777
Investments	LaR /FVO/ AfS	1,398	0	337	0	1,061	0	1,398
Liabilities								
Trade payables	FLAC	298,603	0	298,603	0	0	0	298,603
Liabilities to related companies	FLAC	1,872	0	1,872	0	0	0	298,603
Financial liabilities	FLAC / n/a	166,801	0	165,551	0	0	1,250	1,872
<i>thereof: liabilities from finance leases</i>	n/a	1,250	0	0	0	0	1,250	166,801
Other liabilities	FLAC / n/a / HfT	219,909	133,324	85,947	5,748	638	0	1,250
<i>thereof: other non-interest-bearing liabilities</i>	FLAC	212,735	127,576	85,159	0	0	0	85,159
<i>thereof: other interest-bearing liabilities</i>	FLAC	788	0	788	0	0	0	788
<i>thereof: derivatives with a hedging relationship</i>	n/a	5,748	5,748	0	5,748	0	0	0
<i>thereof: derivatives without a hedging relationship</i>	HfT	638	0	0	0	638	0	638

**Aggregated by Category
in Accordance with IAS
39**

Loans and receivables	LaR	485,314	0	485,314	0	0	0	485,314
Available-for-Sale financial assets	AfS	52	0	52	0	0	0	52
Financial assets and liabilities measured at fair value through profit or loss (Fair Value Option)	FVO	1,061	0	0	0	1,061	0	1,061
Financial assets measured at fair value through profit or loss (Held for Trading)	HfT	777	0	0	0	777	0	777
Financial liabilities measured at fair value through profit or loss (Held for Trading)	HfT	638	0	0	0	638	0	638
Financial liabilities measured at amortized costs	FLAC	551,973	0	551,973	0	0	0	551,973

LaR: Loans and Receivables

FVO: Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (Fair Value Option)

HfT: Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (Held for Trading)

AfS: Available-for-Sale Financial Assets (At Cost)

FLAC: Financial Liabilities at Amortized Cost

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Financial instruments measured at fair value are allocated to different measurement levels in accordance with IFRS 7. This includes financial instruments that are

1. measured at their fair values in an active market for identical financial instruments (level 1),
2. measured at their fair values in an active market for comparable financial instruments or using measurement models whose main input factors are based on observable market data (level 2), or
3. using input factors not based on observable market data (level 3).

The following table shows the amounts allocated to each measurement level at September 30, 2014:

Allocation Fair Value Hierarchy

	Fair Value	Level 1	Level 2	Level 3
	k	k	k	k
Financial assets at fair value not effecting net income				
Derivatives being part of a hedge	0	0	0	0
	(2,585)	(0)	(2,585)	(0)
	(2,034)	(0)	(2,034)	(0)
Financial assets at fair value affecting net income				
Designated as such upon initial recognition	1,047	0	0	1,047
	(1,061)	(0)	(0)	(1,061)
	(1,061)	(0)	(0)	(1,061)
Derivatives not being part of a hedge	1,540	0	1,540	0
	(777)	(0)	(777)	(0)
	(237)	(0)	(237)	(0)
Financial liabilities at fair value not effecting net income				
Derivatives being part of a hedge	17,690	0	17,690	0
	(5,748)	(0)	(5,748)	(0)
	(9,196)	(0)	(9,196)	(0)
Financial liabilities at fair value affecting net income				
Derivatives not being part of a hedge	324	0	324	0
	(638)	(0)	(638)	(0)
	(311)	(0)	(311)	(0)

Last years figures are shown in parentheses.

The fair values of forward currency transactions have been obtained by traded forward rates. The determination of the fair values of the swaps at the balance sheet date was based upon corresponding quotations obtained from banks using internal mark-to-market models.

The amount that is shown under level 3 concerns the 6% interest in WINCOR NIXDORF Immobilien GmbH & Co. KG. The net result of the company will be allocated on a pro-rata basis; therefore the presented fair value will be converted accordingly. The carrying amount changed as follows:

Due to minor changes in the value of the 6% interest the sensitivity analysis of valuation-relevant parameters does not result in significant and decision-useful information.

	Fair value			Fair value			Fair value
	Oct. 1,	Gains	Losses	Oct. 1,	Gains	Losses	Sept. 30,
	2012	k	k	2013	k	k	2014
	k	k	k	k	k	k	k
Designated as such upon initial recognition	1,061	0	0	1,061	0	-14	1,047

Due to the short-term maturities of cash and cash equivalents, trade receivables and payables, as well as other current receivables and payables, their fair values approximate their carrying amount. The fair values of non-current financial assets and liabilities are estimated by discounting expected future cash flows using current

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interest rates for debt of similar terms and remaining maturities. Cash and cash equivalents, receivables from related parties, other receivables, and investments are not past due and not impaired.

The net gains and losses from financial instruments by IAS 39 category are shown in the following table:

Net Gain/Loss by Category

	2014	2013	2012
	k	k	k
Loans and receivables	-6,315	-8,733	-4,287
Financial assets measured at fair value through profit or loss (fair value option)	-14	0	1
Financial assets and liabilities measured at fair value through profit or loss (held for trading)	2,080	710	-65
Financial liabilities measured at amortized cost	-6,324	-1,983	-7,175
	-10,573	-10,006	-11,526

Net result under Loans and receivables mainly comprises interests on financial receivables, impairment allowances on trade receivables, as well as gains and losses on foreign currency receivables.

The category Financial assets measured as at fair value through profit or loss (fair value option) includes the changes of the fair value of the interest in WINCOR NIXDORF Immobilien GmbH & Co. KG.

Gains and losses arising from changes in fair value of interest rate derivatives that do not comply with the hedge accounting requirements under IAS 39 are included in the Financial assets and liabilities measured as at fair value through profit or loss (held for trading) category.

The net result of the category Financial liabilities measured at amortized cost mainly comprise interest expenses on financial liabilities as well as gains and losses on foreign currency liabilities.

Gains and losses arising from finance lease and from derivatives that qualify for hedge accounting are not included in the net result, as they are not part of any IAS 39 measurement category.

Total interest income and total interest expense for financial assets or financial liabilities that are not measured at fair value through profit or loss are structured as follows:

Net Interest Result from Financial Instruments.

	2014	2013	2012
	k	k	k
Total interest income	276	376	632

Total interest expenses	-4,946	-5,183	-8,204
	-4,670	-4,807	-7,572

Risks Arising from Financial Instruments

Typical risks arising from financial instruments include credit risk, liquidity risk, and market risks. The risk management system of the Group including its goals, methods, and processes is presented in the Risk Report of the Group Management Report. Based on the information presented below, we have identified no explicit concentrations of risk attributable to financial risks.

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Table of Contents**Credit Risks**

Wincor Nixdorf attempts to reduce the credit risks by using trading information, credit limits, and debtor management, including a payment reminders system and proactive debt collection. In view of the fact that no single customer accounted for more than 10% of net sales in the fiscal years 2013/2014, 2012/2013 and 2011/2012, there is no concentration of risk with regard to credit risks. We operate with letters of credit to safeguard receivables from customers in countries with a credit risk, such as Argentina, Nigeria, Pakistan and Venezuela. The maximum default risk is represented by the carrying amounts of the financial assets recognized in the Group balance sheet.

In the case of derivative financial instruments, the Group is exposed to credit risks arising from the non-performance of contractual obligations by the contracting parties. These risks are minimized by only entering into agreements with contracting parties who have a good credit standing. The entire portfolio of derivative financial instruments is spread across several banks to reduce the risk of default. The default risk of derivatives equals their positive fair values. At the balance sheet date, there is no credit risk of a single contracting partner (2012/2013: 744k and 2011/2012: 360k).

Overall, at the balance sheet date, there are no financial assets in derivatives, which are under consideration of existing financial liabilities from derivatives subject to netting, collateral or similar agreements.

Liquidity Risks

From an operating point of view, the management of the Group's liquidity exposures is centralized by a cash pooling process. This process enables the Group to manage the liquidity surplus and liquidity requirements according to the actual needs of the Group and each subsidiary. The Group's short-term and midterm liquidity management takes into account the maturities of financial assets and financial liabilities, as well as estimates of cash flows from the operating activities. Liquidity needs are covered with cash and cash equivalents totaling 43,584k (2012/2013: 43,174k). Above and beyond this, Wincor Nixdorf had unused credit lines amounting to 485,919k (2012/2013: 441,679k), of which 300,000k (2012/2013: 310,000k) derive from the revolving credit facility, at the balance sheet date. Accordingly, liquidity risk can be classified as very low in total.

The financial liabilities are expected to result in the following (undiscounted) payments in the next years:

	Gross value Sept 30, 2014 k	Cash flows 2014/2015 k	Cash flows 2015/2016- 2018/2019 k	Cash flows from 2019/2020 k
Trade payables	343,812	343,685	127	0
Liabilities to related companies	2,521	2,521	0	0
Financial liabilities	172,656	84,927	82,716	5,013
<i>thereof: liabilities from finance leases</i>	<i>1,404</i>	<i>620</i>	<i>784</i>	<i>0</i>
Other liabilities	100,134	92,579	5,168	2,387
<i>thereof: other non-interest bearing liabilities</i>	<i>80,643</i>	<i>80,643</i>	<i>0</i>	<i>0</i>
<i>thereof: derivatives with a hedging relationship</i>	<i>19,167</i>	<i>11,612</i>	<i>5,168</i>	<i>2,387</i>
<i>thereof: derivatives without a hedging relationship</i>	<i>324</i>	<i>324</i>	<i>0</i>	<i>0</i>
Total	619,123	523,712	88,011	7,400

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	Gross value Sept 30, 2013 k	Cash flows 2013/2014 k	Cash flows 2014/2015- 2017/2018 k	Cash flows from 2018/2019 k
Trade consummation of the exchange offerpayables	298,603	297,691	877	35
Liabilities to related companies	1,872	1,872	0	0
Financial liabilities	175,629	78,732	96,897	0
<i>thereof: liabilities from finance leases</i>	<i>1,462</i>	<i>812</i>	<i>650</i>	<i>0</i>
Other liabilities	93,885	88,114	3,932	1,839
<i>thereof: other non-interest bearing liabilities</i>	<i>85,158</i>	<i>85,158</i>	<i>0</i>	<i>0</i>
<i>thereof: other interest-bearing liabilities</i>	<i>805</i>	<i>205</i>	<i>600</i>	<i>0</i>
<i>thereof: derivatives with a hedging relationship</i>	<i>7,284</i>	<i>2,113</i>	<i>3,332</i>	<i>1,839</i>
<i>thereof: derivatives without a hedging relationship</i>	<i>638</i>	<i>638</i>	<i>0</i>	<i>0</i>
Total	569,989	466,409	101,706	1,874

	Gross value Sept 30, 2012 k	Cash flows 2012/2013 k	Cash flows 2013/2014- 2016/2017 k	Cash flows from 2017/2018 k
Trade payables	302,218	302,123	95	0
Liabilities to related companies	5,544	5,544	0	0
Financial liabilities	249,445	109,202	140,243	0
<i>thereof: liabilities from finance leases</i>	<i>2,260</i>	<i>1,092</i>	<i>1,168</i>	<i>0</i>
Other liabilities	90,362	83,654	4,265	2,443
<i>thereof: other non-interest bearing liabilities</i>	<i>79,241</i>	<i>79,067</i>	<i>174</i>	<i>0</i>
<i>thereof: other interest-bearing liabilities</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>thereof: derivatives with a hedging relationship</i>	<i>10,810</i>	<i>4,276</i>	<i>4,091</i>	<i>2,443</i>
<i>thereof: derivatives without a hedging relationship</i>	<i>311</i>	<i>311</i>	<i>0</i>	<i>0</i>
Total	647,569	500,523	144,603	2,443

Market Risks

Market risk is the risk that fair values or future cash flows of non-derivative or derivative financial instruments will fluctuate due to changes in risk factors. Currency and interest rate risks are the significant market risks the Group is exposed to. Associated with these risks are fluctuations in income, equity, and cash flow.

The following analysis and amounts determined by means of a sensitivity analysis represent hypothetical, future-oriented data that can differ from actual outcomes because of unforeseeable developments in financial markets. Moreover, non-financial or non-quantifiable risks, such as business risks, are not considered here.

Currency Risks

At Wincor Nixdorf, both sales and purchases are also transacted in foreign currency. WINCOR NIXDORF International GmbH is the Group's currency management center. The entire currency risks are identified, quantified,

and controlled. Furthermore, it provides foreign currencies if necessary. Currency risks arise from sales and purchases in various foreign currencies. At Wincor Nixdorf, these are mainly U.S. dollar and pounds sterling. The risk is considerably reduced by natural hedging, i.e., management of sales and purchases by choice of location and suppliers.

The nominal sum of the forward currency transactions for the foreign currencies U.S. dollar and pounds sterling amounts to 152,690k (2012/2013: 149,633k and 2011/2012: 143,231k). The risk is hedged for a period of twelve months in advance by monthly due-forward currency transactions with banks. Since the hedge is classified as highly effective, a cash flow hedge is accounted for according to IAS 39 Financial Instruments: Recognition and Measurement. The corresponding fair values, which are determined by market prices, amount

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to - 10,162k (2012/2013: 2,585k and - 823k and 2011/2012: 1,066k and - 2,755k, respectively) at the balance sheet date, and have been recorded without any impact on profit and loss within equity, having taken into account deferred taxes. The fair values are presented under other liabilities. The fair values of forward currency transactions have been obtained by traded forward rates. The forward currency transactions will affect profit and loss at maturity date. In the course of the period under review, an amount equivalent to 1,762k (2012/2013: 1,689k and 2011/2012: 1,356k) of forward currency transactions existing at the end of the previous fiscal year was recognized in profit or loss under cost of sales from the termination at maturity.

The remaining net currency risk not hedged by forward currency transactions amounts to approximately 35 million U.S. dollars (2012/2013: approximately 34 million U.S. dollars and 2011/2012: approximately 31 million U.S. dollars) as well as approximately 11 million pounds sterling (2012/2013: approximately 9 million pounds sterling; and 2011/2012: approximately 10 million pounds sterling) and may be, overall, regarded as minor. The flows of foreign currency are recorded centrally for the entire Group and, where feasible, equalized out. No foreign currency options were transacted during the fiscal year and the previous year.

If the euro had been revalued and devalued respectively by 10% against the U.S. dollar as of September 30, 2014, the other components of equity (before deferred taxes) and the fair value of forward currency transactions would have been 10,052k higher, and 12,333k lower, respectively (2012/2013: 9,075k higher, and 11,091k lower, respectively and 2011/2012: 8,614k higher, and 10,524k lower, respectively). If the euro had been revalued and devalued respectively by 10% against pounds sterling as of September 30, 2014, the other components of equity (before deferred taxes) and the fair value of forward currency transactions would have been 4,962k higher, and 6,074 lower, respectively (2012/2013: 4,353k higher, and 5,318k lower, respectively and 2011/2012: 4,533k higher, and 5,538k lower, respectively).

Interest Rate Risks

In order to reduce the risk of interest rate changes, Wincor Nixdorf entered into interest rate hedges.

As of May 28, 2010, an interest swap for a nominal sum of 50,000k, with a ten-year term from October 1, 2010 until September 30, 2020, has been concluded. For this interest swap, the three-month EURIBOR is received and a fixed interest of 2.974% is paid. The fair value, which is measured at market prices, is - 7,528k (2012/2013: - 4,951k and 2011/2012: - 6,273k) and because this swap was accounted for as a cash flow hedge - has been directly recognized in the other components of equity, having taken into account deferred taxes. The remaining net interest risk not hedged amounts to approximately 50 million and may be, overall, regarded as minor due to the current interest environment. In fiscal 2013/2014 1,356k (2012/2013: 1,363k and 2011/2012: 2,145k) have been reclassified from equity to profit or loss.

No further interest rate swaps have been concluded in the year under review.

An increase/decrease of 100 basis points of the interest rates on balance sheet date would result in the following changes: the other components of equity (before deferred taxes) would have been increased by 3,158k and decreased by 3,138k, respectively (2012/2013: increased by 3,577k and decreased by 3,617k, respectively and 2011/2012: increased by 3,931k and decreased by 4,290k, respectively).

(22) Cost of Materials

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	2014	2013	2012
	k	k	k
Cost of raw materials, supplies, and bought-in goods	820,363	833,565	802,530
Cost of bought-in services	606,566	573,104	552,632
	1,426,929	1,406,669	1,355,162

The net change in finished and unfinished goods and services amounts to 10,932k (2012/2013: - 14,050k and 2011/2012: 14,296k) in the year under review.

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Table of Contents**(23) Personnel Expenses and Employees.**

	2014	2013	2012
	k	k	k
Wages and salaries	546,034	542,635	519,710
Social security contributions and welfare expenses	86,486	82,589	81,128
Retirement benefit expenses	16,155	16,135	14,804
	648,675	641,359	615,642

The average number of employees during the year was 9,016 (2013: 8,931 and 2012: 9,244), excluding apprentices. Headcount breakdown by function was as follows:

	2014	2013	2012
Production	1,276	1,408	1,640
Sales/Services	6,706	6,513	6,513
Research and development	754	737	781
Administration	280	273	310
	9,016	8,931	9,244

(24) Contingent Liabilities

Obligations of 41k (2012/2013: 41k and 2011/2012: 41k) arising from guarantees are existing at the balance sheet date.

(25) Other Financial Commitments

		Total	Residual term		
			up to 1 year	between 1 and 5 years	more than 5 years
Future payment commitments from:					
real estate leases	FY 2014	80,058	28,868	47,631	3,559
	FY 2013	(76,510)	(28,501)	(43,878)	(4,131)
miscellaneous tenancies and leases	FY 2014	21,545	9,301	12,244	0
	FY 2013	(15,659)	(6,990)	(8,669)	(0)
long-term purchase and service contracts	FY 2014	23,053	15,004	8,049	0
	FY 2013	(22,467)	(13,526)	(8,941)	(0)

acquisition of intangible assets and property, plant and equipment	FY 2014	3,646	3,646	0	0
	FY 2013	(6,105)	(6,105)	(0)	(0)
		128,302	56,819	67,924	3,559
		(120,741)	(55,122)	(61,488)	(4,131)

Last years equivalent figures are shown in parentheses.

The future payment commitments from real estate leases and miscellaneous tenancies and leases represent the future minimum lease payments in connection with operating leases, as per IAS 17. The agreements comprise the leasing of buildings and motor vehicles. Leasing expenses amounted to 55,397k (2012/2013: 52,078k and 2011/2012: 46,918k) in the year under review.

(26) Related Parties

Related parties according to IAS 24 Related Party Disclosures are, besides the Board of Directors, essentially the Supervisory Board, investments, and shareholders.

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The compensation of the Board of Directors is as follows:

	2014	2013	2012
	k	k	k
Short-term benefits (without share-based compensation)	3,929	3,823	1,208
Share-based compensation	1,797	2,116	1,375
Total compensation	5,726	5,939	2,583
Post-employment benefits	326	284	226
Total	6,052	6,223	2,809

The disclosure of share-based compensation refers to the fair value at the grant date. Additions to superannuation (current service costs) for current members of the Board of Directors are disclosed as post-employment benefits. With the conversion of the pension scheme from pension payments to a one-time pay-off or payments in several installments, also pension obligations of the Board of Directors were adapted. As of September 30, 2014, the entitlement to funds of the Board of Directors upon reaching the specified age limit (retirement capital) amounts to 2,405k (2012/2013: 2,023k; and 2011/2012: 1,591k).

The members of the Board of Directors own 897,671 share options from the share-based payment programs 2010 to 2014 as of September 30, 2014 (2012/2013: 774,540 share options from share-based payment programs 2010 to 2013; and 2011/2012: 453,332 share options from share-based payment programs 2010 to 2012). As of September 30, 2014, September 30, 2013 and September 30, 2012, the Supervisory Board held no share options.

In the year under review, the members of the Supervisory Board received fringe benefits amounting to 669k (2012/2013: 767k and 2011/2012: 757k). No long-term benefits are arranged with the members of the Supervisory Board. In addition to their compensation as members of the Supervisory Board, those employee representatives who are employees of the Group receive compensation unrelated to their service on the Supervisory Board. The total amount of such compensation was 563k (2012/2013: 402k and 2011/2012: 491k).

Total compensation paid to former members of the Board of Directors amounted to 119k in fiscal 2013/2014 (2012/2013: 118k and 2011/2012: 4,128k). An amount of 2,994k (2012/2013: 2,671k and 2011/2012: 2,638k) is accrued for pension obligations of former members of the Board of Directors and their bereaved.

The Group has business relations with the investment companies WINSERVICE AS and CI Tech Components AG. Transactions with these related parties result from the delivery and service relations in the ordinary course of business. The volume of business relations is presented in the following table:

Net sales			Supplies and services			Receivables		Payables	
2014	2013	2012	2014	2013	2012	Sept. 30, 2014	Sept. 30, 2013	Sept. 30, 2014	Sept. 30, 2013
k			k			k		k	
6,178	4,751	4,492	36,170	44,772	45,411	2,685	567	2,521	1,872

In addition, the results of those companies developed as follows:

Profit/loss from continuing operations			Other comprehensive income			Total comprehensive income		
2014	2013	2012	2014	2013	2012	2014	2013	2012
	k			k			k	
(2,159)	3,469	3,214	(930)	970	204	(3,106)	2,199	3,398

(27) Notes to the Group Cash Flow Statement

The Group cash flow statement has been drawn up in accordance with IAS 7 Statements of Cash Flows.

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Cash and cash equivalents include not only cash amounting to 43,584k (2012/2013: 43,174k and 2011/2012: 38,414k) but also current bank liabilities repayable at any time amounting to 67,967k (2012/2013: 75,552k and 2011/2012: 104,798k), as these could be considered in the management of cash.

The change in working capital is a result of the following changes:

	2014	2013	2012
	k	k	k
Change in inventories	(23,050)	(3,030)	(48,536)
Change in advances received	211	(1,868)	7,793
Change in trade receivables	(85,391)	(3,145)	(47,191)
Change in trade payables	45,208	(3,415)	13,764
Change in deferred income	13,090	8,292	(53)
Change in working capital	(49,932)	(3,166)	(74,223)

Based on a subtotal from net profit of operating activities, amortization and write down of receivables of in total 215,910k (2012/2013: 191,118k and 2011/2012: 173,828k) the income taxes paid of - 36,820k (2012/2013: - 15,090k and 2011/2012: - 28,796k), the change in working capital of - 49,932k (2012/2013: - 3,166k; and 2011/2012: - 74,223k) and the change in other assets and liabilities and accruals of - 23,987k (2012/2013: - 6,977k and 2011/2012: 23,271k) resulted in cash flow from operating activities of 84,405k (2012/2013: 159,793k and 2011/2012: 88,198k).

Lease payments from customers for Wincor Nixdorf products and lease payments from Wincor Nixdorf for operating lease assets are presented in cash flow from operating activities. Lease payments for assets, which classify as a finance lease and are capitalized, are recorded in cash flow from financing activities.

(28) Segment Report.

For the purposes of presenting segment information, the activities of the Group are divided into operating segments in accordance with the rules contained in IFRS 8 Operating Segments. Internal reporting within the Group is conducted on the basis of the customer profiles Banking and Retail as well as on the regional basis; the areas Banking and Retail were defined as operating segments in accordance to IFRS 8.10. As chief operating decision maker (CODM) within the meaning of IFRS 8, our Board of Directors assesses the performance of these two operating segments on the basis of corporate reporting and makes decisions about resources to be allocated. The performance of the operating segments is assessed in particular by referring to net sales to external customers as well as EBITA.

The nature of products and services in the Banking and Retail segments are shown in the chapter General Information and in the Group Management Report.

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the Group Financial Statements. There were no changes in accounting policies compared to previous periods.

EBITA is the measure of segment profit (loss) used in segment reporting and comprises gross profit, selling, general and administration expenses, research and development expenses, other operating income and expenses, and result from equity accounted investments.

In the case of information by geographical region, external sales are based on the location of the customer's registered office. In fiscal years 2013/2014, 2012/2013, and 2011/2012, no single customer accounted for more than 10% of total net sales. The information disclosed for non-current assets relates to intangible assets without goodwill as well as property, plant and equipment and reworkable service parts. The allocation is given according to the location of the assets concerned.

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	2013/2014	2012/2013	2011/2012
	k	k	k
Operating profit (EBIT)	154,962	131,531	101,100
Finance income and finance costs	-8,578	-7,190	-11,434
Profit before income taxes	146,384	124,341	89,666
Income taxes	-42,284	-36,492	-27,001
Profit for the period	104,100	87,849	62,665
Profit attributable to non-controlling interests	-3,215	-721	-64
Profit attributable to equity holders of Wincor Nixdorf AG	100,885	87,128	62,601

Reconciliation of Segment Assets and Segment Liabilities

	Sept. 30, 2014	Sept. 30, 2013
	k	k
Assets	1,539,940	1,405,954
Non-operating miscellaneous intangible assets	-335,232	-334,038
Loans	-90	-258
Investments accounted for using the equity method	-4,076	-6,360
Investments	-1,126	-1,140
Receivables from related companies	-3,305	-1,123
Non-operating miscellaneous assets and current income tax assets	-73,753	-62,575
Deferred tax assets	-43,584	-43,174
	-40,890	-31,125
Segment assets	1,037,884	926,161
Equity and Liabilities	1,539,940	1,405,954
Equity	-426,809	-382,861
Accruals for pensions and similar commitments	-78,197	-66,407
Deferred tax liabilities	-27,592	-28,407
Other accruals	-168,561	-171,336
Financial liabilities	-169,139	-166,801
Current income tax liabilities	-47,860	-44,479
Non-operating miscellaneous liabilities	-146,702	-129,092
Segments liabilities	475,080	416,571

Non-operating miscellaneous include other liabilities without deferred income.

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Wincor Nixdorf Aktiengesellschaft

Condensed Consolidated Income Statements

for the three and nine months ended June 30, 2015 and 2014

(unaudited)

	3rd quarter 2014/2015 ¹⁾	3rd quarter 2013/2014 ²⁾	9 months 2014/2015 ³⁾	9 months 2013/2014 ⁴⁾
	k	k	k	k
Net sales	560,219	572,830	1,768,072	1,802,731
Cost of sales	-460,073	-455,561	-1,421,641	-1,405,552
Gross profit	100,146	117,269	346,431	397,179
Research and development expenses	-24,990	-22,696	-69,842	-70,375
Selling, general and administration expenses	-82,081	-71,202	-235,641	-235,244
Other operating result	0	-4	0	17
Result from equity accounted investments	47	40	-1,156	51
Net profit on operating activities	-6,878	23,407	39,792	91,628
Finance income	285	240	1,074	836
Finance costs	-1,745	-2,081	-5,842	-6,879
Profit before income taxes	-8,338	21,566	35,024	85,585
Income taxes	2,393	-6,358	-10,275	-25,116
Profit for the period	-5,945	15,208	24,749	60,469
Profit attributable to non-controlling interests	268	698	1,105	2,027
Profit attributable to equity holders of Wincor Nixdorf AG	-6,213	14,510	23,644	58,442
Shares for calculation of basic earnings per share (in thousands)	29,816	29,816	29,816	29,790
Shares for calculation of diluted earnings per share (in thousands)	29,816	29,816	29,816	29,790
Basic earnings per share ()	-0.21	0.49	0.79	1.96
Diluted earnings per share ()	-0.21	0.49	0.79	1.96
Profit attributable to equity holders of Wincor Nixdorf AG	-6,213	14,510	23,644	58,442
Shares for calculation of profit attributable to equity holders of Wincor Nixdorf AG per share (managerial, in thousands)	29,816	29,816	29,816	29,790
Profit attributable to equity holders of Wincor Nixdorf AG per share (in)	-0.21	0.49	0.79	1.96

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Table of Contents**Wincor Nixdorf Aktiengesellschaft****Condensed Consolidated Statements of Comprehensive Income****for the three and nine months ended June 30, 2015 and 2014****(unaudited)**

	3rd quarter 2014/2015¹⁾	3rd quarter 2013/2014²⁾	9 months 2014/2015³⁾	9 months 2013/2014⁴⁾
	k	k	k	k
Profit for the period	-5,945	15,208	24,749	60,469
Items that are or may be reclassified subsequently to profit or loss:				
Cash flow hedges - effective portion of changes in fair value	1,767	-2,449	-11,795	-2,583
Cash flow hedges - reclassified to profit or loss	5,880	-480	11,415	-962
Exchange rate changes	-4,412	1,683	16,405	-1,373
Items that will not be reclassified to profit or loss:				
Actuarial gains and losses	6,719	0	-436	-464
Other comprehensive income (net of tax)	9,954	-1,246	15,589	-5,382
Total comprehensive income	4,009	13,962	40,338	55,087
Total comprehensive income attributable to:				
Non-controlling interests	271	682	809	2,050
Equity holders of Wincor Nixdorf AG	3,738	13,280	39,529	53,037

1) April 1, 2015 June 30, 2015.

2) April 1, 2014 June 30, 2014.

3) October 1, 2014 June 30, 2015.

4) October 1, 2013 June 30, 2014.

Table of Contents**Wincor Nixdorf Aktiengesellschaft****Condensed Consolidated Balance Sheets as of June 30, 2015 and September 30, 2014****Assets**

	June 30, 2015		September 30, 2014	
	k		k	
	(unaudited)			
Non-current assets				
Intangible assets	354,930		351,961	
Property, plant and equipment	123,937		124,933	
Investments accounted for using the equity method	2,377		4,076	
Investments	1,159		1,197	
Reworkable service parts	25,533		27,448	
Trade receivables	4,507		5,749	
Other assets	4,383		4,045	
Deferred tax assets	44,927	561,753	40,890	560,299
Current assets				
Inventories	376,178		343,396	
Trade receivables	434,431		519,629	
Receivables from related companies	6,257		3,305	
Current income tax assets	12,772		8,172	
Other assets	61,553		61,536	
Investments	15		19	
Cash and cash equivalents	46,557	937,763	43,584	979,641
Total assets		1,499,516		1,539,940

Equity and Liabilities

	June 30, 2015		September 30, 2014	
	k		k	
	(unaudited)			
Equity				
Subscribed capital of Wincor Nixdorf AG	33,085		33,085	
Retained earnings	505,969		529,407	
Treasury shares	-173,712		-173,712	
Other components of equity	49,005		34,241	
Equity attributable to equity holders of Wincor Nixdorf AG	414,347		423,021	
Non-controlling interests	3,854	418,201	3,788	426,809
Non-current liabilities				
Accruals for pensions and similar commitments	78,176		78,197	
Other accruals	23,926		26,619	
Financial liabilities	70,748		85,679	

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Trade payables	14		27	
Other liabilities	6,595		7,672	
Deferred tax liabilities	25,319	204,778	27,592	225,786
Current liabilities				
Other accruals	139,556		141,942	
Financial liabilities	105,703		83,460	
Advances received	41,952		25,489	
Trade payables	315,596		343,785	
Liabilities to related companies	1,858		2,521	
Current income tax liabilities	33,782		47,860	
Other liabilities	238,090	876,537	242,288	887,345
Total equity and liabilities		1,499,516		1,539,940

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Table of Contents**Wincor Nixdorf Aktiengesellschaft****Condensed Consolidated Statements of Cash Flows****for the nine months ended June 30, 2015 and 2014****(unaudited)**

	9 months 2014/2015¹⁾ k	9 months 2013/2014²⁾ k
Net profit on operating activities	39,792	91,628
Amortization/depreciation of property rights, licenses and property, plant and equipment	36,411	40,158
Write-down of reworkable service parts	4,055	4,732
Interest received	780	728
Interest paid	-5,044	-5,505
Income taxes paid	-31,524	-26,375
Result on disposal of intangible assets and property, plant and equipment	121	59
Change in accruals	-6,884	-11,746
Other non-cash items	18,241	1,588
Change in working capital	76,604	20,564
Change in other assets and other liabilities	-42,018	-22,346
Cash flow from operating activities	90,534	93,485
Payments received from the disposal of property, plant and equipment	594	767
Payments received from the disposal of investments and other payments received	181	7
Payments made for investment in intangible assets	-7,351	-5,428
Payments made for investment in property, plant and equipment	-28,650	-35,012
Payments made for acquisition of consolidated affiliated companies, jointly controlled entities and other business units	0	-5,000
Payments made for investments	-51	-15
Payments made for investment in reworkable service parts	-5,302	-7,425
Cash flow from investment activities	-40,579	-52,106
Payments made to equity holders	-52,178	-44,069
Payments received from financial loan draw-downs	0	100,000
Payments made for repayment of financial loans	-10,000	-90,000
Payments made to non-controlling interests	-874	-107
Other financing activities	-2,348	-2,733
Cash flow from financing activities	-65,400	-36,909
Net change in cash and cash equivalents	-15,445	4,470

Change in cash and cash equivalents from exchange rate movements	1,183	-368
Cash and cash equivalents at beginning of period ³⁾	-24,383	-32,378
Cash and cash equivalents at end of period³⁾	-38,645	-28,276

- 1) October 1, 2014 June 30, 2015.
- 2) October 1, 2013 June 30, 2014.
- 3) Include cash and cash equivalents and current bank liabilities.

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Table of Contents**Wincor Nixdorf Aktiengesellschaft****Condensed Consolidated Statements of Changes in Group Equity**

for nine months ended June 30, 2015 and 2014

(unaudited)

**Equity attributable to equity holders of Wincor Nixdorf AG
Other components of equity**

	Subscribed capital k	Retained earnings k	Treasury shares k	Add. paid- in capital k	Exchange rate changes k	Cash flow hedges k	Total k	Non- controlling interests k	Equity k
As of October 1, 2013	33,085	487,541	-175,823	49,210	-13,090	-2,230	378,693	4,168	382,861
Cash flow hedges	0	0	0	0	0	-3,545	-3,545	0	-3,545
Exchange rate changes	0	0	0	0	-1,396	0	-1,396	23	-1,373
Actuarial gains and losses	0	-464	0	0	0	0	-464	0	-464
Other comprehensive income	0	-464	0	0	-1,396	-3,545	-5,405	23	-5,382
Profit for the period	0	58,442	0	0	0	0	58,442	2,027	60,469
Total comprehensive income	0	57,978	0	0	-1,396	-3,545	53,037	2,050	55,087
Share options	0	1,931	2,111	-1,145	0	0	2,897	0	2,897
Takeover of shares and other changes	0	-2	0	0	0	0	-2	-1	-3
Distributions	0	-44,069	0	0	0	0	-44,069	-104	-44,173
Transactions with equity holders	0	-42,140	2,111	-1,145	0	0	-41,174	-105	-41,279
As of June 30, 2014	33,085	503,379	-173,712	48,065	-14,486	-5,775	390,556	6,113	396,669
	33,085	529,407	-173,712	49,186	-2,562	-12,383	423,021	3,788	426,809

As of October 1, 2014									
Cash flow hedges	0	0	0	0	0	-380	-380	0	-380
Exchange rate changes	0	0	0	0	16,703	0	16,703	-298	16,405
Actuarial gains and losses	0	-438	0	0	0	0	-438	2	-436
Other comprehensive income	0	-438	0	0	16,703	-380	15,885	-296	15,589
Profit for the period	0	23,644	0	0	0	0	23,644	1,105	24,749
Total comprehensive income	0	23,206	0	0	16,703	-380	39,529	809	40,338
Share options	0	5,540	0	-1,559	0	0	3,981	0	3,981
Takeover of shares and other changes	0	-6	0	0	0	0	-6	-17	-23
Distributions	0	-52,178	0	0	0	0	-52,178	-726	-52,904
Transactions with equity holders	0	-46,644	0	-1,559	0	0	-48,203	-743	-48,946
As of June 30, 2015	33,085	505,969	-173,712	47,627	14,141	-12,763	414,347	3,854	418,201

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Principles of Consolidation, Accounting and Valuation.

The condensed Group interim financial statements of Wincor Nixdorf Aktiengesellschaft (in the following Wincor Nixdorf Group) have been prepared in accordance with IAS 34 Interim Financial Reporting . They do not include all the information required for a complete set of financial statements prepared in accordance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). However, selected explanatory notes are included to explain events and transactions that are significant to understand changes in the Group s financial position and performance since the last annual reporting period of the Group ended September 30, 2014.

On July 23rd, 2015, the Board of Directors of Wincor Nixdorf AG authorized these Group interim financial statements for issue.

In compiling the Group financial statements, assumptions have been made and estimates used, which have affected the value and reporting of capitalized assets and liabilities, of income and expenses, and of contingent liabilities.

The significant assumptions made by management in applying the Group s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group financial statements as of September 30, 2014.

Also the consolidation, accounting and valuation principles applied to the condensed Group interim financial statements are generally based on the same consolidation, accounting and valuation principles used in the Group financial statements for fiscal 2013/2014. The applied principles of accounting and valuation are described in detail in the Notes to the Group financial statements as of September 30, 2014.

From fiscal 2014/2015 the following standards and amendments are applicable for the first time:

Amendments to IAS 32 Financial Instruments: Presentation (to be applied for periods beginning on or after January 1, 2014)

Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets (to be applied for periods beginning on or after January 1, 2014)

Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting (to be applied for periods beginning on or after January 1, 2014)

IFRIC 21 Levies (to be applied for periods beginning on or after July 1, 2014)

Amendments to IAS 19: Defined Benefit Plans: Employee Contributions (to be applied for periods beginning on or after February 1, 2015)

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Annual Improvements to IFRSs 2010-2012 Cycle (to be applied for periods beginning on or after February 1, 2015)

Annual Improvements to IFRSs 2011-2013 Cycle (to be applied for periods beginning on or after January 1, 2015)

The first-time application of standards and amendments had no material effect on the condensed Group interim financial statements of Wincor Nixdorf AG as of June 30, 2015.

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Table of Contents**Consolidation Group.**

The Group financial statements as of June 30, 2015, basically include those companies controlled by Wincor Nixdorf AG. Control exists if Wincor Nixdorf AG is exposed, or has rights, to variable returns of companies and has the ability to affect those returns through its power. Inclusion of such companies in the Group financial statements begins from the date Wincor Nixdorf AG obtains control. It ceases, when Wincor Nixdorf AG loses control of the company.

Group Equity.

The Group equity and individual elements thereof are shown in detail in the Changes in Group Equity table.

Treasury Shares.

As of June 30, 2015, the total number of treasury shares held by the Company was 3,268,777. This equals 9.88% of the subscribed capital. The acquisition costs, including ancillary costs of acquisition to the amount of 111k, amounting to 173,712k were deducted in full from equity.

Share-based Payment Program.

The 4-years-vesting period for the 2011 share-based payment program expired on March 25, 2015. The share options allocated within the scope of this share-based payment program expired during the reporting period, without replacement or compensation, as the average price of Wincor Nixdorf shares remained below the exercise price of the 2011 share-based payment program during the exercise period.

As of March 25, 2015, Wincor Nixdorf granted 717,048 share options for an exercise price of 49.20 under another share-based payment program to its managers (share-based payment program 2015). The vesting period of the share options is four years. Each share option entitles the bearer to purchase one share in the Company at the exercise price (strike price). There is no limit to the profit which can accrue upon purchase. In each case, the exercise price is equivalent to 112% of the average exchange price on the 30 stock exchange trading days that immediately preceded the issue of stock options on March 25, 2015 (43.93); it takes account of distributions made during the life of the options, such as dividend payments and any drawing rights or other special rights. The target criteria have not been changed during the life of the program. In order to sign up to acquire, and later exercise, share options employees must make a separate private investment in Company shares at a ratio of 1:10 (shares : share options), and such shares must be held by them until at least the end of the exercise period. The options can be exercised within a period of ten stock exchange trading days in Xetra on the Frankfurt Stock Exchange commencing on the first stock exchange trading day following expiration of the holding period of four years (exercise period). The vesting conditions also stipulate that the declaration of exercise may or must be issued during the specified vesting period of four years, within the last ten stock exchange trading days in Xetra on the Frankfurt Stock Exchange, effective from the end of the last day of the vesting period or a later date. The Company is entitled to settle the options either in shares or cash. Basically, the holder of the option has to remain in the Company's employ until the end of the vesting period.

The fair value of the option of 7.99 has been calculated by the application of the Black-Scholes-Merton formula by an external expert. The following inputs have been used:

Exercise price of the option at grant date	49.20
Expected volatility	26.64%

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Option life	4 years
Expected dividend	5.93
Risk-free interest rate	0.010%
Fluctuation rate	2.8%

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Expected volatility is the average of the historic volatilities of EUREX options on the Wincor Nixdorf share for 3-month and 12-month period.

The changes in the composition of share options are as follows:

	9 months 2014/2015		9 months 2013/2014	
	Number	Average exercise price	Number	Average exercise price
As of October 1	2,524,329	53.83	2,422,298	51.49
Granted during the period	717,048	49.20	678,361	62.94
Exercised during the period	0		449,560	56.38
Expired during the period	623,367	64.02	109,770	48.66
As of June 30	2,618,010	50.14	2,541,329	53.80
Exercisable as of June 30	0		0	

The share-based payment programs are described in detail in the Notes to the Group financial statements for fiscal 2013/2014.

Dividend Distribution.

On January 19, 2015, the Annual General Meeting of Shareholders of Wincor Nixdorf AG passed a resolution in favor of the proposed dividend payment of 1.75 per share for fiscal 2013/2014. The total dividend payment amounted to 52,178,369.25.

Other Information.**Restructuring Program Initiated.**

On April 10, 2015, Wincor Nixdorf AG announced that its original growth targets for fiscal 2014/2015 would not be met. Owing to the deterioration in business conditions, the Company instead anticipates at present that net sales generated in the current fiscal year as a whole will be down by 3-5% on the prior-year figure, with operating profit (before restructuring expenses) expected to total 100 million.

The restructuring program already initiated by the Company is expected to produce expenses of 80 million in the fiscal year 2014/2015. Of this figure, a total of 35 million has already been accounted for in the Company's current operating profit. Overall, 26 million of this expense item will be attributable to the Banking segment and 9 million to the Retail segment.

The aim of restructuring is to accelerate the transition to a software and IT services company.

Financial Instruments

Financial instruments are contractual obligations to receive or deliver cash and cash equivalents. In accordance with IAS 32 and IAS 39, these include both primary and derivative financial instruments. Primary financial instruments include, in particular, cash and cash equivalents, trade receivables and payables, credits, and loans. Derivative financial instruments primarily include forward currency transactions and interest rate hedging instruments.

The following tables show the carrying amounts and fair values of financial assets and liabilities by category of financial instruments and reconciliation to the corresponding line item in the Group balance sheet. Finance lease receivables and liabilities, and derivatives that qualify for hedge accounting are also included although they are not part of any IAS 39 measurement category. Since the line items Other Receivables and Other Liabilities contain both financial instruments and non-financial assets and liabilities (in particular, advance payments for services to be received/made in the future and other tax receivables/payables), the reconciliation is shown in the column headed thereof outside IFRS 7.

Table of Contents**Carrying Amounts, Amounts Recognized, and Fair Values by Measurement Category as of June 30, 2015.**

			Thereof amounts recognized in balance sheet according to IAS 39		Thereof Fair value		Thereof Fair value of	
	Category	Carrying amount	outside IFRS 7	Amortized cost	recognized in equity	profit or loss	IAS 17 k	instruments under IFRS 7 k
	in accordance with IAS 39	k	k	k	k	k	k	k
Assets								
Cash and cash equivalents	LaR	46,557	0	46,557	0	0	0	46,557
Trade receivables	LaR / n/a	438,938	0	421,368	0	0	17,570	438,938
<i>thereof: receivables from finance leases</i>	<i>n/a</i>	<i>17,570</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>17,570</i>	<i>17,570</i>
Receivables from related companies	LaR	6,257	0	6,257	0	0	0	6,257
Other receivables	LaR / n/a / HfT	65,936	51,222	13,886	0	828	0	14,714
<i>thereof: derivatives with a hedging relationship</i>	<i>n/a</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>thereof: derivatives without a hedging relationship</i>	<i>HfT</i>	<i>828</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>828</i>	<i>0</i>	<i>828</i>
Investments	LaR/ FVO/ AfS	1,174	0	144	0	1,030	0	1,174
Liabilities								
Trade payables	FLAC	315,610	0	315,610	0	0	0	315,610
Liabilities to related companies	FLAC	1,858	0	1,858	0	0	0	1,858
Financial liabilities	FLAC / n/a	176,451	0	175,202	0	0	1,249	176,451
<i>thereof: liabilities from finance leases</i>	<i>n/a</i>	<i>1,249</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,249</i>	<i>1,249</i>
Other liabilities	FLAC / n/a / HfT	244,685	176,100	67,599	18,233	986	0	68,585
<i>thereof: other non-interest-bearing liabilities</i>	<i>FLAC</i>	<i>225,466</i>	<i>157,867</i>	<i>67,599</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>67,599</i>
<i>thereof: other interest-bearing liabilities</i>	<i>FLAC</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>thereof: derivatives with a hedging</i>	<i>n/a</i>	<i>18,233</i>	<i>18,233</i>	<i>0</i>	<i>18,233</i>	<i>0</i>	<i>0</i>	<i>0</i>

<i>relationship thereof: derivatives without a hedging relationship</i>	<i>HfT</i>	986	0	0	0	986	0	986
Aggregated by Category in Accordance with IAS 39								
Loans and receivables	LaR	488,110	0	488,110	0	0	0	488,110
Available-for-Sale financial assets	AfS	102	0	102	0	0	0	102
Financial assets and liabilities measured at fair value through profit or loss (Fair Value Option)	FVO	1,030	0	0	0	1,030	0	1,030
Financial assets measured at fair value through profit or loss (Held for Trading)	HfT	828	0	0	0	828	0	828
Financial liabilities measured at fair value through profit or loss (Held for Trading)	HfT	986	0	0	0	986	0	986
Financial liabilities measured at amortized cost	FLAC	560,269	0	560,269	0	0	0	560,269

LaR: Loans and Receivables.

FVO: Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (Fair Value Option).

HfT: Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (Held for Trading).

AfS: Available-for-Sale Financial Assets (At Cost).

FLAC: Financial Liabilities at Amortized Cost.

Table of Contents**Carrying Amounts, Amounts Recognized, and Fair Values by Measurement Category as of September 30, 2014.**

			Thereof amounts recognized in balance sheet according to IAS 39						
			Thereof	Amortized	Fair value recognized in equity	Fair value recognized or loss	Thereof	Fair value of	
	Category	Carrying amount	outside IFRS 7	costs	in equity	profit or loss	amounts recognized according to IAS 17	value of instruments under IFRS 7	
	in accordance with IAS 39	k	k	k	k	k	k	k	
Assets									
Cash and cash equivalents	LaR	43,584	0	43,584	0	0	0	43,584	
Trade receivables	LaR / n/a	525,378	0	513,104	0	0	12,274	525,378	
<i>thereof: receivables from finance leases</i>	<i>n/a</i>	<i>12,274</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>12,274</i>	<i>12,274</i>	
Receivables from related companies	LaR	3,305	0	3,305	0	0	0	3,305	
Other receivables	LaR / n/a / HfT	65,581	52,346	11,695	0	1,540	0	13,235	
<i>thereof: derivatives with a hedging relationship</i>	<i>n/a</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
<i>thereof: derivatives without a hedging relationship</i>	<i>HfT</i>	<i>1,540</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,540</i>	<i>0</i>	<i>1,540</i>	
Investments	LaR/ FVO/ AfS	1,216	0	169	0	1,047	0	1,216	
Liabilities									
Trade payables	FLAC	343,812	0	343,812	0	0	0	343,812	
Liabilities to related companies	FLAC	2,521	0	2,521	0	0	0	2,521	
Financial liabilities	FLAC / n/a	169,139	0	167,967	0	0	1,172	169,139	
<i>thereof: liabilities from finance leases</i>	<i>n/a</i>	<i>1,172</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,172</i>	<i>1,172</i>	
Other liabilities	FLAC / n/a / HfT	249,960	168,989	80,647	17,690	324	0	80,971	
<i>thereof: other non-interest-bearing liabilities</i>	<i>FLAC</i>	<i>231,946</i>	<i>151,299</i>	<i>80,647</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>80,647</i>	
<i>thereof: other interest-bearing liabilities</i>	<i>FLAC</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
<i>thereof: derivatives</i>	<i>n/a</i>	<i>17,690</i>	<i>17,690</i>	<i>0</i>	<i>17,690</i>	<i>0</i>	<i>0</i>	<i>0</i>	

*with a hedging
relationship*

thereof: derivatives

*without a hedging
relationship*

<i>HfT</i>	324	0	0	0	324	0	324
------------	-----	---	---	---	-----	---	-----

**Aggregated by
Category in
Accordance with IAS
39**

Loans and receivables	LaR	571,805	0	571,805	0	0	0	571,805
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Available-for-Sale financial assets	AfS	52	0	52	0	0	0	52
--	-----	----	---	----	---	---	---	----

Financial assets and liabilities measured at fair value through profit or loss (Fair Value Option)	FVO	1,047	0	0	0	1,047	0	1,047
--	-----	-------	---	---	---	-------	---	-------

Financial assets measured at fair value through profit or loss (Held for Trading)	HfT	1,540	0	0	0	1,540	0	1,540
--	-----	-------	---	---	---	-------	---	-------

Financial liabilities measured at fair value through profit or loss (Held for Trading)	HfT	324	0	0	0	324	0	324
---	-----	-----	---	---	---	-----	---	-----

Financial liabilities measured at amortized cost	FLAC	594,947	0	594,947	0	0	0	594,947
--	------	---------	---	---------	---	---	---	---------

LaR: Loans and Receivables

FVO: Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (Fair Value Option)

HfT: Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (Held for Trading)

AfS: Available-for-Sale Financial Assets (At Cost)

FLAC: Financial Liabilities at Amortized Cost

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Financial instruments measured at fair value are allocated to different measurement levels in accordance with IFRS 7. This includes financial instruments that are

measured at their fair values in an active market for identical financial instruments (level 1),

measured at their fair values in an active market for comparable financial instruments or using measurement models whose main input factors are based on observable market data (level 2), or

using input factors not based on observable market data (level 3).

The amount that is shown under level 3 concerns the 6% interest in WINCOR NIXDORF Immobilien GmbH & Co. KG. The net result of the company will be allocated on a pro-rata basis; therefore the presented fair value will be converted accordingly. The carrying amount changed as follows:

	Fair value Oct. 1, 2014 k	Gains k	Losses k	Fair value June 30, 2015 k
Designated as such upon initial recognition	1,047	0	-17	1,030

Due to minor changes in the value of the 6% interest the sensitivity analysis of valuation-relevant parameters does not result in significant and decision-useful information.

Segment Report.

For the purposes of presenting segment information, the activities of the Wincor Nixdorf Group are divided into operating segments in accordance with the rules contained in IFRS 8 Operating Segments. Internal reporting within the Group is conducted on the basis of the customer profiles Banking and Retail as well as on the regional basis; the areas Banking and Retail were defined as operating segments in accordance with IFRS 8.10. As chief operating decision maker (CODM) within the meaning of IFRS 8, our Board of Directors assesses the performance of these two operating segments on the basis of corporate reporting and makes decisions about resources to be allocated. The performance of the operating segments is assessed in particular by referring to net sales to external customers as well as Net profit on operating activities.

Segment Report by Division.

	3rd quarter 2014/2015 ¹⁾			9 months 2014/2015 ²⁾			k
	Banking	Retail	Group	Banking	Retail	Group	
Net sales to external customers	366,753 (358,899)	193,466 (213,931)	560,219 (572,830)	1,149,492 (1,136,860)	618,580 (665,871)	1,768,072 (1,802,731)	
Operating profit	-3,513	-3,365	-6,878	25,448	14,344	39,792	

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	(12,203)	(11,204)	(23,407)	(63,032)	(28,596)	(91,628)
Result from equity accounted investments	47	0	47	-1,156	0	-1,156
	(40)	(0)	(40)	(51)	(0)	(51)
Investment in property rights, licenses and property, plant and equipment	8,069	493	8,562	32,229	3,772	36,001
	(8,668)	(2,408)	(11,076)	(35,726)	(9,714)	(45,440)
Investment in reworkable service parts	531	141	672	4,189	1,113	5,302
	(1,633)	(461)	(2,094)	(5,791)	(1,634)	(7,425)
Amortization/depreciation of property rights, licenses and property, plant and equipment	10,643	1,777	12,420	30,839	5,572	36,411
	(12,229)	(1,749)	(13,978)	(36,111)	(4,047)	(40,158)
Write-down of reworkable service parts	997	265	1,262	3,203	852	4,055
	(1,112)	(314)	(1,426)	(3,691)	(1,041)	(4,732)
Research and development expenses	15,286	9,704	24,990	43,088	26,754	69,842
	(14,628)	(8,068)	(22,696)	(45,652)	(24,723)	(70,375)

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- 1) April 1, 2015 June 30, 2015.
 2) October 1, 2014 June 30, 2015.

Comparative figures for 3rd quarter as well as for the first nine months of previous year are shown in brackets for each item.

The respective segment assets and liabilities (except for the effects from the restructuring as explained above) did not change considerably compared to September 30, 2014.

Reconciliation of Segment Profit to Profit for the Period.

The Segment profit equates to the net profit on operating activities of the Group Income Statement.

Net Sales by Region.

	3rd quarter		9 months	
	2014/2015 ¹⁾	2013/2014 ²⁾	2014/2015 ³⁾	2013/2014 ⁴⁾
	k	k	k	k
Europe	390,941	407,761	1,220,873	1,274,437
in % of total net sales	69.8	71.2	69.0	70.7
Included in Europe: Germany	127,378	141,345	403,927	431,565
in % of total net sales	22.7	24.7	22.8	23.9
Asia/Pacific/Africa	111,680	101,035	346,037	317,116
in % of total net sales	19.9	17.6	19.6	17.6
Americas	57,598	64,034	201,162	211,178
in % of total net sales	10.3	11.2	11.4	11.7
Total	560,219	572,830	1,768,072	1,802,731

- 1) April 1, 2015 June 30, 2015.
 2) April 1, 2014 June 30, 2014.
 3) October 1, 2014 June 30, 2015.
 4) October 1, 2013 June 30, 2014.

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ANNEX A

Business Combination Agreement

Execution Copy

BUSINESS COMBINATION AGREEMENT
RELATING TO THE BUSINESS COMBINATION
OF
DIEBOLD
AND
WINCOR NIXDORF

Dated as of November 23, 2015

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Business Combination Agreement

(this **Agreement**)

by and among

1. Diebold, Incorporated

the **Bidder**

and

2. Wincor Nixdorf Aktiengesellschaft

the **Company**

the Bidder and the Company hereinafter also

collectively referred to as the **Parties** and individually as a **Party**

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Section 1

Current Status and Transaction Structure

- 1.1. The Company is a German stock corporation (*Aktiengesellschaft*) incorporated under the laws of Germany, having its corporate seat and its registered offices in Paderborn, Germany. The Company is registered in the commercial register (*Handelsregister*) at the Local Court (*Amtsgericht*) of Paderborn under HRB 6846 (together with its Subsidiaries from time to time, hereinafter referred to as **Wincor Nixdorf Group**). The Company's share capital amounts to EUR 33,084,988.00 (in words: Euro thirty-three million eighty-four thousand nine hundred eighty-eight) and is divided into 33,084,988 no-par value ordinary bearer shares (*auf den Inhaber lautende Stammaktien ohne Nennbetrag*) all shares issued by the Company from time to time, the **Wincor Nixdorf Shares**).
- 1.2. As of the date of this Agreement, the Company holds 3,268,777 Wincor Nixdorf Shares as treasury shares (*eigene Aktien* the **Wincor Nixdorf Treasury Shares**) representing approximately 9.88% of the Company's current share capital. Further, the Company has issued 2,609,010 stock options as part of several stock option plans (collectively, the **Wincor Nixdorf Stock Option Plan**), of which 589,525 grant the right to purchase or subscribe for Wincor Nixdorf Shares in a number representing in total approximately 1.78% of the Company's current share capital until the later of (i) the Expiration Date (as defined below) or (ii) the lapse of the tender right period, if any, pursuant to Section 39c German Takeover Act (the **Tender Right Period**), as the case may be. The Wincor Nixdorf Shares are listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange (ISIN: DE000A0CAYB2).
- 1.3. The Bidder is a company incorporated under the laws of the State of Ohio, United States, having its headquarters in Canton, Ohio (the Bidder together with its Subsidiaries from time to time hereinafter referred to as **Diebold Group**). As of the date of this Agreement, the Bidder has a total of 64,993,700 shares outstanding (all shares issued by the Bidder from time to time, the **Diebold Shares**). The Diebold Shares are listed on New York Stock Exchange (ISIN: US2536511031; ticker symbol: DBD).
- 1.4. The Parties intend to form a combined enterprise (the **Combined Group**) which shall strive to be a leading company in the Integrated Self Service, Banking and Retail Industry and to expand its consolidated services and software business while developing innovative hardware, which will be an important enabler for the Combined Group.
- 1.5. The Parties further intend the Combined Group to
- (a) continue the Company's and the Bidder's respective restructuring programs with the objective of an accelerated transition to an enterprise that is services-led, software-enabled and supported by innovative hardware; and

- (b) use its global reach to achieve economies of scale and adjust its cost structure, while re-investing in new solution offerings (software and services) to accelerate growth.

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- 1.6. With a view to realizing these shared objectives for the Combined Group and to mutually strengthen each other's business, the Parties intend to bring about a business combination of Wincor Nixdorf Group and Diebold Group (the **Business Combination**) by way of the Bidder making a voluntary public takeover offer (*Übernahmeangebot*) in exchange for a mix of cash and Diebold Shares (the **Tender Offer**) within the meaning of Section 29 para. 1 German Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz* **German Takeover Act**) to the shareholders of the Company for all Wincor Nixdorf Shares (the **Transaction**).
- 1.7. The Company's management board (*Vorstand* the **Management Board**) and its supervisory board (*Aufsichtsrat* the **Supervisory Board**) have, based on the information available to date, taken the view that the Business Combination contemplated by this Agreement is in the best interest of the Company, the Company's stockholders, employees and other stakeholders.
- 1.8. The Bidder's board of directors (the **Board of Directors**) has, based on the information available to date, determined that the Business Combination contemplated by this Agreement is consistent with, and will advance, the business strategies and goals of the Bidder, and is in the best interest of the Bidder's stockholders.
- 1.9. On or prior to the date hereof, by means of entry into certain credit agreements by and among the Bidder, JPMorgan Chase Bank, N.A. and Credit Suisse AG (collectively, the **Banks**) and the other parties thereto, the Bidder has obtained certain funds financing in an aggregate amount of up to USD 2,341,000,000 (in words: US Dollar two billion and three hundred forty-one million) for (i) the Cash Component and (ii) for any shareholder loans to be provided by the Bidder to the Company following the consummation of the Tender Offer (the **Closing**) pursuant to the terms of this Agreement to secure any refinancing needs of Wincor Nixdorf Group in an amount of up to EUR 175,000,000 (in words: Euro one hundred and seventy-five million) (**Certain Funds Financing**); it being understood that the Company shall use commercially reasonable efforts to avoid refinancing needs resulting from a consummation of the Transaction. The Company has been afforded the opportunity to review, and comment on, draft documentation relating to the Certain Funds Financing, including, for the avoidance of doubt, the related guarantee agreements, commitment letter and redacted fee letters, and the Bidder has delivered to the Company true, complete and correct copies of the executed credit agreements for the Certain Funds Financing (the **Financing Agreements**) as well as the related guarantee agreements, commitment letter and redacted fee letters. The Financing Agreements together with the related guarantee agreements, commitment letter and redacted fee letters, constitute the entire and complete agreement of the parties thereto with respect to the Certain Funds Financing as of the date of this Agreement.

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1.10. This Agreement sets forth the principal terms and conditions of the Transaction as well as the mutual intentions and agreements of the Parties 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. The Parties will pursue the following steps in chronological order to consummate the Transaction, using their best efforts to complete the Transaction in a timely manner:

Step 1: Signing of this Agreement

Step 2: Announcement of the Intention to Launch Tender Offer

Step 3: Filing of the Registration Statement with the SEC

Step 4: Filing of the Offer Document with BaFin

Step 5: Approval of the Offer Document by BaFin and Launch of the Tender Offer

Step 6: Early Commencement / Declaration of Effectiveness of the Registration Statement by the SEC

Step 7: Receipt of All Required Antitrust Clearances

Step 8: Closing / Settlement of the Tender Offer

Section 2

Announcement of the Tender Offer; Press Statements

2.1. Immediately after the signing of this Agreement,

- (a) the Bidder will (i) notify the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* **BaFin**) of its intention to make the Tender Offer and (ii) publish its decision regarding the launch of the Tender Offer, including a statement regarding the offered consideration, pursuant to Section 10 German Takeover Act (the **Offer Announcement**) substantially in the form set forth in **Annex 2.1(a)**; and
- (b) concurrently, the Company will publish an ad hoc announcement pursuant to Section 15 para. 1 German Securities Trading Act (*Wertpapierhandelsgesetz* **German Securities Trading Act**) substantially in the form set forth in **Annex 2.1(b)**.

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- 2.2. Promptly after the Bidder's publication of the Offer Announcement pursuant to Section 2.1(a) and the Company's publication of the ad hoc announcement pursuant to Section 2.1(b), the Company and the Bidder will publish a joint press release in respect of the Transaction as set forth in **Annex 2.2**.
- 2.3. The Company hereby agrees that
- (a) the Bidder will disclose the entire content of this Agreement as part of its filing on the Form 8-K with the United States Securities and Exchange Commission (the **SEC**) in connection with the entry into this Agreement;
 - (b) the Bidder will disclose the material terms of this Agreement as part of the publication of an offer document relating to the Wincor Nixdorf Shares within the meaning of Section 11 German Takeover Act (the **Offer Document**) and the Registration Statement (as defined below);
 - (c) the Bidder will disclose the material terms of this Agreement in press releases issued by them in connection with the Tender Offer and the Transaction (in addition to the press release referred to in Section 2.2).
- 2.4. Conversely, the Bidder hereby agrees that the Company is at any time permitted to disclose the entire content of this Agreement to stakeholders and the press (in addition to the press release referred to in Section 2.2) as well as in (i) the reasoned statement(s) of the Management Board and the Supervisory Board which may be combined in one (1) statement pursuant to Section 27 German Takeover Act (any such statement, a **Reasoned Statement**) regarding the Tender Offer and (ii) any filing or statement required to be made by the Company pursuant to the rules and regulations of the SEC in respect of the Tender Offer including the statement required by Rule 14e-2 of Regulation 14E as promulgated by the SEC.

Section 3

Disclosure Documents relating to the Transaction

- 3.1. As promptly as practicable after, but in any event no later than seven (7) Business Days following, the signing of this Agreement, the Bidder will prepare and cause to be filed with the SEC, and both Parties shall take all reasonable steps within their respective powers to have filed with the SEC by November 24, 2015, a registration statement including a prospectus on the Form S-4 in connection with the issuance by the Bidder of the Diebold Offer Shares (as defined below) (the **Registration Statement**, and together with the Offer Document, the **Disclosure Documents**) to (i) be used as an exchange offer prospectus sent to U.S. holders of the Wincor Nixdorf Shares and (ii) register with the SEC the offer and sale of the Diebold Offer Shares (as defined below) to the holders of Wincor Nixdorf Shares, *provided, however,* that the Bidder may delay the filing of the Registration Statement if the Bidder has (i) not received from the Company financial information solely relating to the Company's

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fiscal year that ended on September 30, 2015 if this information is required to file the Registration Statement, and (ii) requested such information from the Company in writing, including via email, in reasonable detail describing the requested information and with sufficient time in advance for the Company to respond to such request and (iii) at all times complied with its obligations pursuant to this Section 3.1 to have the Registration Statement filed by November 24, 2015 or, as the case may be, at least no later than seven (7) Business Days following the date of this Agreement and (iv) has afforded the Company and its advisors sufficient time to review, and comment on, any revised drafts of the Registration Statement prior to its envisaged filing, unless the Bidder has not been able to afford the Company such sufficient time for review because it has not received from the Company material comments or information, which (a) is required to finalize the draft, and (b) solely relates to the Company and can only be provided by the Company and (c) has been requested by the Bidder due time in advance. The Bidder undertakes to use its best efforts to have the Registration Statement declared effective under the United States Securities Act of 1933 (as amended) (the **Securities Act**), and the rules and regulations thereunder, as promptly as reasonably practicable.

- 3.2. The Bidder will prepare the Offer Document in accordance with the provisions of the German Takeover Act and the German Takeover Act Offer Ordinance (*Angebotsverordnung* **German Takeover Act Offer Ordinance**) and in accordance with the terms of this Agreement commence the Tender Offer as laid out in more detail in Section 4 of this Agreement. In case of any contradiction between legally mandatory provisions under the German Takeover Act as interpreted by BaFin (including any regulation promulgated thereunder) and this Agreement, the respective provisions under, and interpretation of, the German Takeover Act shall prevail and this Agreement shall be amended to reflect the Parties' intentions to the utmost extent.
- 3.3. As promptly as reasonably practicable, subject to each of the Management Board's and the Board of Directors' fiduciary duties as well as to the extent legally permissible, each Party will use reasonable efforts to, and will use reasonable efforts to ensure that its Subsidiaries, and its and their employees and advisors will, without undue delay (*unverzüglich*) and upon reasonable request of the respective other Party, furnish, keep updated and cooperate with the respective other Parties in respect of all information concerning itself (including, but not limited to, all information relating to historical and pro forma financials or other disclosure information) or the Transaction as may reasonably be required by the SEC (be it formally or informally), or by BaFin (be it formally or informally) or by the respective advisors of the Bidder or the Company, as the case may be, under the U.S. securities laws, the German Takeover Act or the German Securities Prospectus Act (*Wertpapierprospektgesetz*) or otherwise, in connection with (i) the preparation of the Disclosure Documents and (ii) the review process of the Registration Statement by the SEC or of the Offer Document by BaFin (it being understood that nothing under the aforementioned rules and regulations shall require either Party to permit any access to offices, properties, management,

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employees, books, records and any other information; Section 7.5 shall remain unaffected), in each case *provided, however*, that the Wincor Nixdorf Group and its directors, employees and advisors shall not be liable to the Bidder for the correctness and completeness of any disclosure or information provided by it or them under or in connection with this Agreement, including under Section 3.4 (except for any material incorrectness resulting from willful misconduct of any member of the Wincor Nixdorf Group). The Bidder acknowledges and agrees that neither the Company nor its legal counsel will provide any legal opinion, comfort letter or similar statement in respect of, or in connection with, the Disclosure Documents. Furthermore and notwithstanding the foregoing, the Company shall not be required to disclose any insider information until such information has been publicly disclosed or otherwise ceased to constitute insider information in accordance with German law; it being understood, however, that subject to the fiduciary duties of the Management Board and the Supervisory Board and to the extent permitted by law, the Company shall upon reasonable request inform the Bidder whether or not a self-exemption pursuant to Section 15 para 3 German Securities Trading Act is in place at the time of the Bidder's corresponding request (such self-exemption, a **Company Financing Self-Exemption**). Such information shall be subject to customary confidentiality undertakings by the Bidder. In light of potentially severe consequences prompted by a delayed drawing of funds under the Certain Funds Financing or a delayed Refinancing, as the case may be, for both the Bidder and the Combined Group following the time of Closing, the Company undertakes to publish the insider information or to revoke the Company Financing Self-Exemption as soon as legally practicable after being informed about the need to draw funds under the Certain Funds Financing or the Refinancing, or the Bidder's intent to launch a Refinancing, as the case may be, *provided, however*, that the Company has concluded that such publication or revocation is in the Company's best interest in light of all circumstances.

- 3.4. The Bidder will afford the Company and its advisors the reasonable opportunity to, and the Company and its advisors shall without undue delay (*unverzüglich*), review and comment on the Disclosure Documents prior to each submission to BaFin or the SEC, as the case may be. The Bidder shall without undue delay (*unverzüglich*) notify the Company upon the receipt of any comments from BaFin or the SEC relating to any request for amendments or supplements to the Disclosure Documents and shall provide the Company with copies of all written comments received from BaFin or the SEC. To the extent practicable, the Bidder shall (i) provide the Company with drafts of the responses to comments from BaFin or the SEC at a time reasonably prior to submitting such responses, (ii) give due consideration to the Company's comments and (iii) use its reasonable commercial efforts to respond as promptly as reasonably possible to any comments from BaFin or the SEC, as the case may be, with respect to the Disclosure Documents. Furthermore, if the Bidder can reasonably foresee that an interaction with BaFin or the SEC will concern material terms of this Agreement or

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other material interests of the Company or if the Bidder's advisors deem it advisable, the Bidder shall reasonably seek for the Company and its advisors to be granted an opportunity to participate in physical meetings or telephone calls with BaFin or the SEC. In case of dispute with respect to the content of the Disclosure Document or any documentation relating thereto, the Bidder will have the right to make the ultimate decision, except that with respect to any comments from the SEC on (i) the Company's financial statements, the Company shall be entitled to determine if and how to modify its financial statements in response to such comments unless such determination could reasonably be expected to delay the declaration of effectiveness of the Registration Statement (each case of a modification of the financial statements of the Company not determined by the Company pursuant to this sentence a **Required Financial Statement Modification**) and (ii) the recommendation by the Management Board and the Supervisory Board and/or the related section on Wincor Nixdorf's reasons for the transaction which form part of the Registration Statement, the Company shall be entitled to solely decide whether and how such recommendation and/or section is modified (such required modification, a **Required Recommendation Statement Modification**), *provided, however*, that the respective Disclosure Document materially complies with the terms and conditions of this Agreement. Likewise, the Bidder will, subject to Section 22.2, have such ultimate decision right with respect to any amendment, supplement or subsequent modification of a Disclosure Document that the Bidder is required to publish in connection with the Tender Offer.

- 3.5. If BaFin approves the publication of the Offer Document, or if the SEC will declare the Registration Statement effective, only in a form that is not in accordance with the provisions of this Agreement, the Parties will in good faith cooperate to amend the relevant Disclosure Document for it to comply with the requirements as set forth by BaFin or the SEC, as the case may be, while reflecting the original intent of the Parties to the greatest extent permissible. However, nothing in this Agreement will require either Party to amend or waive any of the terms or conditions of the Tender Offer as contemplated by this Agreement without the prior written consent of both the Bidder and the Company, which, in particular, applies to any modifications or amendments to the form or amount of the Offer Consideration, the Share Component, the Closing Conditions (as defined below), or the duration of the Acceptance Period (as defined below), *provided, however*, that each Party shall agree, and undertake to, implement even in such cases such amendment as required by BaFin or the SEC and necessary to consummate the Transaction (the **Required Amendment**)
- (a) to the extent the Required Amendment does not materially negatively affect the interests of such Party (it being understood that the Required Amendments relating to the relevant time periods in, or the choice of words describing, the Closing Conditions (as defined below) shall not be considered to have a material negative effect), and
 - (b) that if and to the extent required under the Financing Agreements, the requisite Financing Sources have granted their prior written consent to the implementation of the Required Amendment in the respective Disclosure Documents, which the Bidder shall use reasonable commercial efforts to obtain.

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It being understood that the Bidder shall in any event be obligated to accept an amendment, and procure that any required consent from a Financing Source is obtained in respect of such amendment, relating to the Closing Condition pursuant to Section 4.5(a) if and to the extent that BaFin or the SEC, as the case may be, does not accept a reference to hold-separate arrangements in connection with such Closing Condition.

In no event shall the Bidder be obligated to pay the Break Fee (as defined below) if it refrains from publishing the Offer Document due to a Required Amendment in compliance with this Agreement and an objective third party would have to conclude that none of the Closing Failures set out in Sections 9.1(a) through 9.1(c) will occur.

- 3.6. The Bidder shall cause, prior to the Registration Statement becoming effective, the Prospective Board Members (as defined below) to be named as insured persons under the Bidder's existing management liability insurance policy, or any similar policy (the **D&O Policy**), on the same basis as the current members of the Board of Directors, in particular, but not limited to, with regard to the Registration Statement. In particular, the D&O Policy either must cover individuals who provide a consent to be named as directors in a Registration Statement or must be amended to cover such individuals (so that the D&O Policy will cover these individuals in advance of becoming directors). For the avoidance of doubt, the Prospective Board Members shall be added as insured persons under the D&O Policy in this respect prior to the Registration Statement becoming effective irrespective of if or when after the signing of this Agreement any claims are alleged or pursued by any party in relation to the Registration Statement.

Section 4

Tender Offer

- 4.1. In accordance with Section 14 para. 1 sentence 3 German Takeover Act the Bidder will apply to BaFin for an extension of the statutory interim period between Offer Announcement and submission of the Offer Document to BaFin from four (4) to eight (8) weeks.
- 4.2. Following approval of the Offer Document by BaFin (or the expiration of the review period required under the German Takeover Act), the Bidder will (i) publish the Offer Document without undue delay (*ohne schuldhaftes Zögern*) in accordance with Section 14 para. 2 German Takeover Act and (ii) on the date of such publication, disseminate the prospectus contained in the Registration Statement to the holders of

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Wincor Nixdorf Shares in compliance with the United States Securities Exchange Act of 1934 (as amended) (the **Exchange Act**) and the rules and regulations promulgated by the SEC.

4.3. In accordance with Section 16 para. 1 German Takeover Act, the Parties envisage that the Tender Offer will have an acceptance period (the last date thereof, as it may be extended in accordance with this Agreement and Sections 16 para. 3, 21 para. 5 sentence 1, 22 para. 2 sentence 1 German Takeover Act, the **Expiration Date**) of four (4) to eight (8) weeks after either the day following approval of the Offer Document by BaFin or the day following expiration of the BaFin review period as required under the German Takeover Act (the earlier of such dates, the **Commencement Date**), *provided, however*, that

(a) the Expiration Date shall occur no earlier than 20 business days (as defined in Rule 14d-1(g)(3) under the Exchange Act) after (and including the day of) the Commencement Date; and

(b) the Bidder may decide in its reasonable judgment prior to the approval of the Offer Document by BaFin to extend the acceptance period to up to ten (10) weeks if (i) there are reasonable concerns that the Registration Statement will not be declared effective prior to the envisaged Expiration Date of eight (8) weeks after the Commencement Date and (ii) both the Material Adverse Change and the Material Compliance Violation Closing Conditions (each as defined below) will only apply through the first eight (8) weeks of an acceptance period so extended.

(in each case as agreed and extended pursuant to this Agreement, the time between and including Commencement Date and Expiration Date, the **Acceptance Period**).

4.4. The consideration offered to the holders of Wincor Nixdorf Shares under the Tender Offer will be a cash consideration in the amount of EUR 38.98 (in words: Euro thirty eight and ninety-eight cents) (the **Cash Component**) along with a stock consideration consisting of 0.434 Diebold Offer Shares (the **Stock Component**), together with the Cash Component the **Offer Consideration**) per Wincor Nixdorf Share, subject to any increases made either voluntarily or in accordance with the provisions of the German Takeover Act (including any claims under Section 31 para. 3 through 6 German Takeover Act).

4.5. The obligation of the Bidder to consummate the Tender Offer will be subject solely to the following conditions (the **Closing Conditions**):

(a) On or before November 21, 2016 (the **Drop Dead Date**), the transaction pursued with this Tender Offer has been approved by the antitrust authorities listed in Annex 4.5(a) (each an **Antitrust Authority**) or the statutory waiting periods in the relevant jurisdictions have lapsed, or hold-separate

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arrangements shall have been put in place, with the result that the transaction pursued with this Tender Offer may be completed without the approval by the relevant Antitrust Authority (all such approvals and expiration of waiting periods, the **Antitrust Clearances**).

- (b) (i) The Registration Statement regarding the Diebold Offer Shares shall (a) have been declared effective by the SEC prior to the expiration of the Acceptance Period, and (b) not be 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 at the time of the consummation of the Tender Offer as described in more detail in the Offer Document, and, (ii) the Diebold Offer Shares have been authorized for listing on the New York Stock Exchange and the Frankfurt Stock Exchange and all existing Diebold shares have been authorized for listing on the Frankfurt Stock Exchange, subject to official notice of issuance. This Closing Condition is hereinafter referred to as the **S-4 Condition** .
- (c) At the time of the expiration of the Acceptance Period, the sum of the number of (i) tendered Wincor Nixdorf Shares (including those Wincor Nixdorf Shares for which the acceptance of this Tender 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 an ISIN designated for Wincor Nixdorf Shares that will trade as tendered for which the right to withdrawal, if any, has not been validly exercised in accordance with the Offer Document; (ii) Wincor Nixdorf Shares held directly or indirectly by Bidder, any member of the Diebold Group or any person acting in concert with Bidder within the meaning of Section 2 para. 5 German Takeover Act, (iii) Wincor Nixdorf Shares that must be attributed to Bidder or any member of the Diebold Group in corresponding application of Section 30 German Takeover Act, and (iv) Wincor Nixdorf Shares for which Bidder, any member of Diebold Group or any person acting in concert with Bidder within the meaning of Section 2 para. 5 German Takeover Act has entered into an agreement outside of this Tender 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 (i) to (iv) are counted only once) equals at least 67.6% of all existing Wincor Nixdorf Shares, in each case at the time of approval of the Offer Document by BaFin (the **Minimum Acceptance Rate**).
- (d) Between the publication of the Offer Document and the expiration of the Acceptance Period, trading on the Frankfurt Stock Exchange shall not have been suspended for more than three (3) consecutive trading days for all shares admitted to trading at the entire Frankfurt Stock Exchange. Furthermore, the closing quotations of the DAX (ISIN DE0008469008), as determined by Deutsche Börse AG, Frankfurt am Main, Germany, or a successor thereof, and

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published on its internet website (currently: www.deutsche-boerse.com), of the two (2) trading days prior to the end of the Acceptance Period is no more than 28.5% below the closing quotation of the DAX on the trading day immediately preceding the day of the publication of the Tender Offer. This Offer Condition is hereinafter referred to as the **No Market Material Adverse Change Condition** .

- (e) Between the publication of the Offer Document and the expiration of the Acceptance Period, neither (i) has the Company published new circumstances pursuant to Section 15 German Securities Trading Act, nor (ii) have circumstances occurred that would have had to be published by the Company pursuant to Section 15 German Securities Trading Act or that the Company did not publish because of a self-exception pursuant to Section 15 para. 3 German Securities Trading Act, that, in case of a one-time event, result in a negative effect on the annual EBITDA (as defined in the Company's annual report for the fiscal year ended September 30, 2015) of the Company in an amount of at least EUR 50 million, and/or, in case of a recurring event, result in a recurring negative effect on the annual EBITDA (as defined in the Company's annual report for the fiscal year ended September 30, 2015) of the Company in an amount of at least EUR 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**).

- (f) Between the publication of the Offer Document and the expiration of the Acceptance Period, no criminal or material administrative offense (*Ordnungswidrigkeit*) relating to applicable corruption, anti-bribery, money laundering or cartel laws by a member of a governing body or officer of the Company or a subsidiary of the Company, while any such person was operating in their official capacity at, or on behalf of, the Company or a subsidiary of the Company (be it an offense under any applicable administrative, criminal or equivalent laws in the United States, Germany or any other jurisdiction whose laws apply to operations of the Company or a subsidiary of the Company) is known to have occurred, if any such criminal or material administrative offense constitutes insider information for the Company pursuant to Section 13 German Securities Trading Act or has constituted insider information prior to its publication (**Material Compliance Violation**).

- (g) Between the publication of the Offer Document and the expiration of the Acceptance Period, the Company shall not have (i) increased its share capital, or (ii) granted, delivered, sold, committed to sell, transferred, or in any other way disposed of any or all of the Wincor Nixdorf Treasury Shares.

- (h) Between the publication of the Offer Document and the expiration of the Acceptance Period (i) no insolvency proceedings under German law have been

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opened in respect of the assets of the Company; moreover the Management Board has not applied for such proceedings to be opened and (ii) there are no grounds that would require an application for the opening of insolvency proceedings.

- (i) Between the publication of the Offer document and the expiration of the Acceptance Period, no competing offer was announced by a third party within in the meaning of Section 22 German Takeover Act (a **Competing Offer**) which according to an ad hoc notification by the Company pursuant to Section 15 German Securities Trading Act (i) offers an overall consideration exceeding the consideration offered by the Tender Offer or (ii) is otherwise determined by the Management Board and the Supervisory Board to be in the best interest of the Company (such Competing Offer, a **Superior Proposal**).
- (j) The absence of any temporary restraining order or preliminary or permanent injunction or other order by any governmental authority of competent jurisdiction preventing consummation of the Tender Offer or the Business Combination.

The Bidder shall be entitled, at its free discretion, to waive any Closing Condition to the extent legally permissible and subject to any applicable consent by the requisite Financing Sources.

- 4.6. To the extent the determination of whether a Closing Condition is satisfied depends on the opinion of a third party neutral expert (the **Neutral Expert**), the Company will to the extent legally permissible provide (i) reasonable support to the Neutral Expert and (ii) all requisite information regarding the Company, its Subsidiaries and the business they operate, *provided, however*, that all expenses incurred thereby by the Company or its Subsidiaries will be borne by the Bidder.
- 4.7. The Bidder will refrain from having the Tender Offer predicated on the satisfaction of additional closing conditions absent the Company's prior consent. To the extent permissible and permitted under the Certain Funds Financing, the Bidder will be entitled to waive any and all of the Closing Conditions in whole or part.
- 4.8. Following the Expiration Date and the satisfaction or waiver by the Bidder of the Closing Conditions (other than the Antitrust Clearances), the Bidder will conduct an additional acceptance period for the Tender Offer (*weitere Annahmefrist* the **Additional Acceptance Period**) in accordance with the German Takeover Act, during which the Bidder will offer to acquire all remaining Wincor Nixdorf Shares.
- 4.9. Prior to the time of the settlement of the Tender Offer and depending on the number of Wincor Nixdorf Shares tendered into the Tender Offer, the Bidder will ensure that (i) the total number of new Diebold Shares issued in connection with the Tender Offer will not exceed, upon issuance, 12,940,236 which will correspond with 19.91% of the

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total number of Diebold Shares outstanding as of the date of this Agreement (such newly issued Diebold Shares, the **Diebold Offer Shares**), (ii) the Diebold Offer Shares will be fully fungible with the Diebold Shares, including with respect to dividend entitlements (based on the Bidder's quarterly dividend distribution) and (iii) the Diebold Offer Shares will be admitted to trading on (a) the New York Stock Exchange and (b) the Frankfurt Stock Exchange.

Section 5

Support of the Tender Offer by the Company and Mutual Actions to Support the Transaction

- 5.1. Subject to the terms of this Section 5, from the time of signing this Agreement to the earlier of (i) the termination of this Agreement, and (ii) the Closing, including, if applicable, the expiration of the Tender Right Period, the Company, in consideration of the Bidder agreeing and undertaking to comply with its obligations under this Agreement and to pursue the Tender Offer and the Transaction in accordance with this Agreement, shall support the Tender Offer and the Transaction in any and all publications and communications that relate to the Transaction.
- 5.2. In addition to the ad hoc announcement pursuant to Section 2.1(b) and the press release pursuant to Section 2.2, the obligation of the Company as set forth in Section 5.1, also in consideration of the Bidder agreeing and undertaking to comply with its obligations under this Agreement and to pursue the Tender Offer and the Transaction in accordance with this Agreement, extends, subject to the qualifications and restrictions set out in this Agreement, to (i) the response statement under the Rule 14e-2 of the Exchange Act (the **Response Statement**) that the Company shall publish no later than five (5) Business Days following publication of the Offer Document and (ii) all public statements, press conferences, interviews, (joint) roadshows, investor conferences and other opportunities to support the Tender Offer, if and to the extent these relate to the Transaction.
- 5.3. To the extent permitted by law and it has the power to do so, the Company shall, from the time of signing this Agreement to the earlier of (i) the termination of this Agreement, and (ii) the Closing, refrain, and shall use reasonable efforts to procure that any other member of Wincor Nixdorf Group as well as the members of the representative bodies (*Vertretungsorgane*) of such members of the Wincor Nixdorf Group will refrain, from initiating any measures or steps which could jeopardize the success of the Tender Offer (including the satisfaction of any of the Closing Conditions). Further, the Company shall not and, to the extent legally possible and it has the power to do so, shall procure that no other member of the Wincor Nixdorf Group will, directly or indirectly:
- (a) solicit, *i.e.* actively asking for, a Competing Offer, or another transaction, proposal or approach which is economically or otherwise comparable to a Competing Offer and that, if implemented, could jeopardize the success of the Tender Offer; and
 - (b) unless actively approached with a proposal that is reasonably likely to result in a Superior Offer or another transaction which is economically or otherwise comparable to a Competing Offer and in relation to which no member of the Wincor Nixdorf Group breached Section 5.3(a), enter into any

communications, discussions, negotiations, correspondence or arrangements or make any confidential documents relating to Wincor Nixdorf Group or its business available with a view to soliciting any Competing Offer or any other transaction that if implemented could jeopardize the success of the Tender Offer.

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- 5.4. The Company will inform the Bidder as soon as reasonably practical if it has been approached by a third party in relation to a situation which could reasonably be expected to end in a Competing Offer or other transactions that, if implemented, would jeopardize the success of the Tender Offer.
- 5.5. Nothing in this Agreement shall prevent the Company, the Management Board, the Supervisory Board or any other member of the Wincor Nixdorf Group from:
- (a) providing information duly requested or required by a regulatory authority;
 - (b) engaging with a third party that submits a *bona fide*, unsolicited proposal that is reasonably likely to result in a Superior Proposal for the Wincor Nixdorf Shares, *provided, however*, that the Company will as soon as reasonably practically make available to the Bidder any material non-public information made available to such third party to the extent such information was not previously provided to the Bidder;
 - (c) (i) referring to potentially adverse tax consequences for German retail shareholders resulting from acceptances of the Tender Offer, (ii) advising German retail investors to consider that a disposal of their shares in the market or otherwise might be more beneficial than accepting the Tender Offer, (iii) disposing of their Wincor Nixdorf Shares outside of the Tender Offer by selling 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, it being understood that such Wincor Nixdorf Shares shall not be sold to any member of the Wincor Nixdorf Group prior to Closing and (iv) informing investors and the press accordingly (in the Reasoned Statement, the Response Statement (as defined below) and/or otherwise);
 - (d) acting in accordance with (i) their fiduciary duties under German law, in particular, the duty of care and loyalty under Section 93 German Stock Corporation Act (*Aktiengesetz* **German Stock Corporation Act**); (ii) the concept of managerial neutrality (Section 33 German Takeover Act) and (iii) the business judgment rule (Section 76 German Stock Corporation Act).

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Section 6

Reasoned Statement by the Company's Corporate Bodies on the Tender Offer

- 6.1. Without undue delay (*unverzüglich*), and in any case no later than five (5) Business Day following the Commencement Date, the Management Board and the Supervisory Board will each publish a Reasoned Statement or a joint Reasoned Statement pursuant to Sections 27 para. 3, 14 para. 3 German Takeover Act.
- 6.2. The Company will afford the Bidder and their advisors the opportunity to, and the Bidder and their advisors shall, review and comment on each Reasoned Statement and on the Response Statement, including all additions and modifications thereto, prior to their publication. In case of any dispute with respect to the content of any Reasoned Statement or Response Statement or any documentation relating thereto, the Company will have the right to make the ultimate decision, *provided, however*, that the Reasoned Statement and the Response Statement, as the case may be, materially comply with the terms and conditions of this Agreement. Likewise, the Company will have such ultimate decision right with respect to any amendment, supplement or subsequent modification of any Reasoned Statement of the Management Board and the Supervisory Board.
- 6.3. Subject to Section 5.5(c) above, the Management Board and the Supervisory Board will confirm in their Reasoned Statement that, in their opinion and subject to review of the Offer Document, (i) the Offer Consideration is fair and adequate, (ii) they support the Tender Offer, (iii) they recommend to the holders of Wincor Nixdorf Shares to tender their Wincor Nixdorf Shares into the Tender Offer; and (iv) the members of the Management Board will either tender their Wincor Nixdorf Shares into the Tender 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.
- 6.4. Such support and recommendation of the Tender Offer in the Reasoned Statement as set forth in Section 6.3 shall be subject to the following (together the **Recommendation Requirements**):
- (a) no Competing Offer, or the intention thereof, has been announced or launched by a third party that the Management Board and the Supervisory Board have determined to be a Superior Proposal, *provided, however*, that the Company has without undue delay (*unverzüglich*) after both such determinations have been made, informed the Bidder accordingly; and
 - (b) no other circumstances exist that would cause, or as confirmed in writing by an external legal counsel of recognized standing would reasonably be likely to cause, the members of the Management Board and/or the Supervisory Board to violate their duties under applicable law, including any obligations of the members of the Management Board and/or the Supervisory Board to observe their duty of care and fiduciary duty vis-à-vis the Company, including their obligations under Sections 27 and 33 German Takeover Act and under Sections 76, 93 and 116 German Stock Corporation Act.

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- 6.5. From the date of this Agreement and as long as the Recommendation Requirements remain fulfilled, the Management Board and the Supervisory Board shall not:
- (a) withdraw or amend adversely to the Bidder or withdraw their intention, or otherwise breach their obligation, to give, the Reasoned Statement;
 - (b) act, including by making any public statement, in a manner that does not comply with the terms of this Agreement and (i) after its publication, is contrary to the Reasoned Statement and could adversely affect the successful consummation of the Tender Offer or (ii) recommend that holders of Wincor Nixdorf Shares take or consider taking any action that could prevent, delay or otherwise adversely affect the implementation of the Tender Offer; and
 - (c) recommend (or agree or resolve to recommend) a Competing Offer.

Section 7

Covenants

- 7.1. During the period from the date of this Agreement to the earlier of (i) the termination of the Agreement and (ii) the Closing, the Company, subject to the fiduciary duties of the members of the Management Board and the Supervisory Board as well as to the extent permitted by law and it has the power to do so and subject to the terms of this Agreement, shall, and shall use best efforts to ensure that the Company's Subsidiaries will, subject to the Bidder's consent in all material respects consistent with past practice, carry on its and their business in the ordinary course including the continuation of the Company's announced restructuring program entitled "delta" (such program, the **Delta Program**), and, in addition to that, refrain from:
- (a) entering into major joint ventures, partnerships or other forms of co-operations with third parties, if such transactions could adversely affect the consummation of the Tender Offer;
 - (b) purchasing, selling, acquiring, transferring or encumbering material assets of the Company or any of its Subsidiaries (including investments in intangible assets, fixed assets or financial assets), either directly or indirectly, by way of a merger or another form of transformation, takeover, acquisition, transfer, disposal or similar transaction with one or more third parties or disposing of any such assets in another manner.

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- 7.2. Nothing in Section 7.1 shall prevent the Company or any of the Company's Subsidiaries from (i) pursuing a project which the Company has initiated prior to the Offer Announcement, (ii) making an investment or disinvestment with a value of less than EUR 50 million (in words: Euro fifty million) in each individual case, *provided, however,* that the aggregate amount of neither such investments nor disinvestments exceeds EUR 200 million (in words: Euro two hundred million) (iii) taking any measures regarding the Wincor Nixdorf Stock Option Plan including the issuance of any additional option rights or shares thereunder, cash settlement of the Wincor Nixdorf Stock Option Plan or any other amendment / supplement thereto, (iv) extending the appointments and service agreements of the members of the Management Board, (v) granting its employees, officers and/or members of the Management Board retention bonuses or other incentives to continue their service with the Company or its Subsidiaries or bonuses for additional work relating to the Transaction, and/or (vi) in accordance with law (1) transferring any of the Company's Subsidiaries to the Company or to any of its other Subsidiaries, (2) implementing any mergers of any of the Company's Subsidiaries within the Wincor Nixdorf Group, (3) entering into or terminating or cancelling any enterprise agreements within the meaning of Section 291 German Stock Corporation Act within the Wincor Nixdorf Group and/or (4) implementing any other corporate reorganization measure within the Wincor Nixdorf Group.
- 7.3. Prior to the Closing, the Bidder shall refrain from initiating, and shall ensure that none of its Subsidiaries will initiate:
- (a) (i) a split, reverse split, combination or reclassification of Diebold Shares or (ii) a redemption of Diebold Shares or any other outstanding equity securities;
 - (b) any amendments to its organization documents to the extent such amendment would reasonably be expected to adversely affect the holders of Wincor Nixdorf Shares;
 - (c) any action that would jeopardize the success of the Tender Offer (including the satisfaction of the Closing Conditions).
- 7.4. The Bidder and the Company shall each continue to pay dividends not exceeding its past practice until the Closing.
- 7.5. Subject to the restrictions imposed by mandatory law, in particular the German Stock Corporation Act and competition laws, and subject to the Bidder's consent regarding the reimbursement of reasonable costs pursuant to Section 7.6(a), the Company shall use, and shall ensure that its Subsidiaries use, their respective reasonable efforts to provide to the Banks or any other person (actually or prospectively) providing,

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underwriting or arranging, in the form of a syndication, refinancing or a security issuance, the Certain Funds Financing or any other financing or refinancing of, or in connection with, the Transaction (such persons, collectively, the **Financing Sources**) all necessary cooperation in connection with the underwriting, marketing, arrangement and syndication of the Certain Funds Financing and of any other form of a syndication, refinancing or a security issuance (the **Refinancing**), by any of the Financing Sources as may be reasonably requested by the Bidder, including without limitation:

- (a) support by making available all financial and other information customarily made available in comparable transactions to borrowers, issuers, arrangers, underwriters, initial purchasers or placement agents in connection with the Certain Funds Financing and the Refinancing by any of the Financing Sources, in particular to support the preparation of the syndication and offering documents and materials including information memoranda, offering memoranda, prospectuses, lender and investor presentations and other marketing documents for senior notes, bridge facilities, revolving facilities, term loan facilities, any hedging instruments or any other form of debt or equity financing;
- (b) by offering a management presentation, support by making available as requested information and personnel with obtaining indicative and final ratings for any debt instruments and credit facilities, including presentations, meetings and answering follow-up questions (such presentations and meetings to be at reasonable times and not to unduly interfere with the operation of the Company's business);
- (c) support with obtaining, signing, and executing certificates, waivers, and auditor consents;
- (d) delivering, or contributing to the delivery of, (i) an audit opinion and consent of KPMG AG (**KPMG AG**), the Company's independent auditor, for inclusion in the Registration Statement or any other offering document in connection with the Certain Funds Financing or Refinancing and (ii) draft and final comfort letters (including bring down comfort letters) by KPMG AG with customary negative assurance, in each case, if and to the extent customary in connection with debt or equity offerings in Europe and/or the United States (it being understood, with respect to (i) and (ii) that the Company shall in no way be liable for procuring any act or omission by KPMG AG);
- (e) not engaging or undertaking to engage in competing material issuances, offerings, placements or arrangements of debt securities or commercial bank or other credit facilities in the United States of America exceeding an aggregate amount of EUR 50,000,000 (in words: Euro fifty million) prior to completion of syndication of the Certain Funds Financing;

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- (f) providing the Financing Sources direct contact with the Management Board available for a reasonable number of due diligence sessions and meetings with actual and potential Financing Sources; and
 - (g) permitting the use of the Company's logos in connection with any such financing presentation, provided, however, such logos are used solely in a manner that is not intended to nor reasonably likely to harm or disparage the Company or the reputation or goodwill of the Company.
- 7.6. In respect of Wincor Nixdorf Group's cooperation obligations pursuant to this Agreement, the following shall apply:
- (a) Upon (i) notification in writing or via email of the terms and conditions of retaining external assistance and (ii) the Bidder's consent in writing or via email (which consent shall not unreasonably be withheld or delayed), the Bidder assumes all reasonable out-of-pocket costs and other expenses vis-à-vis the Company and its Subsidiaries incurred by each of them relating to any cooperation and assistance, (y) provided for by Sections 3.3 and 3.4 to the extent pro forma financial information is concerned, including all fees and expenses of KPMG AG, and (z) pursuant to Section 7.5 in connection with the Certain Funds Financing and the Refinancing, including, without limitation, such reasonable fees and expenses of KPMG AG and counsel for the Company incurred in connection with its assistance in obtaining the Certain Fund Financing and the Refinancing, but excluding costs incurred by the Company in relation to its assistance regarding any re-financing of the Company pursuant to Section 7.7 below in its own interest.
 - (b) None of the Company or any of its Subsidiaries shall be required by Section 7.5 to (i) pay any commitment or other similar fee or incur any other liability or obligation of any kind, including under any guarantee or pledge or any other document relating to the Certain Funds Financing or any Refinancing, in connection with the Certain Funds Financing or any Refinancing, (ii) enter into any binding agreement or commitment, or adopt any resolution or otherwise take any corporate or similar action, in connection with the Certain Funds Financing or any Refinancing, or (iii) take any action that would reasonably be expected to (1) unreasonably interfere with the ongoing operations of the Company and its Subsidiaries, (2) cause any covenant in this Agreement to be breached or any condition set forth in Section 4.5 to fail to be satisfied except where the Bidder expressly waives in writing such breach or non-compliance, (3) cause any director, officer or employee of the Company or any of its Subsidiaries to incur any personal

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liability, (4) result in the disclosure of insider information until such information has been publicly disclosed or otherwise ceased to constitute insider information in accordance with German law; it being understood, however, that (x) subject to the fiduciary duties of the Management Board and of the Supervisory Board and to the extent permitted by law, the Company shall upon reasonable request inform the Bidder whether or not a Company Financing Self-Exemption is in place with such information to be subject to customary confidentiality undertakings by the Bidder, and (y) in light of potentially severe consequences prompted by a delayed drawing of funds under the Certain Funds Financing or a delayed Refinancing, as the case may be, for both the Bidder and the Combined Group following the time of Closing, the Company undertakes to publish the insider information or to revoke the Company Financing Self-Exemption as soon as legally practicable after being informed about the need to draw funds under the Certain Funds Financing or the Refinancing, or the Bidder's intent to launch a Refinancing, as the case may be, *provided, however*, that the Company has concluded that such publication or revocation is in the Company's best interest in light of all circumstances, or (5) require the Company or its Subsidiaries to provide any access, documents or information that would not be required pursuant to Section 7.5.

- 7.7. The Parties will discuss the Company's (re-)financing strategy in good faith and in a cooperative way; the Bidder will, to the extent permitted by law, be afforded reasonable access to all lenders or debt financing sources, currently providing debt financing to the Company or its Subsidiaries which may be terminated or accelerated, or otherwise become due as a consequence of, or in connection with, the Closing of the Transaction. Upon signing of this Agreement and to the extent so requested by the Company, the Bidder or an Affiliate of the Bidder shall have entered into agreements to ensure binding financing commitments by the Financing Sources towards the Bidder in a maximum amount of up to EUR 175,000,000 (in words: Euro one hundred and seventy-five million) to cover any (re-)financing needs of the Company and upon Closing grant shareholder loans to the Company at market terms, but to no less favorable terms and conditions than the current financing agreements of Wincor Nixdorf Group, to cover any further (re-)financing needs of the Company in a maximum amount of up to EUR 500,000,000 (in words: Euro five-hundred million) which may arise as a consequence of, or in connection with, the Closing of the Transaction. The Company, upon request of the Bidder, shall use reasonable efforts to refinance all or parts of its existing financing arrangements, *provided, however*, that such new refinancing carries an overall economic benefit for the Company (including any internal compensation provided by the Bidder to the Wincor Nixdorf Group). Furthermore, after the signing of this Agreement, the Parties will, to the extent permitted by applicable law, cooperate in good faith, and the Company shall use reasonable efforts to render support as reasonably requested by the Bidder, with a view to improving the financing structure and reducing financing costs of the Combined Group.

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- 7.8. The Company shall, and shall ensure that its Subsidiaries will, use commercially reasonable best efforts to refrain through Closing from increasing its borrowings by more than an aggregate total of EUR 300,000,000 (in words: Euro three hundred million).
- 7.9. The Parties will notify each other without undue delay of the occurrence of any circumstance which will, or could reasonably be expected to, result in any Closing Failure (as defined below), or in the noncompliance with any of such Party's obligations under this Agreement, or which would otherwise be reasonably likely to materially adversely affect the consummation of the Transaction, *provided, however*, that any communication and information in respect of Competing Offers, Superior Proposals and/or comparable transactions shall exclusively be governed by Sections 5.5(b) and 6.4(a), and no information that constitutes insider information shall be shared, except if it relates to a Closing Condition in which case it will be shared with the Neutral Expert according to Section 4.6.
- 7.10. From signing of this Agreement until the later of (i) the expiration of the Additional Acceptance Period or (ii) the expiration of the Tender Right Period, if any, the Company shall ensure that any option rights under the Wincor Nixdorf Stock Option Plan which can be exercised are settled by cash payments.

Section 8

Antitrust; Regulatory Approvals

- 8.1. Subject to Section 8.4, the Parties covenant to render to each other all reasonably necessary assistance and cooperation to ensure that the Antitrust Clearances are obtained as promptly as reasonably practicable after the signing of this Agreement.
- 8.2. Without prejudice to the generality of the foregoing, the Parties shall work together to ensure that the notifications and other documents required for the Bidder and/or the Company (as applicable) to apply to the Antitrust Authorities for the Antitrust Clearances are completed and filed with Antitrust Authorities as promptly as reasonably practicable following the signing of this Agreement.
- 8.3. Immediately following the signing of this Agreement the Parties shall establish a task force consisting of competition law experts of their respective external legal and economic antitrust advisors that will jointly manage the Antitrust Clearances, share all necessary and required information and cooperate in good faith with the objective to have all Antitrust Clearances obtained in a timely manner. This task force will report to the respective chief executive officers of the Bidder and the Company at least every two (2) weeks.

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8.4. The Bidder will:

- (a) keep the Company promptly informed of the status and progress of the processes for obtaining the Antitrust Clearances;
- (b) consult with the Company sufficiently in advance on the content and the timing of the notifications and all written communications to the Antitrust Authorities before such notifications or communications are made and take account of any comments the Company may have on such notifications and communications;
- (c) furnish to the Company or its legal advisors copies of the notifications to the Antitrust Authorities and all other related correspondence in the form sent to the Antitrust Authorities (but excluding, in relation to the Company, all analyses and reports prepared by or for the Bidder or by or for any of its shareholders regarding the financial or commercial aspects of the Transaction and which accompany or form part of any notification to any Antitrust Authority or are otherwise requested by an Antitrust Authority, it being understood that the Company's legal advisors will be furnished with such analyses and reports on a counsel-only basis); and
- (d) afford the Company and its legal and economic advisors reasonable opportunity to participate in all meetings and discussions with each Antitrust Authority in connection with the Transaction unless prohibited by applicable law or by the relevant antitrust authority.

8.5. The Parties will discuss in good faith how to address any issues raised by any Antitrust Authority with respect to the Transaction and, thereafter, the Bidder will, as soon as advisable with regard to the agreed timeline for the consummation of the Tender Offer:

- (a) enter into discussions with any Antitrust Authority that raised any issue with respect to the Transaction to explore the possibility of addressing such issue by offering commitments which would be obligations or conditions to the granting by such Antitrust Authority of its approval of the Transaction; and
- (b) offer to such Antitrust Authority such commitments as would be necessary to ensure that all relevant approvals by such Antitrust Authorities are obtained with respect to the Transaction; *provided, however,* that the Bidder (subject to Sections 8.6 and 8.7 below) shall not be required to propose, agree to or accept any undertakings, agreements, commitments or conditions in connection with the Transaction that would require the Bidder to divest or cause or result in the divestment of (i) existing businesses, business divisions or product lines of either the Bidder or the Company or (ii) businesses, business

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divisions or product lines of the future Combined Group that in aggregate would represent more than 8% of the consolidated annual revenues of the Combined Group, to be calculated on the basis of the then most recent available quarterly report of the Bidder and the Company, respectively.

- 8.6. Notwithstanding Section 8.5, the Bidder shall in addition be obligated to offer, agree to or accept any disposal or other obligations, commitments or conditions with respect to any businesses of the Bidder active in the United States to the extent necessary to eliminate any concern with respect to the Transaction expressed by the United States Department of Justice or Federal Trade Commission under Section 7 of the Clayton Antitrust Act or any other authority of the United States.
- 8.7. Notwithstanding Section 8.5, the Bidder shall in addition be obligated to offer, agree to or accept any obligations, commitments or conditions with respect to any businesses of the Bidder located in Germany to the extent necessary to eliminate any concern with respect to the Transaction expressed by any competent authority under the German or EU merger regulation.
- 8.8. To the extent applicable, the Parties shall use their respective reasonable best efforts, subject to applicable laws, to make all additional regulatory filings and obtain all additional requisite regulatory approvals and clearances as promptly as reasonably practicable following the signing of this Agreement.

Section 9

Closing Failure; Revised Transaction

- 9.1. If the Tender Offer is not consummated due to the non-satisfaction of a Closing Condition (each such instance, a **Closing Failure**) and if the Closing Failure was due to the non-satisfaction of one or more of the below (and no other Closing Condition):
- (a) the condition to obtain the Antitrust Clearances pursuant to Section 4.5(a);
 - (b) the S-4 Condition pursuant to Section 4.5(b); or
 - (c) the No Market Material Adverse Change Condition pursuant to Section 4.5(d);
- the Parties shall use their reasonable best efforts, taking into account the reasons for the non-satisfaction of one or more of the above Closing Conditions, to re-negotiate the Tender Offer and the Business Combination with regard to the new facts in good faith (such newly proposed transaction, the **Revised Transaction**), *provided, however*, that the Closing Failure has not been caused by non-compliance of either Party with the terms of this Agreement.

9.2.

The Parties shall use their reasonable best efforts to consummate the Revised Transaction pursuant to the terms of a revised business combination agreement (the

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Revised Agreement) which the Parties shall, as the case may be and subject to an agreement, enter into as promptly as practicable and in no event more than two (2) months after the Closing Failure. To the extent appropriate, the terms and conditions of this Agreement shall serve as guidance for the Revised Agreement.

- 9.3. In the event the Parties have, after a period of one (1) month following the Closing Failure, still failed to reach a Revised Agreement, they shall submit all outstanding open points to a third-party independent mediator, jointly chosen by the Parties, with the objective of finding a commercially sensible and equitable resolution, it being understood that the third-party independent mediator shall not be entitled to resolve any open issues with binding effect upon the Parties.
- 9.4. Immediately upon signing of a Revised Agreement, as the case may be, the Parties will announce the Revised Transaction and take all measures necessary or helpful to successfully consummate the Revised Transaction as set forth in the Revised Agreement.

Section 10

Preparation for Integration

- 10.1. In order to ensure an effective and efficient integration process following the Closing, the Parties will cooperate based on the following principles for a successful integration of each of the businesses of the Company and the Bidder:
- (a) The Parties agree to nominate a management office function which assists the Integration Committee (as defined below) in managing the integration process of the Bidder's and the Company's businesses in the Combined Group (such office, the **Integration Management Office**). The Integration Management Office will be chaired by the chief integration officer and shall manage the integration. The Integration Management Office, represented by the chief integration officer, will on a regular basis report to the Integration Committee.
 - (b) The Parties will work together to develop an integration plan which outlines all relevant objectives for the integration of the businesses and which further develops the post-closing business strategy (the **Integration Master Plan**). To the extent reasonably required for the development of the Integration Master Plan and permitted by law, the Parties will grant each other access to information. The Integration Master Plan will include certain defined (part) pilot projects, a review of all synergies and their expected realization period, as well as a tax efficient coordination of (i) the Lines of Business (as defined below) dimension, (ii) the Regions (as defined below) dimension, and (iii) the structure of the business operations.

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- 10.2. As promptly as practicable following the signing of this Agreement, the Parties will establish an integration committee (the **Integration Committee**).
- (a) The Integration Committee will consist of four (4) members and each of the Company and the Bidder shall nominate two (2) members.
 - (b) The Integration Committee's initial members shall be both Parties' respective chief executive officer and chief financial officer. Thereafter, each Party may at all times replace any of its members in the Integration Committee by another member of the Core Leadership Team.
- 10.3. Upon Closing, to the extent legally permissible and practical, the Integration Committee shall
- (a) oversee the Integration Management Office;
 - (b) implement, and measure the state of, the integration and ensure cooperation and the continued integration of both organizations;
 - (c) oversee all defined (part) pilot;
 - (d) designate the members of the Core Leadership Team and the Leadership Team, as well as other senior management positions; and
 - (e) oversee the implementation of the employment matters as set forth in Section 16 and resolve upon necessary adjustments if operating or market conditions so require.
- 10.4. Following the signing of this Agreement, the Parties shall, to the extent legally permissible (in particular, taking into account any restrictions imposed by applicable antitrust rules), (i) commit to align their respective compliance programs and systems on a best practice basis, with reference to laws and practices in the United States, Germany, other relevant jurisdictions, and terms of the Bidder's agreements with the United States government to be effective after the Closing, and (ii) enter into good faith negotiations with the objective to reach an agreement outlining the specific features of a best practices compliance program for the Combined Group, including certain features to be adopted by both parties before the Closing, and (iii) commit to conduct a risk-based analysis at both the Company and the Bidder, led for each of the Parties by agreed upon experts under relevant laws, by (respectively) Freshfields Bruckhaus Deringer LLP (for the Company) and Sullivan & Cromwell LLP (for the Bidder), with the goal of identifying changes to be made in order to implement the Combined Group's compliance program after the Closing, and with the changes made prior to the Closing to be shared contemporaneously between the Parties.

- 10.5. All obligations set out in this Section 10 are subject to applicable laws, in particular stock corporation law, and the fiduciary duties of the respective board members of the

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Bidder and the Company which may restrict the Parties' ability to fulfill their obligation under this Section 10. This Section 10 exclusively governs the rights and obligations of the Parties with regard to compliance.

Section 11

Name; Brand

- 11.1. Subject to any required consents, the name of the enterprise operated by the Combined Group, as well as of the Bidder, shall be "Diebold Nixdorf". As soon as reasonably practical after the Closing, the articles of association of the Bidder and the Company shall be amended to reflect the name contemplated in the previous sentence. In case the requisite consents cannot be obtained, the Parties shall in good faith negotiate a substitute name that reflects both the name of the Bidder and the Company in a balanced way.
- 11.2. The corporate colors of the Combined Group will include red as used by the Company and blue as used by the Bidder.
- 11.3. The Combined Group shall incorporate the principle of the Company's logo design with blue characters and with a red stripe.

Section 12

Headquarters; Reporting

- 12.1. The Combined Group's business will be operated from headquarters located in Canton, Ohio and Paderborn, Germany. The Combined Group's registered offices will be in Canton, Ohio, given that the top holding entity will be publicly-listed in the United States and based in Ohio.
- 12.2. There will be no change to the location of the Company's corporate headquarters in Paderborn nor to the locations of the Company's German material subsidiaries.
- 12.3. Any changes to the business locations agreed between the Parties shall be subject to (i) arm's length standards and (ii) be reviewed also for tax efficiency.
- 12.4. Except as otherwise provided for in this Agreement, the Combined Group will have internal steering and reporting lines customary for a publicly-listed company in the United States.

Section 13

Global Responsibilities; Structure of the Business Operations

- 13.1. The Combined Group will operate its business along the dimension of (i) business units or lines of business which will 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 will be the Combined Group's primary management dimension with P&L responsibility and the Regions will be the Combined Group's secondary management dimension.

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13.2. The Lines of Business dimension of the Combined Group will be organized as follows:

- (a) The Line of Business entitled Services shall be centered in the Canton, Ohio headquarter and led by Mr. Olaf Heyden.
- (b) The Line of Business entitled Systems shall be centered in the Paderborn headquarter and led by Dr. Ulrich Näher.
- (c) The Line of Business entitled Software shall be centered in the Paderborn headquarter / Utrecht (sub-location London, Ontario) and led by Mr. Alan Kerr.
- (d) The management teams below the leadership for each Line of Business will be staffed such that both the Bidder and the Company are represented in a fair way. The guideline for staffing should be performance over origin .
- (e) The Integration Master Plan shall include a tax efficient coordination of these Lines of Business.

13.3. The Combined Group will, 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.

13.4. The Regions dimension of the Combined Group shall be organized along the following geographical segmentations:

- (a) NA North America (the United States and Canada),
- (b) LA Latin America,
- (c) APJ Asia, Pacific and Japan and
- (d) EMEA Germany, rest of Europe, Middle East and Africa, *provided, however*, that the Parties agree that the EMEA segmentation shall be subject to further good faith negotiation.

13.5. The regional leaders will be matrixed with the Lines of Business.

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

- 13.7. The global responsibilities and the structure of the business operations shall be implemented in a tax efficient way and subject to an arm's length standards, to be set out in the Integration Master Plan.

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Section 14

Composition of Boards

The Parties agree 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 Company and the Bidder as promptly as reasonably practicable after the Closing as follows:

14.1. With regard to the Supervisory Board of the Company, the following shall apply:

- (a) The Company shall use its reasonable best efforts to ensure that after Closing three (3) current shareholder appointed member of the Supervisory Board will resign from their positions and will be replaced by three (3) representatives of the Bidder (of whom one (1) representative will be female to ensure compliance with German laws on the gender quota in supervisory boards) to be appointed in accordance with the proceeding set forth in Section 104 German Stock Corporation Act.
- (b) 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.

14.2. With regard to the Management Board of the Company, the following shall apply:

- (a) The current members of the Management Board shall continue to manage the Company also after the Closing; upon the Bidder's reasonable request, the Bidder shall be adequately represented in the Management Board.
- (b) Following the Closing, each member of the Management Board will enter into discussions with the Supervisory Board with the goal of agreeing new service agreements (*Dienstverträge*) with the Company which follow the Bidder's human resources practices (in respect of terms, extension and severance).

14.3. With regard to the Board of Directors, the following shall apply:

- (a) Immediately following the Closing, (i) the size of the Board of Directors shall be expanded to an overall number of thirteen (13) board members and (ii) the Company's chief executive officer as of the date of this Agreement (the **Company's Chief Executive Officer**), as well as Dr. Alexander Dibelius, chairman of the Supervisory Board of the Company, and Dr. Dieter Düsedau, member of the Supervisory Board of the Company (the **Prospective Board Members**), shall be appointed as members of the Board of Directors.

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- (b) In accordance with Rule 438 of the Securities Act, any Prospective Board Member shall prior to the initial filing of the Registration Statement provide the Bidder an executed consent, in the form as attached hereto as **Annex 14.3(b)**, to being named in the Registration Statement (including any amendments, prospectuses or prospectus supplements thereto) as a person anticipated to become a director of the Bidder and to the filing of such consent as an exhibit to the Registration Statement (the **S-4 Consent**).

- (c) If and to the extent reasonably requested by the respective Prospective Board Members, the Bidder shall assist each Prospective Board Member in establishing a due diligence defense , as contemplated by Section 11(b)(3) of the Securities Act for claims made under Section 11 of the Securities Act with respect to the Registration Statement. The scope of the Bidder s assistance shall be in line with board practices for companies listed in the United States and include, but not be limited to, permitting the Prospective Board Members access to the Bidder s management, outside counsel, auditors, books and records, contracts, minutes of the meetings of the Board of Directors (that may be redacted or otherwise not provided to the extent required by law), in each case as reasonably practicable.

- (d) The Bidder shall nominate 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 the (formerly appointed) Prospective Board Members.

- (e) Upon becoming member of the Board of Directors, the Bidder shall appoint the Company s Chief Executive Officer as its President.

- (f) Upon the termination of the Company s Chief Executive Officer employment as a member of the Management Board and with the Bidder as President, the Company s Chief Executive Officer shall resign from the Board of Directors and thereafter the Bidder s obligations pursuant to Section 14.3(a) shall terminate with respect to (i) the Company s Chief Executive Officer and (ii) representation of management on the board is reduced to the incumbent chief executive officer of the Combined Group, it being understood that the representation of two (2) members of the supervisory board of the Company in the Board of Directors shall remain unaffected, *provided, however*, that such members of the Board of Directors will then satisfy their duties as board members by applying appropriate time and effort.

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Section 15

Senior Management and Management System of the Combined Group

15.1. The Parties agree upon the following governance and management system for the Combined Group:

- (a) With respect to the Combined Group's executive level at the level of the Bidder (the **Executive Committee**), the following shall apply as promptly as practicable after Closing:
 - (1) 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.
 - (2) Four (4) members of the Company's executive team (Company's Chief Executive Officer, chief financial officer and two (2) Lines of Business leaders) will hold executive positions within the Combined Group as an officer within the meaning of Rule 16a-1(f) of the Exchange Act.
 - (3) The Executive Committee shall be limited to eight (8) members.
 - (4) Executive Committee assignments shall be identical with Section 16 officer assignments within the meaning of Rule 16a-1(f) of the Exchange Act and these assignments shall be limited to eight (8) for the Combined Group. The Bidder may appoint additional officers within the meaning of Rule 16a-1(f) of the Exchange Act as required by applicable laws.
 - (5) The Executive Committee shall be organized in accordance with management principles customary for a publicly-listed company in the United States.
 - (6) The Executive Committee shall include the following roles and functions:
 - (i) Chief executive officer of the Bidder,
 - (ii) President of the Bidder,
 - (iii) Chief financial officer of the Bidder,

- (iv) Chief integration officer and senior vice president of retail,
- (v) Head of the Line of Business Systems ,
- (vi) Head of the Line of Business Software ,

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(vii) Head of the Line of Business Services and

(viii) Chief legal officer / General counsel of the Bidder.

(b) The core leadership team of the Combined Group at the level of the Bidder (the **Core Leadership Team**), which is defined as the broader group of company leaders, shall encompass approximately twenty-five (25) members, and will be an expansion of the Executive Committee with the following executives / members:

(1) all members of the Executive Committee;

(2) Head of the Line of Business Security ;

(3) Regional leaders;

(4) Customer segment leader Retail ;

(5) Core corporate function leaders.

(c) The Executive Committee appointments shall be balanced to reflect the joint management approach of the Bidder and the Company.

(d) Core Leadership Team members (other than Executive Committee members, to which the rules above apply) shall be appointed based on their performance (best person for the job) not their origin / affiliation to the Company or the Bidder; however, where appropriate, a balanced approach will be preferable.

15.2. All of the Combined Group's employees at the vice president level and above will be part of the Leadership Team of the Combined Group (the **Leadership Team**). This group of approximately 200 executives of the Combined Group will meet once a year face-to-face.

Section 16

Employment Matters; Labor Law

16.1. The Bidder and the Company view the Business Combination as an opportunity for growth and development for their employee base. Given both Parties' 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.

- 16.2. The Bidder covenants not to cause the Company to take any actions that would lead to a change of the existing level and status of co-determination in the Supervisory Board.
- 16.3. Both Parties are committed 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.

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- 16.4. Businesses and operations of the Company as they exist on the date of this Agreement will substantially be maintained at least until September 30, 2018, subject to the implementation of the Company's current Delta Program which is strongly supported by the Bidder and which shall be continued substantially in the same manner as planned, *provided, however*, that in Germany, any reduction of the Company's workforce shall not materially exceed the extent contemplated under the Delta Program.
- 16.5. The Bidder will respect all labor-related provisions in Germany, including existing shop agreements (*Betriebsvereinbarungen*) and collective bargaining agreements (*Tarifverträge*).
- 16.6. All employees of the Combined Group will be treated fairly in connection with the integration process.

Section 17

Corporate Measures

Nothing in this Agreement shall prevent either Party to seek to enter into and/or to adopt resolutions in favor of any enterprise agreements pursuant to Section 291 German Stock Corporation Act, merger under the German Transformation Act (*Umwandlungsgesetz* – **German Transformation Act**), change of corporate form under the German Transformation Act, squeeze-out under the German Stock Corporation Act or the German Takeover Act, cash-out merger under the German Transformation Act or integration under the German Stock Corporation Act in relation to the Company and/or the Bidder. Following any merger of the Company and the Bidder, all and any stipulations hereunder relating to rights and obligations of the Company shall apply to the merged company *mutatis mutandis*.

Section 18

Approval by Corporate Bodies

- 18.1. The Bidder hereby confirms that the Board of Directors has approved the entry into this Agreement by the Bidder and the performance by the Bidder of its obligations hereunder. No additional approval or permission is required on the Bidder's part for the entry into this Agreement other than as provided for in this Agreement.
- 18.2. The Company hereby confirms that its Management Board and Supervisory Board have approved the entry into this Agreement by the Company and the performance by the Company of its obligations hereunder. No additional approval or permission is required on the Company's part for entering into this Agreement other than as provided for in this Agreement.

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Section 19

Effectiveness, Term and Termination

19.1. The Agreement will have a fixed term, ending three (3) years from the date of the Offer Announcement.

19.2. The Agreement may be terminated with immediate effect:

(a) by the Company on the one hand or the Bidder on the other hand if

(1) the Tender Offer lapses and is not, or is not capable of being, consummated by the Drop Dead Date as result of a Closing Failure, *provided, however*, that the terminating Party is not then in breach, in any material respect, of any of its material covenants or agreements under this Agreement relating to the relevant Closing Condition; and/or

(2) the respective other Party violates its material obligations under this Agreement and such violation has not been cured within five (5) Business Days after the breach has been notified by the terminating Party, save for any obligations to negotiate in good faith and to enter into a Revised Transaction as set forth in Section 9.1 and save for the obligation to pay the Break Fee pursuant to Section 20 and save for all other claims for damages resulting from any breach of any obligation under this Agreement,

provided, however, the Company shall not have the termination rights set forth in this Section 19.2(a) if the Company intends to terminate this Agreement in order to accept a Superior Proposal, it being understood that Section 19.2(b)(6) shall remain unaffected.

(b) by the Company if:

(1) The Bidder's decision to launch the Tender Offer has not been published without undue delay upon signing of this Agreement;

(2) the Offer Document has not been published by February 10, 2016;

(3) the consideration offered in the Tender Offer is lower than the Offer Consideration agreed to under Section 4.4;

(4)

the Tender Offer contains closing conditions that are broader than the Closing Conditions specified in Section 4.5;

- (5) the intentions of the Bidder as published in the Offer Document with regard to its strategy or intentions differ from those set forth in this

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Agreement, *provided, however*, that such difference was not due to any requirement of BaFin or the SEC and does not materially adversely affect the interest of the Company, its shareholders and/or other stakeholders;

- (6) the Management Board and/or the Supervisory Board no longer support the Tender Offer as they have determined and informed the Bidder as set forth in Section 6.4(a) to pursue a Superior Proposal, *provided, however*, that the Company has negotiated with the Bidder in good faith following or prior to publication of the Superior Proposal;

(c) by the Bidder if:

- (1) the Management Board and/or the Supervisory Board does not issue or withdraws its Reasoned Statement or amend the Reasoned Statement in any way that could jeopardize the success of the Tender Offer;
- (2) following a Required Amendment, the Bidder in compliance with the terms of this Agreement refrains from publishing the Offer Document.

19.3. The right to terminate this Agreement for good cause (*aus wichtigem Grund*) shall remain unaffected. Good cause shall exist where the terminating Party, taking into account all circumstances of the specific case and weighing the interests of the Parties, cannot reasonably be expected (*unzumutbar*) to continue the contractual relationship through the remainder of the agreed fixed term (Section 314 para. 1 sentence 1 German Civil Code (*Bürgerliches Gesetzbuch*)).

19.4. Notice of any termination must be given in writing and must be made within ten (10) Business Days after the terminating Party has become aware of the factual circumstances on which a termination right is based and any good-faith negotiations have failed. In the event of termination of this Agreement, this Agreement shall have no further effect, save for Section 2.3 and Section 19 through Section 22.

Section 20

Break Fee

20.1. If (i) the Tender Offer is not consummated due to one or more Closing Failures set forth in Section 9.1(a) through Section 9.1(c), and (ii) the Parties, following good faith negotiations during a period of two (2) months in accordance with Sections 9.1 through 9.3 (including, to the extent necessary, the consultation of a mediator) have not been able to agree to a Revised Transaction and enter into a Revised Agreement and (iii) either Party has terminated this Agreement pursuant to Section 19.2(a)(1) or Section 19.2(b)(1) through 19.2(b)(5), then the Bidder shall pay without undue delay (*unverzüglich*) after the expiration of the period of two (2) months as set out in Section 9.2 to the Company a fee in cash (*pauschalierter Schadensersatz*) (such fee, the **Break Fee**) in an amount of

- (a) EUR 20 million (in words: Euro twenty million) in case of the non-fulfilment of the S-4 Condition pursuant to Section 4.5(b), unless the non-fulfilment of the S-4 Condition (i) was caused by the Company exercising its right to decide on a Required Recommendation Statement Modification, or (ii) is caused by the Company (each (i) and (ii) a **Company S-4 Failure**) and the Bidder has requested in writing that, and granted sufficient time for the Company to, cure the Company S-4 Failure, provided, however, that (i) the Bidder was aware or should have been aware of the Company S-4 Failure and (ii) the prompt application of a cure measure would have resulted in the prevention of the non-fulfilment of the S-4 Condition;

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- (b) EUR 30 million (in words: Euro thirty million) in case of the non-fulfilment of the No Market Material Adverse Change Condition pursuant to Section 4.5(d); or

 - (c) EUR 50 million (in words: Euro fifty million) in case the Parties failed to obtain the Antitrust Clearances pursuant to Section 8.1 on or prior to the Drop Dead Date;
in each case, *provided, however*, that if more than one of the Closing Failures set forth in Section 9.1(a) through Section 9.1(c) have occurred (to the extent not waived), the Bidder shall pay the relevant Break Fee under this Section 20.1 relating to such Closing Failure that occurred first.
- 20.2. The payment of the Break Fee shall not exclude any further liability of the Bidder, *provided, however*, that the Company's damages (i) exceed the Break Fee or (ii) are based on facts other than the failure to obtain the Antitrust Clearances, the non-fulfilment of the S-4 Condition and/or the No Market Material Adverse Change Condition, as the case may be.
- 20.3. The Parties agree that the obligation to pay the Break Fee may, in case an objective third party would have to conclude that one of the Closing Failures set forth in Sections 9.1(a) through 9.1(c) will occur, not be circumvented by non-publication of the Offer Document as provided for under this Agreement or otherwise. For the avoidance of doubt, the Parties further confirm that the Bidder may not deviate from the terms of this Agreement to circumvent the obligation to pay the Break Fee.
- 20.4. For the avoidance of doubt, any claims of the Company against the Bidder for performance of their obligations under this Agreement and/or for any further damages shall remain unaffected.

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Section 21

Notices

Any and all notices and communications under this Agreement shall be made in writing in the English language and delivered by hand, by courier, by telefax or by email (provided that receipt of the email is promptly confirmed by telefax or email which the receiving Party shall be confirming without undue delay after receipt of such email) to the person at the address set forth below, or such other person or address as may be designated by the respective Party to the other Parties in the same manner:

(a) if to the Bidder:
Diebold, Incorporated

Attn.: Mr. Jonathan Leiken

5995 Mayfair Road

North Canton, OH 44720

United States

Fax no.: +1 330 490 4450

Email: Jonathan.Leiken@diebold.com

with copy to (which copy shall not constitute notice hereunder):

Sullivan & Cromwell LLP

Attn.: Dr. Carsten Berrar / Dr. York Schnorbus

Neue Mainzer Straße 52

60311 Frankfurt am Main

Germany

Fax no.: +49 69 4272 5210

Email: berrarc@sullcrom.com / schnorbusy@sullcrom.com

(b) if to the Company:
Wincor Nixdorf Aktiengesellschaft

Attn.: Mr. Martin Kühle

Heinz Nixdorf Ring 1

33106 Paderborn

Germany

Fax No.: +49 5251 693 5444

Email: martin.kuehle@wincor-nixdorf.com

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with copy to (which copy shall not constitute notice hereunder):

Freshfields Bruckhaus Deringer LLP

c/o Dr. Stephan Waldhausen

Feldmühleplatz 1

40545 Düsseldorf

Germany

Fax no.: +49 211 4979 9103

Email: stephan.waldhausen@freshfields.com

Section 22

Miscellaneous

22.1. **General Liability Principle:** For the avoidance of doubt and subject to the exceptions set forth in this Agreement, the Parties' liability for breach of this Agreement shall not be excluded.

22.2. **Responsibility of the Company; indemnification obligation of the Bidder**

- (a) The Parties hereby confirm that with regard to any cooperation and information obligations under this Agreement set forth in Sections 3.3, 3.4 or 7.5 or Section 10 the Company shall not be liable to the Bidder, except for willful misconduct by the Company or its Subsidiaries.
- (b) The Bidder hereby undertakes to indemnify and hold harmless the Company or any other member of the Wincor Nixdorf Group, their directors, officers and employees (each a **Beneficiary**)
 - (1) from any and all damages (including, for the avoidance of doubt, any costs and claims by any party or governmental agency) incurred in connection with any action or omission relating to the fulfilment of their cooperation and information obligations regarding the Disclosure Documents and/or pursuant to Section 7.5;
 - (2) if Closing has occurred from any and all damages (including, for the avoidance of doubt, any costs and claims by any party or governmental agency) incurred in connection with any action or omission relating to the fulfilment of the cooperation and information obligations under Section 10; and

- (3) with respect to any Beneficiary who consents to be named as a director of the Bidder in the Registration Statement, from any and all damages (including, for the avoidance of doubt, any costs and claims by any party or governmental agency) incurred in connection with any action

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or omission relating to being named as such a director, including any liabilities, expenses and damages which may arise under Section 11 of the Securities Act;

provided, however, that the Bidder shall not be obligated hereunder pursuant to Section 22.2(b)(1) and Section 22.2(b)(2) if and to the extent (i) a violation leading to such damages was caused by willful misconduct, except for any claim hereunder relating to any Required Financial Statement Modification, in which case the Bidder shall, to the extent legally permitted, be obligated pursuant to this Section 22.2(b) also if the violation leading to such damages was caused by willful misconduct of one of the officers, directors, employees or advisors, or (ii) the relevant Beneficiary is liable to the Bidder in respect of the respective action or omission based on fiduciary duties as a member of the Board of Directors ((i) and (ii) each an **Indemnification Defense**).

- (c) In the event that any action, claim, demand or proceeding with respect to which the Bidder may be liable to any Beneficiary pursuant to Section 22.2(b) (the **Third-Party Claim**) is asserted or announced by any third party (including any governmental agency) against any Beneficiary, the Company shall afford, or use its reasonable best efforts to cause the Beneficiary to afford, the Bidder the opportunity to defend the Beneficiary against the Third-Party Claim pursuant to this Section 22.2(c) (the **Assumption of Defense**).
- (1) If the Bidder elects to pursue the Assumption of Defense, the Bidder shall within twenty (20) Business Days upon receipt of the Company's notice of a Third-Party Claim notify the Company or the respective Beneficiary of its intent to assume such defense and the Company shall cooperate and cause the Company's Subsidiaries, at the Bidder's expense, to cooperate in each phase of such Assumption of Defense.
 - (2) In particular, in case of an Assumption of Defense, the Bidder shall have the right to defend the Beneficiary by all actions and shall have, at any time during the proceedings, the sole power to direct and control such defense.
 - (3) The Bidder may participate in and direct all negotiations and correspondence with the third party, appoint and instruct, at its own expense, counsel (such counsel to be approved by the Company or, as the case may be, by the respective Beneficiary, which approval shall not be unreasonably withheld or delayed) and request that the Third-Party Claim be litigated or settled in accordance with the Bidder's instructions, provided, however, that the Bidder bears any costs and payments relating to such settlement.

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- (4) The Bidder shall, upon written request of the Beneficiary, regularly consult with the Beneficiary on the status of the Third Party Claim and give due consideration to comments or recommendations of the Beneficiary. No action by any Beneficiary or its respective representatives in connection with the defense shall be construed as an acknowledgement (whether express or implied) of the Third Party Claim or of any underlying facts related to such claim.
- (5) If the Bidder intends to defend itself against any claim of a Beneficiary pursuant to Section 22.2(b) based on an Indemnification Defense, the Bidder shall without undue delay (*unverzüglich*) inform the respective Beneficiary in writing. The Beneficiary shall then be entitled at any time to revoke the Assumption of Defense with immediate effect by giving written notice to the Bidder.
- (6) The Company shall make available, and cause the Company's Subsidiaries to make available, all such information and assistance, including powers of attorney, reasonably deemed necessary by the professional advisors of the Bidder for the purpose of defending any such Third-Party Claim.
- (7) The Bidder shall not be required to indemnify a Beneficiary if and to the extent such Beneficiary has caused any damage because it has not observed the material provisions of this Section 22.2(c) relating to the Bidder's ability to pursue the Assumption of Defense as set forth herein and the Bidder has granted the Beneficiary sufficient time to cure such violation.

22.3. **Assignment: Costs**

- (a) Unless otherwise provided for in this Agreement, any rights under this Agreement may only be assigned with the prior written consent of the respective other Parties.
- (b) Each Party shall bear its own fees and expenses with respect to the Business Combination as well as the entry into, and consummation of, this Agreement.

22.4. **No recourse to Financing Sources:** Notwithstanding any provision of this Agreement, the Company agrees that none of the Financing Sources and the former, current and future equity holders, controlling persons, directors, officers, employees, agents, Affiliates, members, managers, general or limited partners or assignees of the Financing Sources (such parties, the **Related Finance Parties**) is a Party hereto and none of them shall have any liability or obligation to the Company relating to this Agreement or any of the transactions contemplated herein (including the Certain Funds Financing). This Section 22.4 may not be amended in any manner that affects the rights of the Financing Sources or the Related Finance Parties without the prior written consent of the Financing Sources or the Related Finance Parties.

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22.5. Confidentiality:

- (a) Until Closing, the Bidder acknowledges the independent status of the Company and respect the Company's confidentiality needs, as well as the legal limitations on the exercise of an influence after Closing pursuant to Sections 76, 93, 311 et seqq. German Stock Corporation Act. Except for the communication set forth under Section 2, each Party shall keep confidential and shall not disclose to any third party (other than (i) a Subsidiary or in case of the Bidder an Affiliate, (ii) Financing Sources, Affiliates thereof and their respective professional advisors, (iii) customary confidential disclosures to rating agencies or (iv) a professional advisor bound to this Section 22.5(a) or professional confidentiality obligations, *provided, however*, that the disclosing Party shall remain responsible for any breach of confidentiality of such Subsidiary, Affiliate or professional advisor) details of the negotiations relating to this Agreement or any confidential information regarding any other Party disclosed to it in connection with the discussions preceding, or resulting in, this Agreement or its implementation, except to the extent that the relevant facts are publicly known through no fault of the Party seeking to make any disclosure. The Parties agree that this Agreement and its content may be disclosed to employees, investors, governmental agencies and the press.

- (b) Section 22.5(a) does not prevent either Party from disclosures required under any mandatory laws, enforceable orders by courts, regulatory bodies or other public authorities or the rules and regulations of any stock exchange governing the listing of any securities of the relevant Party. In such circumstances, any disclosure shall be no more extensive in scope and nature than the minimum standard required by the relevant laws, orders, rules or regulations. If a person is so required to make any announcement of or to disclose any confidential information, the relevant Party shall promptly notify the other Party or Parties concerned, where practicable and lawful to do so, before the announcement is made or disclosure occurs and shall cooperate with the other Party or Parties regarding the timing and content of such announcement or disclosure or any action which the other Party or Parties may reasonably elect to take to challenge the validity of such requirement.

- (c) The Company acknowledges that the Bidder may be required by U.S. securities laws to announce the signing of this Agreement and to describe the major terms and conditions of this Agreement (including the consideration payable).

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- 22.6. **Collaboration Regarding Communications:** Except in respect of any announcement required by (i) applicable law or regulation, (ii) a request by a court, regulatory body or other public authority or (iii) an obligation pursuant to any listing agreement with or rules of any securities exchange, the Parties agree to consult with the respective other Party (x) regarding any press release or other public written statements concerning the Transaction or the Business Combination and (y) regarding other public statements, such as interviews, in case such other public statements deviate from or go beyond general guidelines which the Parties will develop for any public communication post announcement of the Transaction, in each case (x) and (y) prior to the respective publication or public statement. For the avoidance of doubt, the Bidder will have to regularly communicate and file information with the SEC and the parties acknowledge that all such communications and filings shall be exempt from this Section 22.6.
- 22.7. **Severability:** Should any provision of this Agreement be or become invalid, ineffective or unenforceable as a whole or in part, the validity, effectiveness and enforceability of the remaining provisions shall not be affected thereby. Any such invalid, ineffective or unenforceable provision shall be deemed replaced by such valid, effective and enforceable provision as comes closest to the economic intent and purpose of such invalid, ineffective or unenforceable provision as regards subject-matter, amount, time, place and extent. The aforesaid shall apply *mutatis mutandis* to any gap in this Agreement.
- 22.8. **Entire Agreement:** This Agreement contains all of the Parties' agreements and understandings with respect to the subject matter hereof. No collateral agreements to this Agreement, whether verbally or in writing, have been entered into between the Parties. The letter non-disclosure agreement by and between the Bidder and the Company dated March 27, 2015 will be terminated upon, and be replaced by the provisions of, this Agreement.
- 22.9. **Counterparts:** This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement. A facsimile or email transmission of scanned or executed counterparts of this Agreement shall be sufficient to bind a Party to the same extent as an original.
- 22.10. **Amendments and Waivers:** Any and all amendments to this Agreement or waivers must be made in writing, unless stricter requirements as to their form are required by mandatory law. This shall also apply to any waiver of compliance with the provisions of this Section 22.10.

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22.11. Interpretation, Definitions:

- (a) This Agreement is made in the English language. Terms to which a German translation has been added will, however, be construed and interpreted as having the meaning assigned to them by the German translation.
- (b) The headings of the sections and subsections in this Agreement are for convenience purposes only and shall not affect the interpretation of any of the provisions hereof.
- (c) The term **Business Day** shall mean any day other than a Saturday, Sunday or other day on which banks in Frankfurt am Main, Germany, or New York, New York, are generally closed.
- (d) **Subsidiary** shall mean all subsidiaries (*Tochterunternehmen*) within the meaning of Section 2 para. 6 German Takeover Act of the relevant Party.
- (e) **Affiliate** shall mean all connected enterprises (*verbundene Unternehmen*) within the meaning of Sections 15 et seq. German Stock Corporation Act.

22.12. Governing Law, Jurisdiction: This Agreement shall be governed by and construed in accordance with the laws of the Federal Republic of Germany.

22.13. Arbitration: Any dispute arising from or in connection with this Agreement and its consummation shall be finally settled by three (3) arbitrators, of which each Party may nominate one, in accordance with the arbitration rules of the German Institution of Arbitration (*Deutsche Institution für Schiedsgerichtsbarkeit e.V.*) without recourse to the courts of law. Exclusive legal venue of the arbitration shall be Frankfurt am Main, Germany. The language of the arbitral proceedings will be English.

[Signature Page to Follow]

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Signature page to the Business Combination Agreement between Diebold and Wincor Nixdorf dated November 23, 2015

ACCEPTED AND AGREED:

On November 23, 2015 for and on behalf of Company:

/s/ Eckard Heidloff

Name: Eckard Heidloff

Title: Vorsitzender des Vorstandes der Wincor
Nixdorf AG

On November 23, 2015 for and on behalf of Bidder:

/s/ Jürgen Wunram

Name: Jürgen Wunram

Title: CFO, stellvertretender Vorsitzender des
Vorstands

/s/ Christopher A. Chapman

Name: Christopher A. Chapman

Title: Senior Vice President and Chief Financial
Officer

/s/ Jonathan B. Leiken

Name: Jonathan B. Leiken

Title: Senior Vice President, Chief Legal Officer and
Secretary

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For the purposes of this Agreement, capitalized terms shall have the meanings set forth in the table below, excepts as otherwise expressly provided in this Agreement.

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Annex 2.1(a)	Bidder Offer Announcement pursuant to Section 10 German Takeover Act
Annex 2.1(b)	Company Ad-Hoc Announcement pursuant to Section 15 para. 1 German Securities Trading Act (<i>Wertpapierhandelsgesetz</i>)
Annex 2.2	Joint Press Release by Bidder and Company in Connection with the Tender Offer and the Transaction
Annex 4.5(a)	Antitrust Authorities
Annex 14.3(b)	Draft S-4 Consent

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ALTERNATE INFORMATION FOR THE EXCHANGE OFFER PROSPECTUS

- 1. The exchange offer prospectus will be attached as Annex 4 to the exchange offer document and the following cover page will be added:**
- Information pursuant to Section 2 no. 2 of the WpÜG Offer Regulation**
- in conjunction with Section 7 of the Securities Prospectus Act (*Wertpapierprospektgesetz*) and the**
- Commission Regulation (EC) No 809/2004 (29 April 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**
- (Prospectus Regulation)**

Regarding the information contained in this Annex 4 of the 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 the Offer Document to the extent permissible and required under the German Takeover Act, 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 <http://www.diebold.com> under the *Investor Relations* section and will file such information in English with the SEC 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 under www.diebold.com (in German and English language) under the *Investor Relations* section and in German in the Federal Gazette (*Bundesanzeiger*). Bidder will also file such notifications and announcements in English with the SEC at <http://www.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.

- 2. The section entitled Question and Answers in the prospectus in this registration statement will not appear at the beginning of the prospectus included in the exchange offer document but will be included therein as an annex.**

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3. The section entitled **Summary of the Prospectus**, a translation of which is set forth below, will be included in the prospectus in the exchange offer document in place of the section in the prospectus in this registration statement entitled **Summary**, which will be included in the prospectus in the exchange offer document as an annex:

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 the 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 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 16,000 employees with business in more than 90 countries worldwide.

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. During the Crawl phase, Diebold was primarily focused on taking cost out of the business and reallocating a portion of these savings as reinvestments in systems and processes. Cost savings, along with working capital improvements, resulted in significantly more free cash flow. With respect to talent, Diebold attracted new leaders from top technology and services companies. Through increased collaboration with customers, Diebold has also improved its growth trajectories in its financial self-service (FSS) and Security businesses.

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 will be a greater emphasis on increasing the mix of revenue from services

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and software, as well as shaping Diebold's portfolio of businesses. 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 this year is more than 11,000, which gives Diebold a solid platform for future growth. For the software business, the recent acquisition of Phoenix Interactive Design, Inc. (**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.

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. On October 25, 2015, Diebold announced 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 is subject to regulatory approvals and customary closing conditions, and is expected to be completed during the first quarter of 2016. Additionally, Diebold is narrowing its scope in the Brazil other business to primarily focus on lottery and elections to help rationalize our solution set in that market. These decisions enable Diebold to refocus its resources and better position itself to pursue growth opportunities in the dynamic self-service industry.

Diebold has two core lines of business: 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 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

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fraud, such as phishing, pharming, and key logging. All of these solutions are backed with experienced sales, installation and service teams. Diebold 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 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.

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 information technology solutions in Brazil, through wholly-owned subsidiaries, joint ventures and independent distributors in most major countries.

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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 November 20, 2015, 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:

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
The Vanguard Group ⁽³⁾	6.30
SouthernSun Asset Management LLC ⁽⁴⁾	6.30
BlackRock, Inc ⁽⁵⁾ .	6.10
Capital World Investors ⁽⁶⁾	6.00
Prudential Financial, Inc. ⁽⁷⁾	5.30
Jennison Associates LLC ⁽⁸⁾	5.20

(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 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.

(4) 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.

(5) Information regarding share ownership was obtained from the Schedule 13G/A filed on February 9, 2015 by BlackRock, Inc. (**BlackRock**). BlackRock has sole voting power over 3,779,962 of our common shares, and sole dispositive power over 3,959,642 of our common shares. BlackRock is the parent company of the following subsidiaries that beneficially own our common shares: BlackRock Advisors (UK) Limited; BlackRock Advisors, LLC; BlackRock Asset Management Canada Limited; BlackRock Asset Management Ireland Limited; 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.

(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 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 3,352,730 of our common shares, or 5.2% of our common shares outstanding. 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. 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.

(8) Information regarding share ownership was obtained from the Schedule 13G filed on February 9, 2015 by Jennison Associates LLC (**Jennison**). Jennison has sole voting power over 2,778,873 of our common shares and shared dispositive power over 3,352,730 of our common shares. Jennison furnishes investment advice to several investment companies, insurance separate accounts and institutional clients (**Managed Portfolios**). As a result of its role as investment adviser of the Managed Portfolios, Jennison may be deemed to be the beneficial owner of our common shares held by such Managed Portfolios. Prudential indirectly owns 100% of the equity interests of Jennison. As a result, Prudential may be deemed to have the power to exercise or to direct the exercise of such voting and/or dispositive power that Jennison may have with respect to our common shares held by the Managed Portfolios. Jennison does not file jointly with Prudential; as such, our common shares reported on Jennison Schedule 13G may be included in the shares reported by Prudential.

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 and 2013, are derived from Diebold s audited financial statements for such years. The statements of operations information for each of the years ended December 31, 2011 and 2010, and the balance sheet information as of December 31, 2012, 2011 and 2010, 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 for the nine months ended September 30, 2014 is derived from Diebold s unaudited consolidated financial statements for such periods. The selected financial information of Diebold as of September 30, 2014 is derived from Diebold s unaudited consolidated financial statements. 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.

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	(Unaudited) Nine Months Ended September 30,		Year Ended December 31,				
	2015	2014	2014	2013	2012	2011	2010
	(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	\$ 2,835.8	\$ 2,823.8
Cost of sales	1,539.7	1,638.3	2,271.7	2,217.1	2,262.1	2,105.4	2,108.4
Gross profit	\$ 530.1	\$ 551.5	\$ 779.4	\$ 640.4	\$ 729.6	\$ 730.5	\$ 715.4
Amounts attributable to Diebold, Incorporated							
Income (loss) from continuing operations, net of tax	\$ 41.1	\$ 84.5	\$ 114.4	\$ (181.6)	\$ 76.7	\$ 143.6	\$ (24.7)
(Loss) income from discontinued operations, net of tax					(3.1)	0.5	0.3
Net income (loss) attributable to Diebold, Incorporated	\$ 41.1	\$ 84.5	\$ 114.4	\$ (181.6)	\$ 73.6	\$ 144.1	\$ (24.4)
Basic earnings (loss) per common share							
Income (loss) from continuing operations, net of tax	\$ 0.63	\$ 1.31	\$ 1.77	\$ (2.85)	\$ 1.22	\$ 2.23	\$ (0.37)
(Loss) income from discontinued operations, net of tax					(0.05)	0.01	
Net income (loss) attributable to Diebold, Incorporated	\$ 0.63	\$ 1.31	\$ 1.77	\$ (2.85)	\$ 1.17	\$ 2.24	\$ (0.37)
Diluted earnings (loss) per common share							
Income (loss) from continuing operations, net of tax	\$ 0.63	\$ 1.30	\$ 1.76	\$ (2.85)	\$ 1.20	\$ 2.21	\$ (0.37)
(Loss) income from discontinued operations, net of tax					(0.05)	0.01	
Net income (loss) attributable to Diebold, Incorporated	\$ 0.63	\$ 1.30	\$ 1.76	\$ (2.85)	\$ 1.15	\$ 2.22	\$ (0.37)
Number of weighted-average shares outstanding							
Basic shares	64.9	64.5	64.5	63.7	63.1	64.2	65.9
Diluted shares	65.5	65.1	65.2	63.7	63.9	64.8	65.9
Dividends							
Common dividends paid	\$ 56.5	\$ 56.2	\$ 74.9	\$ 74.0	\$ 72.8	\$ 72.9	\$ 71.9

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Common dividends paid per share	\$ 0.8625	\$ 0.8625	\$ 1.15	\$ 1.15	\$ 1.14	\$ 1.12	\$ 1.08
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Consolidated balance sheet data (as of period end)

Current assets	\$ 1,608.2	\$ 1,787.7	\$ 1,655.6	\$ 1,555.4	\$ 1,814.9	\$ 1,732.2	\$ 1,714.0
Current liabilities	\$ 966.5	\$ 1,077.4	\$ 1,027.7	\$ 893.7	\$ 857.3	\$ 837.9	\$ 822.7
Net working capital	\$ 641.7	\$ 710.3	\$ 627.9	\$ 661.7	\$ 957.6	\$ 894.3	\$ 891.3
Property, plant and equipment, net	\$ 177.0	\$ 161.6	\$ 169.5	\$ 160.9	\$ 184.3	\$ 192.7	\$ 203.5
Long-term debt	\$ 618.3	\$ 555.0	\$ 479.8	\$ 480.2	\$ 617.5	\$ 606.2	\$ 550.4
Total long-term liabilities	\$ 882.1	\$ 739.7	\$ 759.5	\$ 668.9	\$ 908.8	\$ 834.8	\$ 720.2
Total assets	\$ 2,275.1	\$ 2,458.4	\$ 2,342.1	\$ 2,183.5	\$ 2,593.0	\$ 2,517.3	\$ 2,519.8
Total equity	\$ 426.5	\$ 641.3	\$ 554.9	\$ 620.8	\$ 826.8	\$ 844.6	\$ 976.8

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Significant changes to the issuer's financial condition and operating results during and subsequent to the period covered by the historical key financial information.

Nine-month periods ended September 30, 2015 and 2014

On March 13, 2015, Diebold acquired all of the equity interests of 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 \$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.

The decline in operating profit (loss) from \$101.4 million for the financial year ended December 31, 2012 to \$(118.3) million was influenced primarily by

lower volume and a shift in customer mix within NA and significant increases in impairment, non-routine expenses and restructuring charges, partially offset by lower operational spend in NA and an overall improvement in service margin.

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B.8 Selected key pro forma financial information.	Not applicable.
	<p>The description of the expected consequences of a successful Takeover Offer on the consolidated balance sheet of Diebold as of September 30, 2015 and the consolidated statements of operations for the fiscal year from January 1, 2014 until December 31, 2014 as well as the nine-month period from January 1, 2014 to September 30, 2014 of Diebold which are included in this Prospectus do not qualify as pro forma financial information within the meaning of Section 11 para. 4 no. 2 of the German Takeover Act (<i>Wertpapierübernahmegesetz</i>) in conjunction with Section 2 no. 2 of the German Ordinance relating to the contents of the Offer Document, the consideration payable in the case of takeover bids and mandatory offers and exemption from the obligation to publish and to make an offer (<i>WpÜG-Angebotsverordnung</i>) as well as Art. 4a para. 6, item 20.2 of Annex I, and Annex II of Commission Regulation (EC) No 809/2004.</p>
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. The auditor's reports on the historical financial information included in this prospectus have been issued without qualification.
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 (<i>Stammaktien mit Nennbetrag</i>) and carrying full dividend rights following the closing date (the Diebold Common Shares).
Security identification number.	<p>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).</p> <p>ISIN/WKN/Common Code/Ticker Symbol for the Diebold Offer Shares:</p>

International Securities Identification Number (ISIN): []

German Securities Identification Number (*Wertpapierkennnummer, WKN*):
[]

Common Code: []

New York Stock Exchange (**NYSE**) Trading Symbol: []

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C.2	Currency.	US-Dollar (\$).
C.3	The number of shares issued and fully paid and the par value per share.	79,685,756 issued common shares with \$1.25 par value per share (<i>Stammaktien</i>). 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 closing date.
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.
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 Business Combination, prior to the time of delivery of the Diebold Offer Shares to the Wincor Nixdorf shareholders under the Offer (as defined under E.3), Diebold will also apply to list all Diebold Common Shares on the regulated market segment (<i>Regulierter Markt</i>) of the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>) 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. It is a condition to the closing of the Offer that the Diebold Common Shares be approved for listing on the NYSE and on the Frankfurt Stock Exchange, subject to official notice of issuance. 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. Commencement of trading on the NYSE and on the Frankfurt Stock Exchange is expected to occur upon closing of the Offer.
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.
D Risks		
D.1	Key risks specific to the issuer and its industry.	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

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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.

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.

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, cyclicalities 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 that we cannot control 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.

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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.

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

The share prices of Diebold and Wincor Nixdorf may be adversely affected if the Offer or the Business Combination is not completed.

Risks Relating to the Combined Company Following the Business Combination

A combined Diebold and Wincor Nixdorf may fail to realize the anticipated strategic and financial benefits sought from the Business Combination.

Diebold may be unable to integrate Wincor Nixdorf successfully.

Combining the businesses of Diebold and Wincor Nixdorf may be more difficult, costly or time-consuming than expected, which may adversely affect the combined company's results and negatively affect the value of Diebold Common Shares following the business combination.

A combined Diebold and Wincor Nixdorf may experience negative synergies and loss of customers.

Wincor Nixdorf may experience negative reactions to the Business Combination from its customers, suppliers and employees for not pursuing other business opportunities.

The unaudited illustrative condensed combined financial information is presented for illustrative purposes only and may not be an indication of Diebold's results of operations or financial condition following the completion of the Business Combination.

The combined company may be unable to retain Wincor Nixdorf and/or Diebold personnel successfully after the Business Combination is completed.

Diebold and Wincor Nixdorf will incur significant transaction fees and costs in connection with the Business Combination, some of which are payable regardless of whether the Business Combination is completed.

Risk Factors Relating to Diebold's Business

We may be unable to achieve, or may be delayed in achieving, our cost-cutting initiatives, and this may adversely affect our operating results and cash flow.

We face competition that could adversely affect our sales and financial condition.

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Additional tax expense or additional tax exposures could affect our future profitability.

In international markets, we compete with local service providers that may have competitive advantages.

Because our operations are conducted worldwide, they are affected by risks of doing business abroad.

We may be exposed to liabilities under the Foreign Corrupt Practices Act, which could have a material adverse effect on our business.

We may expand operations into international markets in which we may have limited experience or rely on business partners.

Diebold may be unable to successfully and effectively manage acquisitions, divestitures and other significant transactions, which could harm Diebold's operating results, business and prospects.

We have a significant amount of long-term assets, including goodwill and other intangible assets, and any future impairment charges could adversely impact our results of operations.

System security risks and systems integration issues could disrupt our internal operations or services provided to customers, and any such disruption could adversely affect revenue, increase costs, and harm our reputation and stock price.

An inability to attract, retain and motivate key employees could harm current and future operations.

We may not be able to generate sufficient cash flows to fund our operations and make adequate capital investments, or to pay dividends.

New service and product developments may be unsuccessful.

Our ability to maintain effective internal control over financial reporting may be insufficient to allow us to accurately report our financial results or prevent fraud, and this could cause our financial statements to become materially misleading and adversely affect the trading price of our common shares.

Low investment performance by our domestic pension plan assets may result in an increase to our net pension liability and expense, which may require us to fund a portion of our pension obligations and divert funds from other potential uses.

Our businesses are subject to inherent risks, some for which we maintain third-party insurance and some for which we self-insure. We may incur losses and be subject to liability claims that could have a material adverse effect on our financial condition, results of operations or cash flows.

Our assumptions used to determine our self-insurance liability could be wrong and materially impact our business.

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Risks Relating to Financing of the Business Combination

Diebold will incur a substantial amount of indebtedness to acquire the Wincor Nixdorf ordinary shares pursuant to the Offer and, as a result, will be highly leveraged. Diebold's failure to meet its debt service obligations could have a material adverse effect on Diebold's business, financial condition and results of operations.

We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

The terms of Diebold's indebtedness restrict its current and future operations, particularly its ability to respond to changes or to take certain actions.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Diebold will incur substantial additional indebtedness in connection with the Business Combination, may not be able to refinance the Bridge Credit Agreement (as defined under E.4) on favorable terms, if drawn upon, and may not be able to meet all of its debt obligations.

All of our debt obligations, and any future indebtedness we may incur, will have priority over Diebold's common shares with respect to payment in the event of a liquidation, dissolution or winding-up.

The consummation of the Offer may result in ratings organizations and/or securities analysts taking actions, which may adversely affect Diebold's business, financial condition and operating results, as well as the market price of Diebold Common Shares.

Risks Relating to Investing and Ownership of Diebold Common Shares

Wincor Nixdorf shareholders and Diebold shareholders will have a reduced ownership and voting interest after the Business Combination and will exercise less influence over management.

The market price for Diebold Common Shares will be affected by factors different from those that historically have affected Wincor Nixdorf ordinary shares.

There is no assurance that Diebold will continue to pay dividends following the Business Combination.

Our maintenance of two exchange listings may adversely affect liquidity in the market for Diebold Common Shares and could result in pricing differentials of Diebold Common Shares between the two exchanges. Index funds may sell Diebold Common Shares which they receive in the Offer.

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The rights and responsibilities of the shareholders of Diebold will be governed by Ohio law and Diebold's articles of incorporation and code of regulations, which will differ in some respects from the rights and responsibilities of shareholders under German law and the current organizational documents of Wincor Nixdorf.

Anti-takeover provisions could make it more difficult for a third party to acquire us.

Regulatory and Legal Risks Pertaining to Diebold

An adverse determination that our services, products or manufacturing processes infringe the intellectual property rights of others, an adverse determination that a competitor has infringed our intellectual property rights or our failure to enforce our intellectual property rights could have a materially adverse effect on our business, operating results or financial condition.

Changes in laws or regulations or the manner of their interpretation or enforcement could adversely impact our financial performance and restrict our ability to operate our business or execute our strategies.

Any actions or other governmental investigations or proceedings related to or arising from the matters that resulted in our previous settlements could result in substantial costs to defend enforcement or other related actions that could have a materially adverse effect on our business, operating results or financial condition.

Risks Relating to Wincor Nixdorf's Businesses

Wincor Nixdorf's business, financial condition and results of operations may be negatively affected by the uncertainties of global economic, credit and political conditions.

Competition in the industries that Wincor Nixdorf targets is intense, and any failure to compete effectively would have an adverse effect on Wincor Nixdorf's business.

Wincor Nixdorf's ability to anticipate and respond to changing industry trends and the needs and preferences of its customers may affect Wincor Nixdorf's competitiveness or demand for its products, which may adversely affect Wincor Nixdorf's operating results.

Any failure to retain major existing customers or to obtain new customers on favorable terms could adversely affect Wincor Nixdorf's results of operations and financial condition.

Wincor Nixdorf's net sales and operating results may fluctuate.

Wincor Nixdorf's operating results could be negatively impacted if it is unsuccessful in transforming its business model.

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If Wincor Nixdorf does not control its operating expenses, it will not be able to compete effectively in its industry.

Defects, errors, installation difficulties or development delays could expose Wincor Nixdorf to potential liability, harm its reputation and negatively impact its business.

Wincor Nixdorf's multinational operations, including its business operations in emerging markets, expose Wincor Nixdorf to business and legal risks.

Wincor Nixdorf may expand operations into international markets in which it may have limited experience or rely on business partners.

Wincor Nixdorf's new products and product enhancements may not be successful, could increase Wincor Nixdorf's costs and could reduce customer demand.

Wincor Nixdorf's historical and ongoing manufacturing activities subject Wincor Nixdorf to environmental exposures and other potential liabilities.

Wincor Nixdorf is highly dependent upon sales to certain industries.

Consolidation in the banking and financial services industry could adversely affect Wincor Nixdorf's revenues by eliminating existing or potential customers and making Wincor Nixdorf more dependent on a more limited number of customers.

Social and political instability caused by state-based conflicts, terrorist attacks, civil unrest, war, or international hostilities, as well as pandemic disease outbreaks or natural disasters, could disrupt Wincor Nixdorf's business operations.

Wincor Nixdorf's sales are subject to seasonal fluctuation.

Wincor Nixdorf is exposed to the risk of currency and interest rate fluctuations.

Wincor Nixdorf will be significantly harmed unless it can obtain patent protection for its products or otherwise protect its intellectual property.

Wincor Nixdorf may be subject to claims alleging patent infringement.

Wincor Nixdorf may incur substantial costs enforcing or acquiring intellectual property rights and defending against third-party claims as a result of litigation or other proceedings.

Obtaining and maintaining patent protection depends on compliance with various procedural, documentary, fee payment and other requirements imposed by governmental patent agencies, and Wincor Nixdorf's patent protection could be reduced or eliminated for non-compliance with these requirements.

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The use of open source software could adversely affect Wincor Nixdorf's ability to sell its services and subject it to possible litigation

If Wincor Nixdorf cannot attract and retain quality employees, it will not be able to meet its business objectives.

If Wincor Nixdorf is unable to attract and retain highly-skilled IT professionals, it may not be able to maintain client relationships and grow effectively, which may adversely affect Wincor Nixdorf's business, results of operations and financial condition.

Increased energy and raw material costs could reduce Wincor Nixdorf's operating profit.

If Wincor Nixdorf does not invest in and maintain reliable technology infrastructure and information systems, its ability to effectively manage its business could be negatively impacted.

Cybersecurity and data privacy issues could negatively impact Wincor Nixdorf's business.

Wincor Nixdorf may face the interruption of its supply chain, including the inability of third parties to deliver parts, components and services on time, and Wincor Nixdorf may be subject to rising raw material prices.

Wincor Nixdorf faces uncertainties with regard to regulations, lawsuits and other related matters.

Wincor Nixdorf is subject to extensive export control and sanctions regulations due to its worldwide operations.

Wincor Nixdorf's sales in emerging markets involve numerous additional risks.

Current and future investigations regarding allegations of public corruption, antitrust violations and other illegal acts could have a material adverse effect on Wincor Nixdorf's business, financial condition and results of operations and on its reputation.

Wincor Nixdorf's business, financial condition and results of operations could suffer as a result of current or future litigation.

Examinations by tax authorities and changes in tax regulations could adversely affect Wincor Nixdorf's business, financial condition and results of operations.

Wincor Nixdorf's insurance may not be sufficient to cover all of its potential liabilities.

E Offer

E.1 The total net proceeds. Diebold will not receive any proceeds from the Offer.

Estimate of the total expenses of the Takeover Offer and listing,

Diebold expects the total costs that it will incur in connection with the Offer to be approximately \$[] million. The estimated total costs are based on the noon buying rate for U.S. dollars as of [].

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including estimated expenses charged to the investor by the issuer.

Wincor Nixdorf shareholders who hold their Wincor Nixdorf ordinary shares in German custody accounts will not incur any fees and expenses in connection with tendering their Wincor Nixdorf ordinary shares in the Offer (except for the costs of transmitting the declaration acceptance to their custodian bank). For this purpose, Diebold pays a customary commission to the custodian banks. However, additional costs and expenses may be charged by custodian banks or foreign investment service providers or otherwise incurred outside the Federal Republic of Germany, which must be paid by the relevant Wincor Nixdorf shareholders.

E.2a Reasons for the Takeover Offering.

Diebold intends to acquire control over Wincor Nixdorf and, following the Offer, depending on the percentage of Wincor Nixdorf ordinary shares acquired by Diebold in the Offer and, to the extent legally permissible, in the open market, Diebold and Wincor Nixdorf may, in their discretion and subject to applicable law, consummate a post-completion reorganization.

Use of proceeds, estimated net amount of the proceeds.

The Diebold Offer Shares will be delivered to Wincor Nixdorf shareholders who have validly tendered and not properly withdrawn their Wincor Nixdorf ordinary shares in the Offer for consideration consisting of such tendered Wincor Nixdorf ordinary shares, and Diebold will not receive any proceeds from the Offer.

E.3 Offer conditions.

The subject matter of this Takeover Offer is the offer by Diebold to all Wincor Nixdorf shareholders to acquire all outstanding Wincor Nixdorf bearer shares, without par value (*nennwertlose, auf den Inhaber lautende Stammaktien*) (ISIN DE000A0CAYB2) (**Wincor Nixdorf Ordinary Shares**) of Wincor Nixdorf's registered share capital (Grundkapital), with all ancillary rights. As consideration, Diebold offers 38.98 in cash and 0.434 Diebold Offer Shares, upon the terms and subject to the conditions of the Takeover Offer, for each issued and outstanding Wincor Nixdorf Ordinary Share (the **Offer**).

Important Notices

The Offer is subject to a number of conditions. The conditions to the Offer must be satisfied or, where permissible, waived, prior to the expiration date, waived prior to the expiration date, except for the regulatory, which may remain outstanding after the expiration date. If the conditions have not been satisfied, or, where permissible, waived, the Offer will not be completed and Wincor Nixdorf shareholders who have transferred Wincor Nixdorf Ordinary Shares in the Offer will have their shares rebooked to their accounts.

Each Wincor Nixdorf shareholder by accepting the Offer, unless such acceptance

is properly withdrawn prior to the expiration date, authorizes the settlement agent to transfer the Diebold Offer Shares such Wincor Nixdorf shareholder is entitled to receive in the Offer in exchange for Wincor Nixdorf Ordinary Shares tendered by such Wincor Nixdorf shareholder in the Offer.

Diebold will not issue certificates representing fractional Diebold Offer Shares pursuant to the Offer. To the extent that holders of Wincor Nixdorf Ordinary Shares are entitled to fractional shares, those fractional

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entitlements will be aggregated and sold in the market and the net proceeds of such sale distributed pro rata to the holders of Wincor Nixdorf Ordinary Shares entitled thereto promptly following completion of the Offer.

Conditions

The Offer and the consummation of the agreements that come into existence as a result of accepting the Offer are subject to the satisfaction or waiver, where permissible, of certain conditions. These conditions include, in particular, that, at the time of the expiration of the Acceptance Period (as defined below), the number of Wincor Nixdorf Ordinary Shares that have been validly tendered in the Offer and not properly withdrawn equals at least 22,362,159 (approximately 67.6% of all Wincor Nixdorf Ordinary Shares) Wincor Nixdorf Ordinary Shares existing at the time of approval of the Offer Document by BaFin.

Acceptance Period

The acceptance period for the Offer (**Acceptance Period**) will begin upon publication of the Offer Document on [], 2016 and expires **on [], 2016, at 24:00 hours (Central European Time)**.

The Acceptance Period may be extended.

Additional Acceptance Period

Following the expiration of the Acceptance Period, and if all conditions to the Offer (other than the regulatory condition) have been satisfied or, where applicable, waived, we will provide an additional acceptance period of two weeks for the Offer in accordance with the German Takeover Act (*Wertpapiererwerbs-und Übernahmegesetz*) (the **Additional Acceptance Period**). The Additional Acceptance Period will be an additional period of time during which shareholders may tender, but not withdraw, their Wincor Nixdorf Ordinary Shares and receive the Offer Consideration. Provided that the

Acceptance Period is not extended, the Additional Acceptance Period is expected to begin on [], 2016 and to expire on [], 2016, at 24:00 hours (Central European Time).

Acceptance of the Offer

The acceptance of the Offer must be declared in writing to the relevant custodian bank of the Wincor Nixdorf shareholder within the Acceptance Period or the Additional Acceptance Period. The acceptance will become valid with the timely transfer of tendered Wincor Nixdorf Ordinary Shares within the Acceptance Period or the Additional Acceptance Period, as applicable, to ISIN DE000[] (WKN []) through Clearstream. If the respective custodian bank is notified of the acceptance within the Acceptance Period or the Additional Acceptance Period, the transfer of Wincor Nixdorf Ordinary Shares will be deemed to have been timely effected if it has been effected at the latest by 6.00 p.m. (local time

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Frankfurt am Main) on the second business day after the expiration of the Acceptance Period or after the expiration of the Additional Acceptance Period, as applicable.

Withdrawal Rights

At any time during the Acceptance Period, Wincor Nixdorf shareholders may withdraw their Wincor Nixdorf Ordinary Shares. Following the expiration of the Acceptance Period, withdrawal rights will cease, and any Wincor Nixdorf Ordinary Shares tendered into the Offer cannot be withdrawn. There will be no withdrawal rights during any Additional Acceptance Period or, if applicable, a tender right period.

Settlement

The payment of \$38.98 in cash and the delivery of the Diebold Offer Shares issued pursuant to the Offer per tendered Wincor Nixdorf Ordinary Share will occur without undue delay following the expiration of the Additional Acceptance Period and admission of the Diebold Common Shares to trading on the Frankfurt Stock Exchange. If one or more of the offer conditions are not satisfied, and have not been waived, by the end of the Additional Acceptance Period, the settlement of the Offer and the delivery of the Diebold Offer Shares as well as the cash payment will be delayed, irrespective of a potential extension of the Acceptance Period.

Stabilization Measures, Over-Allotment and Greenshoe option

Not applicable. This Prospectus relates to a takeover offer in the form of a combined cash and exchange offer. This is not accompanied by stabilization measures, over-allotments, greenshoe options or other usual measures in connection with securities offerings.

E.4 A description of any interest that is material to the issue/offer including conflicting interests.

On November 23, 2015, Diebold entered into a (i) bridge credit agreement among, *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 a lender, Credit Suisse AG, Cayman Island Branch as syndication agent and a lender and Diebold as borrower (the **Bridge Credit Agreement**), and (ii) bank credit agreement among, *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 a lender, Credit Suisse AG, Cayman Island Branch as syndication agent and a lender and Diebold as borrower. J.P. Morgan Securities LLC, Credit Suisse Securities (USA) LLC, JPMorgan Chase Bank, N.A. and Credit Suisse AG, Cayman Islands Branch have a potential interest in the Offer because the fees under these agreements, in whole or in part, depend on the success of the Offer. In addition, Credit Suisse Securities (USA) LLC and J.P. Morgan Securities LLC are providing certain investment banking and related services in connection with the Offer. Diebold will pay customary fees for such services, which fees, in whole or in part, depend on the success of the Offer.

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E.5 Name of the person or entity offering to sell the security. Not applicable. This Prospectus relates to a public combined cash and exchange offer pursuant to the provisions of the German Securities Acquisition and Takeover Act and certain applicable provisions of the securities laws of the United States of America, including rules and regulations under the U.S. Securities Exchange Act of 1934, as amended.

Lock-up agreement: the parties involved; and indication of the period of the lock-up. Not applicable. There are no lock-up agreements at the date of publication in regards to issued shares in Diebold, Inc.

E.6 Amount and percentage of immediate dilution resulting from the offering. The Offer includes the issuance of Diebold Offer Shares. Prior to the completion of the Offer, Diebold, Inc.'s net book value per share attributable to its shareholders was \$6.18 as of September 30, 2015 (based on 65.0 million issued Diebold Common Shares, excluding treasury shares). The net book value per Wincor Nixdorf Share on June 30, 2015 attributable to its shareholders was \$15.49 per share (based on 29.8 million issued Wincor Nixdorf Ordinary Shares, excluding treasury shares). The net book value per share attributable to its shareholders is calculated as follows: total assets less total liabilities and non-controlling interests as of the reference date, divided by the number of shares issued as of the reference date.

It is assumed that all Wincor Nixdorf shareholders accept the offer consideration for their 29.8 million Wincor Nixdorf Ordinary Shares (disregarding 3.3 million treasury shares held by Wincor Nixdorf for which Wincor Nixdorf has agreed not to accept the offer) and that the total price of these 29.8 million Wincor Nixdorf Ordinary Shares amounts to \$[] million (converted from euros at \$[] to 1, based on the exchange rate as of [], as reported by the Federal Reserve Bank of New York). This is based on the issuance of 12.9 million Diebold Common Shares at a price of \$33.5270 per share, which corresponds to the volume-weighted average price of Diebold's Common Shares for the three-month period preceding the announcement of the offer on November 23, 2015, ending on November 22, 2015, the last day preceding such announcement, as published by the NYSE, and an additional cash payment in the aggregate amount of \$1.2 billion (converted from euros at 1.0722 to \$1, based on the exchange rate as of November 13, 2015, as reported by the Federal Reserve Bank of New York). No additional capital increase by Wincor Nixdorf is assumed. It is also assumed that the estimated transaction and issuance costs will be deducted in an amount of \$[] million.

As a result of the completion of the Offer the proportionate book value of equity attributable to the shareholders (net book value) of Diebold, Inc. increases from \$401.4 million as of September 30, 2015 by \$[] million to

\$[] million after the completion of the Offer and the number of issued Diebold Common Shares increased from 65.0 million as of September 30, 2015 to 77.9 million shares after the completion of the Offer, in each case excluding treasury shares. The proportionate equity book value attributable to the shareholders (net book

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value) per share of Diebold, Inc. increases from \$6.18 as of September 30, 2015 by \$[] to \$[] after the completion of the Offer. This corresponds to an increase in the carrying amount of the net asset value per share of Diebold, Inc. of []% for the current holders of shares of Diebold, Inc.

There is no value-based dilution for Wincor Nixdorf shareholders who accept the Offer.

E.7 Estimated expenses charged to the investor by the issuer. Not applicable. Investors will not be charged expenses by Diebold, Inc.

4. The following section entitled General Information Responsibility for the Contents will be included in the General Information section of the prospectus in the exchange offer document:

Diebold, Incorporated, with its registered and principal executive offices at 5995 Mayfair Road, P.O. Box 3077, North Canton, Ohio 44720-8077, United States, incorporated under the laws of the state of Ohio, and registered with the Ohio Secretary of State under entity number 1276, assumes responsibility for the contents of this Annex 4 to the Offer Document (the **Prospectus**). Notwithstanding the declaration of acceptance of responsibility for the contents of the Offer Document in Section 21 of the main part of the Offer Document, Diebold declares that the information contained in this Prospectus is, to the best of its knowledge, correct and does not contain any material omissions.

Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area, have to bear the costs of translating the prospectus before the legal proceedings are initiated.

5. The following section entitled General Information Sources of Market Data will be included in the General Information section of the prospectus in the exchange offer document:
Sources of Market Data

In this Prospectus we include and refer to industry and market data, including market share, ranking and other data, derived from or based upon a variety of official, non-official and internal sources, such as internal surveys and management estimates, market research, and publicly available information. Market share, ranking and other data contained in this Prospectus may also be based on our good-faith estimates, our own knowledge and experience and such other sources as may be available.

The following sources were used in the preparation of this Prospectus:

Retail Banking Research;

Bain;

IHL Data;

European Central Bank, Statistical Data Warehouse, Number of Branches, EU 28 (fixed composition), Domestic (home or reference area) (1999-2014).

References to information in this Prospectus concerning markets and market trends were obtained from the above-mentioned market studies and other sources. Diebold has accurately reproduced such information and, as far as it is aware and able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, Wincor Nixdorf shareholders are advised to consider this data with caution. Market share data may change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature

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of the data-gathering process, different methods used by different sources to collect, assemble, analyze or compute market data, and other limitations and uncertainties inherent in any statistical survey of market shares or size. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although we believe that this information is reliable, we have not independently verified the data from third-party sources. Accordingly, Diebold makes no representation or warranty as to the accuracy of any such information from third-party studies included in this Prospectus.

Wincor Nixdorf shareholders should note that Diebold's own estimates and statements of opinion and belief are not always based on studies of third parties. In a limited number of markets where registration data are not available, we calculate our market share based on estimates relating to sales to final customers. Such data may differ from data relating to shipments to our dealers and distributors. While we believe our internal estimates with respect to our industry are reliable, our internal company surveys and management estimates have not been verified by an independent expert, and we cannot guarantee that a third party using different methods to assemble, analyze or compute market data would obtain or generate the same result. The market share data presented in this Prospectus represents the best estimates available from the sources indicated but, in particular as they relate to market share and our future expectations, involve risks and uncertainties and are subject to change based on various factors, including those discussed under the caption 1. Risk Factors.

6. The following section entitled **Regulatory Environment will be included in the prospectus in the exchange offer document:**

REGULATORY ENVIRONMENT

The operations and products of Diebold and Wincor Nixdorf are subject to a number of regulations imposed by the various jurisdictions in which Diebold and Wincor Nixdorf operate. Specifically, Diebold's and Wincor Nixdorf's operations and products, as well as the activities of the companies' officers, directors, employees, contractors and agents, are subject to U.S. federal, state, and local laws and regulations, in addition to laws and regulations of the European Union, Germany, and other jurisdictions around the globe. These laws and regulations include data privacy requirements, import and trade restrictions and export requirements, environmental laws and regulations, and laws and regulations pertaining to labor and employment, tax, anti-trust and competition, environmental protection, corruption and bribery. Violations of these laws and regulations could result in fines, penalties and criminal sanctions against Diebold and/or Wincor Nixdorf or their officers, directors, employees, contractors, and agents. In addition, any such violation could adversely affect Diebold's and/or Wincor Nixdorf's reputation, Diebold's and/or Wincor Nixdorf's ability to conduct their respective businesses in one or more jurisdictions, and Diebold's and/or Wincor Nixdorf's ability to attract and retain employees. The regulatory requirements applicable to Diebold's and/or Wincor Nixdorf's business activities are subject to change, as they are continuously modified at all levels. While Diebold and Wincor Nixdorf do not currently expect to incur material capital expenditures related to compliance with such laws and regulations, there can be no assurances that regulatory and legal matters will not have a material adverse effect on Diebold's and/or Wincor Nixdorf's businesses, financial condition or results of operations in the future. Changes in environmental regulations that would limit their ability to service and sell products in specific markets may affect the demand for and supply of Diebold's and Wincor Nixdorf's services and products. Governments may adopt legislation or regulations, environmental or otherwise, which could bar or impede Diebold's and/or Wincor Nixdorf's ability to operate and result in a material adverse effect on their respective businesses and financial results.

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The following contains a brief overview of select regulations applicable to the business operations of Diebold and Wincor Nixdorf.

United States

Federal and State ATM Industry Regulations

With its initial roots in the banking industry, the U.S. ATM industry has always been regulated, if not by the laws, rules and regulations of the individual states, then by the rules and regulations of the federal Electronic Funds Transfer Act, which establishes the rights, liabilities, and responsibilities of participants in EFT systems. The vast majority of states have few, if any, licensing requirements, although legislation related to the U.S. ATM industry is periodically proposed at the state and local level. To date, no such legislation has been enacted that materially adversely affects Diebold's business. However, new legislation regarding the operation of the ATM could have an adverse impact on Diebold, as well as its customers', net income and profit margins. Diebold will continue to monitor all such legislation and activity by the legislator.

The United States Electronic Funds Transfer Act and Electronic Financial Transactions Network Regulations have impact on Diebold to the extent that they impact the operations of Diebold's customers in the retail banking and retail sectors. The Electronic Funds Transfer Act is directed principally at banks and other financial institutions, but also applies to other of Diebold's customers who operate ATMs produced by the companies. In particular, the Electronic Funds Transfer Act requires ATM operators who impose withdrawal fees to provide notification of the withdrawal fee before the customer completes a withdrawal and incurs the fee. Notification must be made by notification on the ATM screen

State-level efforts to pass legislation banning or limiting ATM surcharge fees could severely impact the revenue of customers of Diebold who operate ATMs. Despite the nationwide acceptance of surcharge fees at ATMs, a few consumer activists (most notably in California) have from time to time attempted to impose local bans on surcharge fees. Even in the few instances where these efforts have passed the local governing body (such as with an ordinance adopted by the city of Santa Monica, California), federal courts have overturned these local laws on federal preemption grounds. However, those efforts may resurface and, should the federal courts abandon their adherence to the federal preemption doctrine, those efforts could receive more favorable consideration than in the past. Any successful legislation banning or limiting surcharge fees could result in a substantial loss of revenues for certain of Diebold's customers, which could impact Diebold's customer base and net sales.

Americans with Disabilities Act

Diebold's products in the U.S. are subject to rules issued by the Department of Justice under the Americans with Disabilities Act, or ADA. In July, 2010, the Department of Justice issued new rules revising its ADA Standards for Accessible Design. The new rules set out technical specifications that must be followed by ATM manufacturers in addition to the earlier requirement that ATMs be accessible to and independently usable by persons with visual impairments. The new technical specification required that ATMs be speech enabled, that they provide the opportunity for the same degree of privacy available to all individuals, and that they conform to a host of other detailed design requirements. Since coming into effect on March 15, 2012, the ADA standards have become a significant part of the design standard in the ATM industry, posing both technological and design challenges to ATM manufacturers. Diebold's products in the U.S. are compliant with the ADA standards. In the future, Diebold will continue to make every effort to design their products according to the ADA standards.

Sarbanes-Oxley Act of 2002 and Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

The Sarbanes-Oxley Act of 2002 imposes a stringent set of corporate governance, internal controls, reporting and other requirements on both U.S. and non-U.S. publicly listed companies. Significant resources are necessary for publicly listed companies to come into and remain in compliance with the requirements of the

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Sarbanes-Oxley Act. The SEC and the Public Company Accounting Oversight Board have taken steps to reduce some of the compliance issues for publicly listed companies, including revisions to the rules relating to internal control over financial reporting established under Section 404 of the Sarbanes Oxley Act, rules that facilitate the delisting and deregistration of securities issued by some non-U.S. companies and rules that exempt some non-U.S. companies from U.S. GAAP reconciliation requirements.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, includes several corporate governance and executive compensation reforms. The measures include non-binding say-on-pay votes on executive compensation, new compensation clawback policies, and enhanced independence requirements for board compensation committee members and their advisors. The Dodd-Frank Act also enhances the SEC's remedial authority, including the authority to impose monetary penalties in administrative cease-and-desist proceedings. The combined Diebold and Wincor Nixdorf may need to expend effort and resources to ensure that the combined company's corporate governance, internal control, reporting and other business activities are in compliance with the requirements of the Sarbanes-Oxley Act and the Dodd-Frank Act.

Anti-Bribery and Corruption Regulations

Diebold is and the combined company will be subject to the Foreign Corrupt Practices Act, or the FCPA, and similar worldwide anti-bribery laws, which generally prohibit companies and their intermediaries from engaging in bribery or making other improper payments to foreign officials for the purpose of obtaining or retaining business or gaining an unfair business advantage. The FCPA also requires proper record keeping and characterization of such payments in Diebold's reports filed with the SEC.

Diebold's agents are required to comply with these laws. Diebold operates in many parts of the world that have experienced governmental and commercial corruption to some degree, and strict compliance with anti-bribery laws may conflict with local customs and practices. Foreign companies, including some that may compete with Diebold, may not be subject to the FCPA and may follow local customs and practices. Accordingly, such companies may be more likely to engage in activities prohibited by the FCPA, which could have a significant adverse impact on Diebold's ability to compete for business in such countries.

Despite Diebold's commitment to legal compliance and corporate ethics, Diebold cannot ensure that its policies and procedures will always protect it from intentional, reckless or negligent acts committed by employees or agents. Violations of these laws, or allegations of such violations, could disrupt Diebold's business and result in financial penalties, debarment from government contracts and other consequences that may have a material adverse effect on Diebold's reputation, business, financial condition or results of operations. Future changes in anti-bribery or economic sanctions laws and enforcement could also result in increased compliance requirements and related expenses that may also have a material adverse effect on Diebold's and the combined company's business, financial condition or results of operations.

In addition, business opportunities in select geographies have been or may be adversely affected by the settlement of previously-disclosed FCPA matter with the U.S. government in late 2013. Some countries in which Diebold does business may also initiate their own reviews and impose penalties, including prohibition of Diebold's participating in or curtailment of business operations in those jurisdictions. Diebold could also face third-party claims in connection with this matter or as a result of the outcome of the current or any future government reviews. Diebold's disclosure, internal review and any current or future governmental review of this matter could, individually or in the aggregate, have a material adverse effect on its reputation and ability to obtain new business or retain existing business from current clients and potential clients, to attract and retain employees and to access the capital markets.

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Anti-Money Laundering Laws

Since Diebold and Wincor Nixdorf provide services to both foreign and domestic financial institutions, they are required to comply with certain anti-money laundering and terrorist financing laws and economic sanctions imposed on designated foreign countries, nationals and others. Specifically, to the extent their businesses relate to the U.S. market, Diebold and Wincor Nixdorf must adhere to the requirements of the Bank Secrecy Act regarding processing and facilitation of financial transactions.

A major focus of governmental policy in recent years has been aimed at combating money laundering and terrorist financing. Preventing and detecting money laundering, and other related suspicious activities at their earliest stages warrants careful monitoring. The Bank Secrecy Act, along with a number of other anti-money laundering laws, imposes various reporting and record-keeping requirements concerning currency and other types of monetary instruments. Actions, such as structuring transactions to avoid Bank Secrecy Act and anti-money laundering law reporting requirements, failing to prepare or file required reports, preparing inaccurate reports, money laundering, attempted money laundering, and advising customers in any of these activities are violations or potential violations of law. These laws and regulations impose obligations to maintain appropriate policies, procedures and controls to detect, prevent and report money laundering and terrorist financing and to verify the identity of their customers. Failure to maintain and implement adequate programs to combat money laundering and terrorist financing, or to comply with all of the relevant laws or regulations, could have serious legal and reputational consequences for Diebold and Wincor Nixdorf.

Recent legalization of marijuana in more than 20 states has posed legal challenges under the Bank Secrecy Act. It is a criminal offense under the Bank Secrecy Act to engage in certain financial and monetary transactions with the proceeds of a specified unlawful activity, including proceeds from marijuana-related violations. The proliferation of marijuana-related business in the states that have legalized marijuana makes it increasingly difficult for Diebold and Wincor Nixdorf and their financial institution clients to comply fully with the Bank Secrecy Act. Although the Financial Crimes Enforcement Network has issued a guidance related to the subject, it remains unclear how financial service providers, including the ATM industry, should ensure compliance with the Bank Secrecy Act when dealing with proceeds from marijuana-related businesses. Diebold and Wincor Nixdorf will continue to monitor legal and regulatory developments in this area.

Product Liability Law

Since Diebold offers its products across the United States, Diebold is subject to the laws and regulations of each state in which they have a sufficient connection. The combined company may be exposed to the laws of the State of Ohio, since the registered office of the combined company will be in Ohio. The State of Ohio has several acts and laws which pertain to Diebold's industry, particularly the manufacturing of hardware. For example, Ohio's Product Liability Act allows a plaintiff to seek to recover compensatory damages for death, injury to person, emotional distress, or physical damage to property other than to the product in question. To prevail, the plaintiff must show that any economic loss that proximately resulted from the defective aspect (whether in manufacturing or in design) of the product in question. Many states have product liability laws that are similar to Ohio's Product Liability Act. Ohio's Product Liability Act does not preclude concurrent common-law claims arising from the same product defect seeking only economic damages, although some states' product liability laws would preclude such common law claims.

Contractual Liability; Unlawful Infringement of Legally Protected Rights

Diebold and Wincor Nixdorf may be subject to liability arising from contracts related to the sale of its products and services in the United States. Such contracts will generally be governed by state law, which varies from state to state.

Most states adhere to some variation of the model Uniform Commercial Code, or UCC, with respect to contracts for the sale of goods. UCC Article 2, which governs the sale of goods (as opposed to services or real estate), contains over 100 different sections that, taken together, cover such matters as contract formation, contractual obligations of the seller and the buyer, rules for performing on a contract, what constitutes breach of

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contract, and remedies for breach of contract. However, not all states have adopted all sections of the current model UCC. Moreover, the model UCC specifically leaves it to individual states to determine the precise wording of certain sections. States generally follow common law with respect to contracts for services. The common law of each state varies.

Occupational Health and Safety Requirements

Diebold's business activities are subject to occupational health and safety laws that are aimed at preventing health risks for employees in the workplace and providing protection against accidents and occupational diseases. The Occupational Safety & Health Administration, or OSHA, under the U.S. Department of Labor has passed laws and regulations to develop workplace health and safety standards. To that end, OSHA sets and enforces standards to which employers must comply. Under the Occupational Safety and Health Act of 1970, employers are responsible for providing a safe and healthful workplace. Employers must also comply with the General Duty Clause of the Occupational Safety and Health Act of 1970, which requires employers to keep their workplace free of serious recognized hazards.

States have also enacted laws to protect employees from workplace accidents and other occupational health risks. The occupational health and safety requirements under state laws vary from state to state.

Environmental Liability

Diebold engages in activities, particularly manufacturing activities, that fall within the scope of the environmental protection legislation of the United States. The United States Environmental Protection Agency has passed rules and regulations regarding the computer and electronic product manufacturing sector, which is a part of the manufacturing sector (NAICS 31-33). This sector covers manufacturers of electrical distribution equipment, household appliances, communications equipment, electrical industrial apparatus, radio and television receiving equipment and other electrical equipment and supplies. Regulations that may have an impact on Diebold and Wincor Nixdorf, as well as other manufacturers of computer and electronic products, include greenhouse gas reporting, air pollution regulations under the National Emissions Standards for Hazardous Air Pollutants, and stratospheric ozone regulations to phase out the use of ozone depleting substances. If Diebold violates or fails to comply with applicable U.S. environmental laws or regulations, Diebold could face fines, disruption of their businesses, and/or other sanctions. Furthermore, any such violation could adversely affect Diebold's reputation, Diebold's ability to conduct their respective businesses in one or more jurisdictions, and Diebold's ability to attract and retain customers and employees.

Conflict Minerals

The Dodd-Frank Act imposes disclosure requirements regarding the use of conflict minerals mined from the Democratic Republic of Congo and adjoining countries in products, whether or not these products are manufactured by third parties. The conflict minerals include tin, tantalum, tungsten and gold, and their derivatives. Pursuant to these requirements, Diebold and the combined company will be required to report on Form SD the procedures they employ to determine the sourcing of such minerals and metals produced from those minerals. There are costs associated with complying with these disclosure requirements, including for diligence in regards to the sources of any conflict minerals used in Diebold's products, in addition to the cost of remediation and other changes to products, processes, or sources of supply as a consequence of such verification activities. In addition, the implementation of these rules could adversely affect the sourcing, supply, and pricing of materials used in Diebold's products. Diebold strives to only use suppliers that source from conflict-free smelters and refiners; however, in the future, Diebold and the combined company may face difficulties in gathering information regarding their suppliers and the source of any such conflict minerals.

Cybersecurity

Diebold and Wincor Nixdorf produce software that interface with sensitive information of end-users of Diebold's and Wincor Nixdorf's products. Cybersecurity is important because a cyber-attack could compromise

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the personal data to which Diebold and Wincor Nixdorf have access through their customers' use of Diebold's and Wincor Nixdorf's software products. Failure to implement adequate cybersecurity measures could cause Diebold and Wincor Nixdorf to be vulnerable to cyber-attacks. Such failure could, to the extent applicable, trigger sanctions and/or disclosure requirements under current or future federal and state cybersecurity regulations. Moreover, such failure could negatively impact customer confidence in Diebold's and Wincor Nixdorf's products and operations.

Payment Card Industry Security Standards, EMVCo Specifications, and ISO Information Security Management Standard

Diebold's and Wincor Nixdorf's credit card issuer clients and banking clients incur millions of dollars of cost in payment card fraud every year. As a result, the industry has developed Payment Card Industry, or PCI, Security Standards and EMVCo Specifications. All of Diebold's and Wincor Nixdorf's significant contracts require compliance with the PCI Security Standards and the EMVCo Specifications. Many clients also require compliance with the ISO/IEC 27001 Information Security Management standard.

PCI Security Standards

The Payment Card Industry, or PCI, Security Standards Council is an open global forum, launched in 2006, that is responsible for the development, management, education, and awareness of the PCI Security Standards, including the Data Security Standard, Payment Application Data Security Standard, and PIN Transaction Security requirements. The standards apply to all organizations that store, process or transmit cardholder data with guidance for software developers and manufacturers of applications and devices used in those transactions.

The Data Security Standard applies to all entities that store, process, and/or transmit cardholder data. It requires all such entities to build and maintain a secure network and systems, protect cardholder data, maintain a vulnerability management program, implement strong access control measures, regularly monitor and test networks, and maintain an information security policy.

The PIN Transaction Security Requirements is a set of security requirements focused on characteristics and management of devices used in the protection of cardholder PINs and other payment processing related activities. The requirements are for manufacturers to follow in the design, manufacture and transport of a device to the entity that implements it. Financial institutions, processors, merchants and service providers should only use devices or components that are tested and approved by the PCI Security Standards Council, such as Diebold's EPP7 and Wincor Nixdorf's NAMOS paylane smart and MTPT10 Payment Terminal.

The Payment Application Data Security Standard applies to software vendors and others who develop payment applications that store, process or transmit cardholder data and/or sensitive authentication data, for example as part of authorization or settlement when these applications are sold, distributed or licensed to third parties. Most card brands encourage merchants to use payment applications that are tested and approved by the PCI Security Standards Council. The PCI Security Standards Council has tested and approved three Diebold products and seven Wincor Nixdorf products under the Payment Application Data Security Standard.

EMVCo Specifications

EMVCo facilitates worldwide interoperability and acceptance of secure payment transactions by managing and evolving the EMV Specifications and related testing processes. This includes, but is not limited to, card and terminal evaluation, security evaluation, and management of interoperability issues. There are EMV Specifications based on contact chip, contactless chip, common payment application (CPA), card personalization, and tokenization.

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The ISO/IEC 27001 standard provides requirements for establishing, implementing, maintaining and continually improving an information security management system. It is the best-known standard in the family providing requirements for an information security management system (ISMS).

Federal Banking Regulations relating to Information Security

Diebold's U.S.-based banking and financial institution customers are typically regulated by the Federal Financial Institutions Examination Council (FFIEC) or one or more of their member agencies which include the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Office of Thrift Supervision and the National Credit Union Association. Diebold is subject to periodic examination by the FFIEC in its capacity as a technical service provider, during which Diebold's operating practices are risk-assessed and compared against applicable laws and regulations, including the FFIEC's Guidance on the Supervision of Technology Services Providers and the Gramm-Leach-Bliley Act of 1999. While the examinations of Diebold generally focus on the underlying information technology risk, the examination process also considers all business lines in which Diebold engages to ensure that all covered services are effectively included. If Diebold, as part of such an examination, were to receive a sufficiently unfavorable review from the FFIEC, Diebold's customers may be advised by the regulators to reassess their commercial relationships with Diebold, including the continued use of Diebold's products. Such unfavorable advice from the regulators may result in substantial loss of business for Diebold and adversely affect Diebold's reputation.

As a provider of services to financial institutions, Diebold is required to comply with the privacy regulations and are bound by the same limitations on disclosure of the information received from its clients as apply to the financial institutions themselves. The OCC and other bank regulatory agencies have published guidelines establishing standards for safeguarding nonpublic personal information about customers that implement provisions of the Graham-Leach-Bliley Act. Among other things, the guidelines require each financial institution to develop, implement and maintain a comprehensive written information security program designed to ensure the security and confidentiality of customer information, to protect against any anticipated threats or hazards to the security or integrity of such information, and to protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer.

Other Federal and State Cybersecurity Regulations

The three main federal cybersecurity regulations are the 1996 Health Insurance Portability and Accountability Act (HIPAA), the 1999 Gramm-Leach-Bliley Act, and the 2002 Homeland Security Act, which included the Federal Information Security Management Act (FISMA). These three regulations require healthcare organizations, financial institutions and federal agencies to protect their systems and information using a "reasonable" level of security. Some states have enacted laws and/or regulations to improve cybersecurity. While the various state laws and regulations are similar in their goal of incentivizing improved protections against potential breaches of cybersecurity, there are variations among such laws and regulations. Some laws, like California Assembly Bill 1950, impose a similar "reasonable" standard for cybersecurity as under the federal cybersecurity regulations, but extend the applicability of the "reasonable" standard to any business that owns or maintains personal information. Other state laws provide for public disclosure by firms with inadequate cybersecurity measures. For example, under the California Notice of Security Breach Act, any company that maintains personal information of California citizens (including the name, social security number, driver's license number, credit card number or financial information) must disclose the details of any security breach. Several other states have followed California's example and passed similar security breach notification regulations. These disclosure regulations do not restrict the methods by which companies implement additional

security measures. Congress has proposed cybersecurity regulations similar to California's Notice of Security Breach Act for companies that maintain personal information. The Consumer Data Security and Notification Act amends the Gramm-Leach-Bliley Act to require disclosure of security breaches by financial institutions. The

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U.S. Securities and Exchange Commission Division of Corporation Finance has issued guidance on cybersecurity disclosures under the federal securities laws and has advised companies to review, on an ongoing basis, the adequacy of their disclosure relating to cybersecurity risks and cyber incidents. Appropriate disclosures under the SEC guidance may include, among other things, a description of relevant insurance coverage. Furthermore, members of congress have also proposed expanding Gramm-Leach-Bliley to all industries that touch consumer financial information, including any firm that accepts payment by a credit card.

European Union/Germany***Product Safety***

Diebold's and Wincor Nixdorf's products are used primarily in the retail banking and retail industries. As some of its products are made available on the market, Wincor Nixdorf is and the combined company will be subject to general product safety requirements under the German Product Safety Act (*Produktsicherheitsgesetz*). With the *Produktsicherheitsgesetz* of November 8, 2011 and the ninth regulation to the *Produktsicherheitsgesetz* as amended (*Neunte Verordnung zum Produktsicherheitsgesetz (Maschinenverordnung)*), the German legislature transformed into German law, among other European Directives, the Directive 2006/42/EC of the European Parliament and of the Council of May 17, 2006 on machinery.

The *Produktsicherheitsgesetz* applies whenever products are made available on the market, exhibited or used for the first time in the context of a commercial activity as well as to the erection and the operation of installations which are subject to inspection, but only in the absence of other legal provisions that provide for corresponding or more far-reaching provisions. Under the *Produktsicherheitsgesetz*, a product may be made available on the market only if it complies with specific regulations for such product, or, in the absence of such specific regulations, if its intended or foreseeable use does not put the health and safety of persons at risk. In addition to compliance with this safety requirement, if products are made available to consumers, manufacturers must provide consumers with the necessary information to enable them to assess the risks inherent in such product where such risks are not immediately obvious without adequate warnings and to take precautions against those risks. If manufacturers or distributors of consumer products discover that a product is dangerous, they must notify the competent authorities and, if necessary, cooperate with them. Under certain circumstances, a product may have to be recalled. Unsafe products may be listed in an EU-wide publicly accessible database.

Product Liability

To the extent they relate to the German market, Diebold and Wincor Nixdorf could incur product liability and liability for environmental damage. Under general rules of the German Civil Code (*Bürgerliches Gesetzbuch*), fault-based compensation (*Schadensersatz*) is to be paid for breach of contract or for torts. This obligation does not only apply to Diebold's and Wincor Nixdorf's own acts but may extend to behavior of individuals that work or undertake tasks for Diebold or Wincor Nixdorf under Sections 278, and 831 of *Bürgerliches Gesetzbuch*.

In addition, Wincor Nixdorf is and the combined company will be strictly liable (*i.e.*, liable regardless of fault), as a producer under the Product Liability Act (*Produkthaftungsgesetz*), for damages caused by a defective product. The *Produkthaftungsgesetz* applies to movables which have been industrially produced, whether or not incorporated into another movable or into an immovable. It establishes the principle of strict liability in cases of damage caused by a defective product. Producer means the manufacturer of a finished product, the producer of any raw material or the manufacturer of a component part and any person who, by putting his name, trade mark or other distinguishing feature on the product presents himself as its producer. Any person who imports into the EU a product for sale, hire, leasing or any form of distribution in the course of his business shall be deemed to be a producer. Defectiveness means lack of

the safety which the general public is entitled to expect given, *inter alia*, the presentation of the product and the use to which it could reasonably be put. The Product Liability Directive applies to damage caused by death or by personal injuries and damage to an

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item of property intended for private use or consumption other than the defective product, with a lower threshold of a 500 damage caused by defective products. The Product Liability Directive does not restrict compensation for non-material damage under national legislation.

Furthermore, in the event of damage to persons or property caused by Diebold's and/or Wincor Nixdorf's facility, Diebold and/or Wincor Nixdorf may additionally be strictly liable under the Act on Liability for Environmental Damage (*Umwelthaftungsgesetz*) and under the Environmental Damage Act (*Gesetz über die Vermeidung und Sanierung von Umweltschäden*, or *Umweltschadensgesetz*).

Permits and Compliance

For the construction, operation and alteration of industrial facilities, such as production plants, Wincor Nixdorf generally need emission control permits or, alternatively, building permits and permits under water laws. In the application process for such permits, the competent authority assesses whether the specific facility the permit has been applied for will be in compliance with applicable provisions of environmental and regulatory law, in particular, with regard to emissions, planning law and building regulations, waste disposal, nature protection, occupational health and safety and, in the case of permits under water law, use and disposal of water. As a general rule, the permits cover most environmental and regulatory requirements that have to be met (*e.g.*, with respect to emissions and occupational health and safety). Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) stipulates that certain industrial installations, including installations for the production and processing of metals, are generally required to have a permit. This permit can only be issued by the competent authority if specified environmental conditions are met (*e.g.*, if the operator takes appropriate preventive measures against pollution and if the installation does not cause significant pollution). In Germany, the provisions of the industrial emissions directive were implemented into German law through amendments to the Federal Emission Control Act (*Bundes-Immissionsschutzgesetz*), the Federal Water Management Act (*Wasserhaushaltsgesetz*), the Law on Closed Cycle Management and Waste (*Kreislaufwirtschaftsgesetz*) and other environmental laws and ordinances. Wincor Nixdorf has obtained all necessary permits. If Wincor Nixdorf's plants are constructed, altered or operated without the required permit, the competent authority can impose penalties and order modifications or restrictions for the plant.

Environmental Liability; Emissions Trading

Diebold and Wincor Nixdorf engage in activities that fall within the scope of the environmental protection legislation of the member states of the European Union, as well as of the directives and regulations of the European Union and the implementing legislation of the individual member states. Each member state of the European Union has detailed regulations for the protection of the environment. All legal systems of the member states of the European Union impose legal and administrative restrictions on pollution of the environment, especially of the air, soil, water and ground water, but also on other harmful influences on the environment (for example, noise). For instance, each member state of the European Union is required to implement Directive 2010/75/EU on industrial emissions whose requirements include stricter emission standards and the use of best available techniques.

Diebold's and Wincor Nixdorf's activities also fall within the scope of Directive 2004/35/CE of the European Parliament and of the Council of April 21, 2004 on environmental liability with regard to the prevention and remedying of environmental damage, which we refer to as the Environmental Liability Directive. The Environmental Liability Directive establishes a comprehensive liability system based on the "polluter pays" principle, with a view to preventing and remediating damage to natural resources, protected species and natural habitats, waters and land. Any person or body who operates or controls occupational activities carried out in the course of an economic activity, a business or an undertaking that cause damage or threaten to cause damage to these natural resources may be held

responsible for remediating the damage caused, or may be made to pay for remediation, irrespective of whether they caused the damage. The Environmental Liability Directive was implemented into German law by the Act on the Prevention and Remediation of Environmental Damage (*Umweltschadensgesetz*).

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Some of Wincor Nixdorf's production facilities have already been used for industrial purposes for a long time, and their soil and ground water may thus be contaminated. This could result in considerable investigation and clean-up costs. In Germany, liability for soil and groundwater contamination is laid down in the Federal Soil Protection Act (*Bundes-Bodenschutzgesetz*) in conjunction with the Federal Soil Protection and Contamination Regulation (*Bundes-Bodenschutz- und Altlastenverordnung*). Both require specific measures if certain thresholds of hazardous substances are exceeded. These measures include that contamination of soil and groundwater must be explored, removed, reduced or, at least, prevented from spreading onto adjacent sites or that its spreading is mitigated in the long term. If there is reasonable suspicion that contamination of soil and groundwater may be present on a site, the authority may order investigation measures to explore the contamination. If the suspicion is confirmed, the authority may order the originator of the contamination or its legal successor, the present owner and/or user of the respective property, or the entity being responsible under general principles of commercial or corporate law for the legal entity owning the respective property to remedy the contamination or take containment measures. Under the laws of some countries Wincor Nixdorf may be held responsible even if it did not cause the contamination. In addition, Wincor Nixdorf's companies, as the previous owner or user of properties, could be held responsible for eliminating soil or groundwater pollution that may be discovered in the future at former production sites. This applies irrespective of whether the respective property is still owned by Wincor Nixdorf and whether such liability is contractually excluded, for example, in a property purchase agreement.

As operator of a facility that is subject to the European and national emissions trading system, the regulations on emissions trading are applicable to Wincor Nixdorf and the combined company. The EU member states have passed regulations on implementing a system of emission allowance trading, as contemplated in Directive 2003/87/EC of the European Parliament and of the Council of October 13, 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community. These regulations provide for the granting of a specific quantity of emission allowances to certain energy-intensive plants that allow the plants to emit a certain amount of carbon dioxide. If a company needs to emit more carbon dioxide, it can purchase unused emission allowances from other companies on the open market. Wincor Nixdorf was involved in a court proceeding with the German Emissions Trading Authority (*Deutsche Emissionshandelsstelle*, or DEHSt) related to a dispute over the number of certificates that Wincor Nixdorf should have received in the last administrative decision dated July 2011 under the statutory provisions. Wincor Nixdorf has since reached an agreement with the DEHSt and terminated the court proceeding after receipt of the agreed number of certificates. Since 2013, in principle, all emission allowances are auctioned against payment. Despite existing differences in the implementation of the legislative provisions, in most other material markets in which the combined Diebold and Wincor Nixdorf will be active, provisions have been enacted in pursuit of legislative goals similar to those in Germany and/or in the European Union.

Compliance with environmental laws and regulations of the European Union, Germany, U.S. federal, state and local environmental protection laws and regulations, and similar laws and regulations in other jurisdictions had no material effect upon Diebold's business, financial condition or results of operations in the fiscal year ended December 31, 2014, the nine-month period ended September 30, 2015, and as of the date of this prospectus. Wincor Nixdorf does not currently expect to incur material capital expenditures related to compliance with such laws and regulations, and Wincor Nixdorf currently does not expect that compliance with local environmental statutes will have a material effect on its capital expenditures, earnings and competitive position in the current fiscal year.

Production, Possession and Handling of Waste; Dangerous Goods

Diebold's and Wincor Nixdorf's business activities may result in the generation, possession and handling of waste, including hazardous waste. Under the German Act on Closed Cycle Management and Waste, the generation, possession and handling of waste is subject to several obligations, depending, among other things, on the waste concerned. As the producer (*Erzeuger*) and possessor (*Besitzer*) of waste, Wincor Nixdorf is generally responsible for

the proper handling of this waste. Section 50 of the *Kreislaufwirtschaftsgesetz* requires producers, possessors, collectors and transporters of waste and disposal firms to verify to the competent authority proper

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disposal of hazardous waste (*gefährliche Abfälle*). Whether a certain substance qualifies as hazardous waste is determined according to the German Ordinance on the European Waste List (*Verordnung über das Europäische Abfallverzeichnis*).

Wincor Nixdorf further complies with the International Maritime Dangerous Goods Code, which is accepted as an international guideline for the safe transportation or shipment of dangerous goods or hazardous materials by water. Wincor Nixdorf also complies with the Regulation (EC) No 1907/2006 of the European Parliament and of the Council of December 18, 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) as last amended by Commission Regulation (EU) No 2015/1494 of September 4, 2015. Its main objectives include improving the protection of human health and the environment from the risks that can be posed by chemicals and ensuring the free circulation of substances on the internal market of the EU. REACH places greater responsibility on the industry to manage the risks that chemicals may pose to the health and the environment. Other legislation regulating chemicals (for example, on cosmetics, detergents) or related legislation (e.g., on health and safety of workers handling chemicals, product safety, construction products) not replaced by REACH continue to apply.

Occupational Health and Safety Requirements

To the extent they relate to the German and European market, Diebold's and Wincor Nixdorf's business activities are subject to occupational health and safety laws that are aimed at preventing health risks for employees in the workplace and providing protection against accidents and occupational diseases. German law on occupational safety is heavily influenced by the requirements of EU law. The central rules on occupational safety in Germany are contained in the Act on Occupational Safety (*Arbeitsschutzgesetz*), which requires employers to take all the necessary measures to ensure the employees' safety and health in the workplace. This general obligation is put into effect through several ordinances (*Rechtsverordnungen*) under the *Arbeitsschutzgesetz*, which are defined in technical guidelines. One central element is the Workplaces Ordinance (*Arbeitsstättenverordnung*), which contains various regulations on workplace conditions relating to, for example, ventilation, temperature and illumination.

Data Privacy and Security Laws

In the European Union, Diebold's and Wincor Nixdorf's business activities must meet specified privacy and security standards. The Data Protection Directive and data protection laws of each of the EU member states require comprehensive information privacy and security protections for consumers with respect to personal data collected about them. EU member state laws require notice to the member state data protection authority of a data security breach involving personal data if the breach poses a risk to individuals. In addition, Germany enacted a broad requirement to notify individuals in the event of a data security breach that is likely to be followed by notification requirements to individuals in other EU member states.

U.S. companies have in the past relied on compliance with the U.S. Department of Commerce's Safe Harbor Privacy Principles and compliance with the U.S.-EU and U.S.-Swiss Safe Harbor Frameworks as agreed to and set forth by the U.S. Department of Commerce, and the European Union and Switzerland, concerning U.S. companies doing business in Europe, collecting personal information from European citizens, and transferring such information to the United States under the Safe Harbor Framework. In *Schrems v. Data Protection Commissioner*, an October 6, 2015 judgment regarding the adequacy of the level of protection of personal data under Decision 2000/520/EC including the Safe Harbor Privacy Principles issued by the U.S. Department of Commerce, the European Union Court of Justice declared Decision 2000/520/EC and thus the U.S.-EU Safe Harbor Framework invalid. In light of this judgment, the U.S. business community is engaged in efforts to legitimize data transfers from the European Economic Area, such as through the use of so-called model contract clauses developed by the European Commission.

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7. **The following section entitled *Markets and Competition* will be included in the prospectus in the exchange offer document:**

MARKETS AND COMPETITION**Market Overview**

Diebold provides financial self-service systems, integrated services and software, and security systems. The combined company will pursue about a \$60 billion total addressable market worldwide which comprises two sectors: a financial institution sector and a retail sector. The revenue of the financial institution sector is approximately \$36 billion. It includes omni-channel products, such as mobile wallets, apps and tokens; and value-added services, which comprise outsourcing, cash-in-transit solutions and multi-vendor services. Moreover, the financial institution sector consists of the traditional self-service offerings, which include branch transformation, ATM hardware & operating software and break-fix services. The retail sector has a spend of approximately \$24 billion. This sector combines payment software, back-end, cash management and point-of sale solutions (source: 2015 data provided by Retail Banking Research, Bain, IHL Data and Diebold internal analysis). However, according to Diebold estimates, with changing customer demands the lines between traditional products/services business lines are blurring.

Diebold's operations are comprised of four geographic segments: North America (NA), Asia Pacific (AP), Europe, Middle East and Africa (EMEA), and 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 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 are reported under one single reportable operating segment. Software and services contribute to approximately 56% of Diebold's business, based on trailing twelve months revenue for Diebold and Wincor Nixdorf through September 30, 2015.

Diebold and Wincor Nixdorf complement one another geographically. EMEA accounted for 14% of Diebold's total revenues in 2014 with only Latin America accounting for a smaller share (8%). Europe (46%), on the other hand, accounted for Wincor Nixdorf's largest revenue share. Similarly, all of the Americas contributed only 12% to Wincor Nixdorf's total net sales in 2014, while North America, on the other hand, accounted for 46% of Diebold's total revenues. Diebold believes that Europe and North America are also key drivers for innovation and digital transformation both in banking and retail sectors.

This expectation is underlined by the considerable dynamism and on-going technological change in the supply of cash handling software, hardware and after-sales services to the banking sector in Europe. It goes hand in hand with a reduction in the number of branches of domestic credit institutions in the European Union from 217,833 at the end of 2012 to 204,146 at the end of 2014 (source: European Central Bank, Statistical Data Warehouse, Number of branches, EU 28 (fixed composition), Domestic (home or reference area). In addition, a complex, inter-related dynamic exists among the software, service, and hardware segments. The global ATM marketplace as well is driven by branch automation and technological advances in security and functionality leading, *e.g.*, to the adoption of smart ATMs.

Diebold's customers are typically large, sophisticated institutions which are generally price-sensitive (particularly since the financial crisis). Increasing automation of bank branches has stimulated demand for solutions to address this change and has led to a certain convergence of technology. Other notable trends include outsourcing and value-chain convergence (for example the expanding role of the cash-in-transit suppliers).

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The table below shows Diebold's revenues by segment for the three and nine months ended September 30, 2015 and 2014:

	Three Months Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2015	2014	2015	2014
	(in millions)			
Revenue summary by segment				
NA	\$ 361.4	\$ 361.5	\$ 1,092.7	\$ 1,025.0
AP	107.6	135.0	327.5	361.5
EMEA	89.5	99.8	282.4	302.3
LA	122.4	171.7	367.2	501.0
Total revenue	\$ 680.9	\$ 768.0	\$ 2,069.8	\$ 2,189.8

For a more detailed discussion of Diebold's revenues by segment, see Management's Discussion and Analysis of Financial Condition and Results of Operations of Diebold Results of Operations.

Diebold's operations are comprised of three categories of activities: FSS, security, and services provided in Brazil. The following table represents a breakdown of revenue by activities:

(in millions)	Three months ended		Nine months ended		Year ended December 31,		
	September 30,	September 30,	September 30,	September 30,	2014	2013	2012
	2015	2014	2015	2014			
Revenue summary by service and product solution							
Financial self-service:							
Services	\$ 293.3	\$ 310.7	\$ 883.9	\$ 901.8	\$ 1,220.5	\$ 1,189.0	\$ 1,199.3
Products	216.6	239.7	689.3	658.0	977.3	977.6	1,069.9
Total financial self-service	509.9	550.4	1,573.2	1,559.8	2,197.8	2,166.6	2,269.2
Security:							
Services	111.1	105.8	324.6	307.9	417.1	448.1	427.0
Products	54.7	52.2	154.8	145.6	210.9	170.8	196.6
Total security	165.8	158.0	479.4	453.5	628.0	618.9	623.6
Total financial self-service & security	675.7	708.4	2,052.6	2,013.3	2,825.9	2,785.5	2,892.8
Brazil other	5.2	59.6	17.2	176.5	225.1	72.0	98.9
	\$ 680.9	\$ 768.0	\$ 2,069.8	\$ 2,189.8	\$ 3,051.1	\$ 2,857.5	\$ 2,991.7

For more detailed discussions, see the section of this prospectus titled "Business of Diebold and Certain Information About Diebold Segments and Financial Information About Geographic Areas", note 18 to the condensed consolidated financial statements, and note 20 to the consolidated financial statements for the year ended December 31, 2014 included elsewhere in this prospectus.

Competition

As described in more detail elsewhere in this prospectus, Diebold and Wincor Nixdorf participate 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. In addition, the competitive environment for these types of solutions is evolving as Diebold's customers are transforming their businesses utilizing innovative technology. Therefore, Diebold's product and service solutions must also provide cutting-edge capabilities to meet the customers emerging needs and compete with new innovators.

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For a more detailed discussion, see the sections of this prospectus titled Business of Diebold and Certain Information About Diebold Competition and Business of Wincor Nixdorf and Certain Information About Wincor Nixdorf Competition.

**8. The following section entitled Glossary will be included in the prospectus in the exchange offer document:
GLOSSARY**

1991 Plan	Diebold's equity and performance incentive plan formulated in 1991 and amended and restated as of February 12, 2014.
Acceptance period	The initial period of time in which the offer will be open starts on [], 2016. The acceptance period will expire at 12:00 midnight, [], 2016, Central European Time, unless extended.
AP	Diebold's Asia Pacific segment.
ASC	Accounting Standards Codification, the source of U.S. generally accepted accounting principles (GAAP) recognized by the Financial Accounting Standards Board (FASB).
ASU	Accounting Standards Update issued by the Financial Accounting Standards Board (FASB).
ATM	Automated teller machine.
BaFin	German Financial Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i>).
Bank Credit Agreement	Debt financing agreement among, <i>inter alios</i> , 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, Credit Suisse AG, Cayman Islands Branch, as syndication agent and Diebold as borrower which comprise a \$250.0 million delayed draw term loan A facility and a \$1.591 billion term loan B credit facility (of which commitments of \$291.0 million will automatically terminate upon Diebold's disposition of its electronic security business) intended to be used to finance, in part, the cash consideration for the Takeover Offer

and to pay fees and expenses in connection therewith.

Business Combination Agreement	The business combination agreement between Diebold, Incorporated and Wincor Nixdorf Aktiengesellschaft, dated November 23, 2015.
Business Combination or Combination	Transactions contemplated by the Business Combination Agreement, including the offer, which are intended to result in a business combination of Diebold and Wincor Nixdorf.
Business Day	Any day other than a Saturday, Sunday or other day on which banks in Frankfurt am Main, Germany, are generally closed for business.

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Cash Merger Squeeze-Out	A squeeze-out transaction effected pursuant to Section 62(5) of the German Transformation Act (<i>Umwandlungsgesetz</i>).
Clearstream	Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany, an international central securities depository.
Closing Date	Date the Offer Consideration is transferred to the shareholders of Wincor Nixdorf Aktiengesellschaft who tendered their Wincor Nixdorf Ordinary Shares.
Corporate Squeeze-Out	A squeeze-out transaction effected pursuant to Sections 327a <i>et seq.</i> of the German Stock Corporation Act where a company holds at least 95 percent of the issued share capital of another company.
Cryptera	Cryptera A/S, a supplier of Diebold's encrypting PIN pad technology and a world leader in the research and development of secure payment technologies which Diebold acquired in the third quarter of 2014.
D&O	Directors and officers.
DAX	An index calculated by Deutsche Börse comprising the 30 most actively traded stocks (blue chips) in the Prime Standard segment of the Frankfurt Stock Exchange.
Delisting	Removal of shares from a stock exchange.
Diebold	Diebold, Incorporated, together with its consolidated subsidiaries.
Diebold 2.0	Diebold's multi-year transformation plan introduced in 2013, consisting of four pillars (cost, cash, talent, and growth) and expected to occur in three phases (crawl, walk and run).
Diebold Common Shares	Registered common shares of Diebold, Incorporated, each with a par value of \$1.25.
Diebold, Inc.	Diebold, Incorporated, incorporated under the laws of the State of Ohio and registered with the Ohio Secretary of State under entity number

1276. It has its registered and principal executive offices are located at 5995 Mayfair Road, P.O. Box 3077, North Canton, Ohio 44720-8077.

DOJ

U.S. Department of Justice.

Downlisting

A process pursuant to which shares listed on a regulated market are removed from the regulated market and subsequently listed on the unregistered market (*e.g.*, the entry standard of the Frankfurt Stock Exchange).

EBIT

Earnings before interest and taxes.

EBITDA

Earnings before interest, taxes, depreciation and amortization.

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EMEA	Diebold's Europe, Middle East and Africa segment.
EPS	Earnings per share.
Euro or	The single European currency adopted by certain participating member states of the European Union, including Germany.
EURIBOR	Euro InterBank Offered Rate, a daily reference rate based on the averaged interest rates at which banks offer to lend unsecured funds to other banks in the euro wholesale money market.
Exchange Act	U.S. Securities Exchange Act of 1934.
Expiration Date	Date of the expiration of the Acceptance Period (including any extension thereof), <i>i.e.</i> [] 2016, unless the Acceptance Period is extended.
FASB	Financial Accounting Standards Board.
FCPA	U.S. Foreign Corrupt Practices Act.
Free Cash Flow (FCF)	Net cash generated from operating activities and available for execution of Diebold's business strategy, excluding capital expenditures).
FSS	Financial self-service systems.
FTC	U.S. Federal Trade Commission.
GAS	GAS Tecnologia, a Brazilian Internet banking, online payment and mobile banking security company which Diebold acquired in August 2012.
HSR Act	U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976.
IAS	International Accounting Standards issued by the Board of the International Accounting Standards Committee (IASC), a predecessor of

the International Accounting Standards Board (IASB).

IASB	International Accounting Standards Board.
IFRS	International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).
ITA	World Trade Organization's International Technology Agreement.
LA	Diebold's Latin America segment.
LIBOR	London Interbank Offered Rate, a daily reference rate based on the averaged interest rates at which banks offer to lend unsecured funds to other banks.
LTI	Long-Term Incentives, long-term part of compensation.

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MDAX	Mid-Cap-DAX. The index is calculated by Deutsche Börse and comprises the 50 largest companies from classic sectors in the Prime Standard segment of the Frankfurt Stock Exchange that rank below the DAX shares in terms of market capitalization and trading volume.
Minimum Tender Condition	Condition to the Takeover Offer that at the end of the Acceptance Period at least 22,362,159 (approximately 67.6 percent of all Wincor Nixdorf ordinary shares (representing 75 percent of all outstanding Wincor Nixdorf ordinary shares, excluding treasury shares)) Wincor Nixdorf ordinary shares have been tendered.
NA	Diebold's North America segment.
NEOs	Diebold's named executive officers, Andreas W. Mattes, Christopher A. Chapman, Stefan E. Merz and Sheila M. Rutt.
No Market Material Adverse Change Condition	Condition to the Takeover Offer that between the publication of the exchange offer document and the expiration of the Acceptance Period, trading on the Frankfurt Stock Exchange has not been suspended for more than three consecutive trading days for all shares admitted to trading at the entire Frankfurt Stock Exchange and that the closing quotations of the DAX of the two trading days prior to the end of the Acceptance Period is not more than 28.5 percent below the closing quotation of the DAX on the trading day immediately preceding the day of the publication of the offer.
No Wincor Nixdorf Material Adverse Change Condition	Condition to the Takeover Offer that between the publication of the exchange offer document and the expiration of the acceptance period, neither (i) has Wincor Nixdorf published new circumstances pursuant to Section 15 German Securities Trading Act, nor (ii) have circumstances occurred that would have had to be published by Wincor Nixdorf pursuant to Section 15 of the German Securities Trading Act or that Wincor Nixdorf did not publish because of a self-exception pursuant to Section 15(3) of the German 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.

Non-GAAP EPS

Non-GAAP earnings per share, *i.e.* net income per share, excluding restructuring charges, non-routine income and expenses, and a non-cash impairment charge.

NYSE

New York Stock Exchange.

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OEM	Original equipment manufacturer.
OFAC	U.S. Treasury Department's Office of Foreign Assets Control.
Offer	The voluntary takeover offer pursuant to the German Takeover Act and applicable regulations under which the Company offers to the shareholders of Wincor Nixdorf Aktiengesellschaft to exchange each Wincor Nixdorf Ordinary Shares for the Offer Consideration, subject to certain conditions.
Offer Consideration	38.98 in cash and 0.434 Diebold common shares per Wincor Nixdorf Ordinary Share to be offered to Wincor Nixdorf shareholders in the offer.
OP	Non-GAAP operating profit, <i>i.e.</i> GAAP operating profit of Diebold, adjusted to exclude restructuring charges, non-routine income and expenses, and impairment charges.
ORC	Ohio Revised Code.
ORCP	Ohio Rules of Civil Procedure.
Phoenix	Phoenix Interactive Design, Inc., a world leader in developing innovative multi-vendor software solutions for ATMs and a host of other FSS applications which Diebold acquired on March 13, 2015.
Post-Completion Reorganization	Depending on the percentage of Wincor Nixdorf ordinary shares acquired by Diebold in the offer and, to the extent legally permissible, in the open market, Diebold and Wincor Nixdorf may consider, in their discretion and subject to applicable law, to effect a post-completion reorganization, including the execution of a domination agreement and/or a profit and loss transfer agreement and/or a squeeze-out transaction.
R&D	Research and development.
Registration Statement And Stock Exchange Listing Condition	Condition to the Takeover Offer that the registration statement regarding the Diebold Common Shares has been declared effective by the SEC prior to the expiration of the acceptance period and is not 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 at the time of the consummation of the offer, and the Diebold Common Shares offered to Wincor Nixdorf shareholders have been approved for listing on the New York Stock Exchange and the Frankfurt Stock Exchange, subject to official notice of issuance.

Regulatory Condition

Condition to the Takeover Offer that on or before November 21, 2016, the approval of the Business Combination under merger control or competition law regimes in any jurisdiction where the parties to the Business Combination Agreement have mutually determined merger control or competition law filings and/or notices to be necessary or

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must have been obtained or any statutory waiting period (including any extension thereof) applicable to the Business Combination must have expired, or other arrangements shall have been put in place, with the result that the Business Combination may be completed without the approval by any relevant antitrust authority.

S&P 400

S&P MidCap 400, an index calculated by S&P Dow Jones Indices which measures the performance of mid-sized U.S. companies.

SEC

U.S. Securities and Exchange Commission.

Securities Act

U.S. Securities Act of 1933.

Segment Change

Change of a listing of a share from one sub-segment of a regulated market to another while maintaining the listing on the regulated market.

SERP

Diebold's four non-qualified supplemental retirement plans: (1) the Pension Supplemental Executive Retirement Plan (Pension SERP), (2) the Pension Restoration Supplemental Executive Retirement Plan, (Pension Restoration SERP), (3) the 401(k) Restoration Supplemental Executive Retirement Plan, (401(k) Restoration SERP), and (4) the 401(k) Supplemental Executive Retirement Plan, (401(k) SERP).

Settlement Agent

Deutsche Bank Aktiengesellschaft, Taunusanlage 12, 60325 Frankfurt am Main, Germany.

Squeeze-Out Transaction

A transaction under which a majority shareholder acquires the shares of remaining minority shareholders subject to certain legal requirements. Under German law, there are Cash Merger Squeeze-Out, Corporate Squeeze-Out and Takeover Squeeze-Out.

Takeover Squeeze-Out

A squeeze-out transaction effected pursuant to Sections 39a *et seq.* of the German Takeover Act where a company holds at least 95 percent of another company's voting share capital (*stimmberechtigtes Grundkapital*).

TSR

Total shareholder return, a measure of the performance of a company's shares over time which is calculated on the basis of the share price at the end of the relevant period (taking into account any dividends) compared to the beginning of such period.

U.S. dollars, U.S.\$ or \$

The currency of the United States of America.

VSOE

Vendor specific objective evidence (price sold on a stand-alone basis) which forms the basis of the relative selling price method, a method of allocating consideration in case of contracts that contain multiple deliverables.

Wincor Nixdorf Ordinary Shares

Ordinary bearer shares in Wincor Nixdorf Aktiengesellschaft, without par value.

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- 9. The prospectus in the exchange offer document will include audited consolidated financial statements and schedules of Diebold as of December 31, 2014 and 2013, and for each of the years in the three-year period ended December 31, 2014, and unaudited condensed consolidated financial statements of Diebold for the nine months ended September 30, 2015 and 2014 and as of September 30, 2015, which are incorporated by reference in the prospectus in this registration statement from Diebold's current report on Form 8-K (Items 8.01 and 9.01) dated November 23, 2015 as filed with the SEC on November 23, 2015, and Diebold's quarterly report on Form 10-Q for the quarterly period ended September 30, 2015 as filed with the SEC on October 29, 2015, respectively.**

Mandatory publication pursuant to Sections 34, 14 paras. 2 and 3 German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz- WpÜG- German Takeover Act*)

Shareholders of Wincor Nixdorf Aktiengesellschaft, in particular those who have their place of residence, seat or place of habitual abode outside The Federal Republic of Germany should pay particular attention to the information contained in section 1 of this exchange offer document.

DRAFT EXCHANGE OFFER DOCUMENT

Please note that this translation of the draft of the German offer document is for convenience purposes only. It has not been and will not be reviewed or approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht, the BaFin*) and it does not constitute an offer under the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) or under any other law or regulation, nor does it give rise to any claims and entitlements. The draft German offer document as well as the translation thereof remain subject to change and Diebold, Incorporated assumes no responsibility for misunderstandings or misinterpretations that may arise from or in connection with this translation or any mistakes or inaccuracies contained herein. Only the final German offer document, which will be approved by BaFin, will be legally valid and binding.

Mandatory Publication

in accordance with Sections 34, 14 paras. 2 and 3 German Securities Acquisition and Takeover Act

(*Wertpapiererwerbs- und Übernahmegesetz*)

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.

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Tendered Wincor Nixdorf Shares: ISIN DE000[]

Diebold Shares: ISIN US2536511031

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Table of Contents**1. General Information on the Implementation of the Takeover Offer, particularly for Shareholders with a Place of Residence, Registered Office or Habitual Abode outside Germany****1.1 Implementation of the Takeover Offer According to the Provisions of the German Securities Acquisition and Takeover Act**

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**).

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 U.S. Securities Act of 1933, as amended (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 (International Securities Identification Number (**ISIN**) [] 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 Diebold (the **Diebold Shares**), including with respect to dividend entitlements (based on the Bidder's quarterly dividend distribution) and the Diebold Shares will be admitted to trading on the New York Stock Exchange and the Frankfurt Stock Exchange (**Frankfurter Wertpapierbörse**). In reliance on 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 its main part.

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 Target (Subsidiaries of Wincor Nixdorf)),

Annex 4 (Section 2 no. 2 of the Takeover Offer Regulation in relation

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to Section 7 Securities Prospectus Act) and **Annex 5** (Closing prices and turnover in Diebold Shares (as defined in Section 5.2.1)), there are no further documents that form part of this Offer Document.

This Offer Document has been reviewed and its publication has been permitted by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, **BaFin**). It has not been approved by any other authority. BaFin has reviewed this Offer Document pursuant to the Takeover Act and has approved its publication on [], 2016. The English translation of the Takeover Offer document has not been reviewed by BaFin.

In this Offer Document, the bearer shares, without par value (*auf den Inhaber lautende Stammaktien ohne Nennbetrag*) of Wincor Nixdorf (ISIN DE000A0CAYB2) are referred to as the **Wincor Nixdorf Shares**.

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 please refer to Section 1.5). As a result, the shareholders of Wincor Nixdorf 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 US 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 Review of the Offer Document by BaFin

BaFin has reviewed this Offer Document in the German language and has approved its publication on [], 2016. 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 of America as described (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.

1.4 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. The English translation of this Offer Document will be filed by the Bidder with the SEC immediately after approval of the publication of the German Offer Document by BaFin and, subsequently, 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>. From this website, search Diebold Inc. under the tab company name.

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1.5 Publication and Dissemination of this Offer Document

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

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 [], 2016.

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

The Bidder will send the English translation of this Offer Document to the U.S. Shareholders of Wincor Nixdorf known to it. 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 free of charge will be available 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 Diebold 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/>.

This Offer Document has been prepared without taking into account any particular person's objectives, financial situation or needs. Wincor Nixdorf Shareholders should, before acting on the information contained in this Offer Document, consider the appropriateness of the information having regard to their personal objectives, financial situation or needs.

No publications of this Offer Document are planned beyond the aforementioned.

This Takeover Offer and this Offer Document shall not constitute an issuance, publication or public advertising 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 other than as described in this Section 1.5 (and the Bidder has not authorized any third party accordingly, except for the publications and disseminations described in this Section 1.5) if and to the extent this 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 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

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, 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, 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 this 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, these 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 7.2). 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 and analyst presentations), in particular information published on the internet at <http://www.wincor-nixdorf.com>, Wincor Nixdorf's articles of association of and information derived from the commercial register, and the Business Combination Agreement. Other than through customary due diligence and discussion with Wincor Nixdorf management and advisors, the Bidder did not verify 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, as well as their subsidiaries, within the meaning of Section 2 para. 5 sentences 1 and 3 Takeover Act, 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, as well as their subsidiaries, within the meaning of Section 2 para. 5 sentences 1 and 3 Takeover Act. 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 1.3.

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 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 []) (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 79,685,756 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 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 of the Bidder further resolved, among other things, that, subject to the satisfaction, or where permissible, waiver, of the Closing Conditions (as defined in Section 11.1), 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 7.2) and this Offer Document without further action by the board of directors (the Issuance of Diebold Offer Shares).</p>
Acceptance:	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 (as defined in Section 4.2) or the Wincor Nixdorf Shares tendered within the Additional Acceptance Period (as defined in Section 4.4) to ISIN DE000 [] (WKN []) through Clearstream

Banking AG, Frankfurt (**Clearstream**).

If the Custodian Bank is notified of the acceptance within the Acceptance Period (as defined in Section 4.2) or the Additional Acceptance Period (as

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defined in Section 4.4), the transfer of Wincor Nixdorf Shares at Clearstream shall be deemed effected on time if the transfer has been effected no later than by 18:00 hours (Central European Time) on the second Business Day after the expiration of the Acceptance Period (as defined in Section 4.2) or after the expiration of the Additional Acceptance Period (as defined in Section 4.4).

Withdrawal Rights: Prior to the expiration of the Acceptance Period, Wincor Nixdorf Shareholders may withdraw their Tendered Wincor Nixdorf Shares (as defined in Section 12.3) from the agreements that were entered into 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 [], 2016 and ends on [], 2016 at 24:00 hours (local time Frankfurt am Main). This period may be extended.

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

Closing Conditions: This Takeover Offer and the agreements resulting from its acceptance by Wincor Nixdorf Shareholders will only become effective if the following conditions have been satisfied or effectively waived by the Bidder (see Section 11.4):

1. Regulatory Condition

On or before November 21, 2016, the approval of the business combination under merger control or competition law regimes in any jurisdiction where the parties to the business combination agreement have mutually determined merger control or competition law filings and/or notices to be necessary or advisable must have been obtained or any statutory waiting period (including any extension thereof) applicable to the business combination must have expired or hold-separate arrangements must have been put in place.

2. Registration Statement and Stock Exchange Listing Condition

(1) The Registration Statement regarding the Diebold Offer Shares:

(i) shall have been declared effective by the SEC prior to the end of the Acceptance Period (as defined in Section 4.2),

(ii) shall not be subject of any stop order by the SEC pursuant to Section 8(d) of the United States Securities Act of 1933, as amended, or any proceeding initiated by the SEC seeking such a stop order at the time of the consummation of the Takeover,

(2) The Diebold Offer Shares have been authorized for listing on the New York Stock Exchange and the Frankfurt Stock Exchange and all existing Diebold Shares have been authorized for listing on the Frankfurt Stock Exchange, subject to official notice of issuance.

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3. Minimum Acceptance Rate

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 12.3) (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 DE000[] (WKN []) 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 or indirectly 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 corresponding application of 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 Section 3(4) are counted only once) equals at least 22,362,159 (approximately 67.6% of all Wincor Nixdorf Shares) Wincor Nixdorf Shares, in each case at the time of approval of this Offer Document by BaFin.

4. No Market Material Adverse Change Condition

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.

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% below the closing quotation of the DAX on the trading day immediately preceding the day of the publication of the Bidder's Takeover Offer.

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5. No Material Adverse Change

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

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

(2) have circumstances 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.

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 material administrative offense (*Ordnungswidrigkeit*) relating to applicable corruption, anti-bribery, money-laundering or cartel laws 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 (be it an offense under any applicable administrative, criminal or equivalent laws in the United States, Germany or any other jurisdiction whose laws apply to operations of Wincor Nixdorf or a subsidiary of Wincor Nixdorf), is known to have occurred, if any such criminal or material administrative offense constitutes insider information for Wincor Nixdorf pursuant to Section 13

Securities Trading Act or has constituted insider information prior to its publication.

7. No Increase of Share Capital; No Disposal 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;

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

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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):

(1) No insolvency proceedings under German law have been opened in respect of the assets of Wincor Nixdorf; moreover the management board of Wincor Nixdorf has not applied for such proceedings to be opened;

(2) There are no grounds that would require an application for the opening of insolvency proceedings.

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 was announced by a third party within in the meaning of Section 22 Takeover Act (i) which according to an ad hoc notification by Wincor Nixdorf pursuant to Section 15 Securities Trading Act, 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.

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

The absence of any temporary restraining order or preliminary or permanent injunction or other order by any governmental authority of competent jurisdiction preventing consummation of this Takeover Offer or the business combination.

Settlement:

The Settlement Agent will arrange for all Diebold Offer Shares created through the Issuance of Diebold Offer Shares to be transferred 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 to the

Custodian Banks.

The Bidder will apply prior to the time of delivery of the Diebold Offer Shares to the Wincor Nixdorf Shareholders under the Takeover Offer for admission of its shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). The Bidder will take all necessary actions that the Diebold Offer Shares which the accepting shareholders of Wincor Nixdorf will receive upon settlement of the Takeover Offer will have been admitted to trading (listed) on the Frankfurt Stock Exchange at the time of delivery to the shareholders of Wincor Nixdorf. Commencement of trading on the Frankfurt Stock Exchange is expected to occur immediately after delivery of the Diebold Offer Shares to the shareholders of Wincor Nixdorf having accepted the Takeover Offer.

The transfer of Diebold Offer Shares and the crediting of the Cash Component to the respective Custodian Banks will happen immediately after the Diebold Offer Shares (and, with respect to the Frankfurt Stock Exchange, the existing Diebold Shares) are admitted to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the New York Stock Exchange. The Bidder expects that admission of the Diebold Offer Shares and the existing Diebold Shares to trading on the regulated market (*Regulierter Markt*) of the Frankfurt

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Stock Exchange (*Frankfurter Wertpapierbörse*) with a concurrent admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) will occur on [], 2016. The listing of the Diebold Offer Shares on the New York Stock Exchange and the Frankfurt Stock Exchange is expected to occur on [], 2016.

In case the acceptance of the Takeover Offer results in partial shares in Diebold Offer Shares, they will be disposed of in the context of a fractional adjustment (*Spitzenverwertung*) and the former Wincor Nixdorf Shareholders so entitled will be compensated in cash. The resulting proceeds from these disposals are expected to be credited to the accounts of the relevant Wincor Nixdorf Shareholders within ten Business Days after the transfer of Diebold Offer Shares to the securities accounts of the former Wincor Nixdorf Shareholders has occurred.

Assuming the Announcement of Results (as defined in Section 18) occurs on [], 2016, all Closing Conditions are fulfilled up to this point or have been effectively waived by the Bidder by the end of one working day prior to the expiration of the Acceptance Period, the crediting of the Diebold Offer Shares and the Cash Component will be carried out by [], 2016, a crediting of the proceeds from the fractional adjustments will be carried out by the respective Custodian Banks by [], 2016.

If one or more of the Closing Conditions (see Section 11.1) are still not fulfilled, and have not been waived, by the end of the Additional Acceptance Period, the settlement of the Takeover Offer will be delayed accordingly until fulfilment or waiver of such Closing Conditions.

No later than November 21, 2016, it will be determined whether and how the Takeover Offer will be settled.

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 12.3) 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 12.3) will be admitted to trading on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) under the ISIN DE000[]. Trading in the Tendered Wincor Nixdorf Shares (as

defined in Section 12.3) on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) is expected to begin on the third Business Day after commencement of the Acceptance Period (as defined in Section 4.2) and is expected to cease after the end of the regular stock exchange trading hours one day after fulfilment of the last Closing

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Condition (see Section 11.1 of this Offer Document) or, if later, one day after the expiry of the Additional Acceptance Period on [], 2016.

ISIN: Wincor Nixdorf Shares: ISIN DE000A0CAYB2

Tendered Wincor Nixdorf Shares: ISIN DE000[]

Diebold Shares: ISIN US2536511031

Publication:

The Bidder, in accordance with Sections 34 and 14 paras. 2 and 3 Takeover Act, has published the German and English language Offer Document for interested Wincor Nixdorf Shareholders on [], 2016, by (i) making an announcement in the German language on the internet at <http://www.diebold.com/> in the *Investor Relations* section, and (ii) by keeping copies available for distribution free of charge through the Settlement Agent.

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 [], 2016.

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

The Bidder will send the English translation of this Offer Document to the U.S. Shareholders of Wincor Nixdorf known to it. 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 free of charge will be available 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 U.S. Securities Act of 1933, as amended and the Exchange Act.

In addition, in the United States, the Bidder has filed a Registration Statement with the SEC, which includes a prospectus of Diebold 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/>.

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, to the extent required by law, 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.

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4. Takeover Offer

4.1 Subject Matter

The Bidder hereby offers to all Wincor Nixdorf Shareholders to acquire the Wincor Nixdorf Shares they hold, including all rights attached thereto at the time of completion, in particular dividend rights, in accordance with the terms and conditions 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 Wincor Nixdorf Shareholders accept the Takeover Offer for all or any of their Tendered Wincor Nixdorf Shares (as defined in Section 12.3), they may be entitled to receive fractional shares (*Aktienspitzen*) in Diebold Offer Shares.

All fractional shares will be sold shortly after the settlement of the Takeover Offer by way of a fractional adjustment (*Spitzenverwertung*) (see Sections 12.4 and 12.5) and the former Wincor Nixdorf Shareholders so entitled will be compensated in cash. In this regard, the Custodian Bank and/or the Settlement Agent will sell the fractions allocated to the Diebold Offer Shares, by necessarily combining these to whole shares, after the end of a yet-to-be-determined date on the stock exchange. The proceeds will then be paid out to the eligible former Wincor Nixdorf Shareholders who have Tendered Wincor Nixdorf Shares (as defined in Section 12.3) relative to the relevant fractions.

4.2 Acceptance Period

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

[], 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 [], 2016, at 24:00 hours (Central European Time), until [], 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 will end on [], 2016 at 24:00 hours (Central European Time). This applies even if the amended Takeover Offer would be in violation of any laws.

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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 to the date on 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

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Act will be ten weeks from the publication of this Offer Document. The Acceptance Period would then expire on [], 2016 at 24:00 hours (Central European Time).

The Bidder will publish any extension of the Acceptance Period in accordance with the statements in Section 18 of this Offer Document.

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

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 11.11 have been fulfilled or effectively waived 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 fulfilled 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 expected to occur on [], 2016 on [], 2016 and ends on [], 2016, at 24:00 hours (Central European Time). After the expiration of this Additional Acceptance Period, the Takeover Offer may no longer be accepted.

The procedure which applies to the acceptance of this Takeover Offer within the Additional Acceptance Period is described in Section 12.7, in conjunction with Sections 12.2 through 12.6 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 DE000[], at the latest, by 18:00 hours (Central European 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 16,000 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, United States, 44720-8077, 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 79,685,756 common shares each with a par value of \$1.25. Of these shares 64,993,700 were outstanding as of the same date. The remaining 14,692,056 common shares were held by the Bidder as treasury shares.

The Bidder's common shares trade on the New York Stock Exchange under ISIN US2536511031 and with the ticker symbol DBD.

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 79,685,756 common shares have been issued (the **Authorized Shares**).

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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 New York Stock Exchange Rule 312.03(c) requires shareholder approval prior to the issuance of common stock, or securities convertible into or exercisable for common stock, if (1) the common stock has, or will have upon issuance, voting power equal to or in excess of 20% of the voting power outstanding before the issuance of such stock; or (2) the number of shares of common stock to be issued is, or will be upon issuance, equal to or in excess of 20% 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% 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 (as defined in Section 11.1), 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 7.2) 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 Diebold. 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.

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.

One popular example of a self-service solution is the 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 capable of supporting 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.

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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 exceptional self-service innovation, security and services to financial, retail, commercial and other markets. Diebold Group has approximately 16,000 employees with business in more than 90 countries worldwide. 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 from its financial self-service business line and around one-fifth from 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%, 16%, 14%, and 24% 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.

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;

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.

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5.5 Persons Acting in Concert with the Bidder

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 each other pursuant to Section 2 para. 5 sentence 3 Takeover Act.

5.6 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, the persons acting in concert with the Bidder, as well as their subsidiaries, neither directly nor indirectly hold any Wincor Nixdorf Shares as of the date of publication of this Offer Document.

Neither the Bidder nor persons acting in concert with the Bidder, nor their subsidiaries, directly or indirectly hold financing instruments or other instruments relating to Wincor Nixdorf Shares that correspond to the financing instruments mentioned in Sections 25 of the Securities Trading Act.

5.7 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 [], 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 the transfer of Wincor Nixdorf Shares.

5.8 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 Federal Gazette 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.

5.9 Diebold Holding

The Bidder plans to transfer the Wincor Nixdorf Shares to Diebold Holding Germany Inc. & Co. KGaA, a German partnership limited by shares (*Kommanditgesellschaft auf Aktien*) (**Diebold Holding**) after closing of the Takeover Offer. Diebold Holding is sole limited shareholder (*Kommanditaktionär*) and sole general partner (*Komplementär*) is the Bidder.

6. Description of Wincor Nixdorf and Wincor Nixdorf Group

6.1 Legal basis of Wincor Nixdorf

Wincor Nixdorf is a German stock corporation (*Aktiengesellschaft*) with approximately 9,000 employees worldwide. Its fiscal years end on September 30 of each year. The registered seat of Wincor Nixdorf is 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.

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Article 2 of Wincor Nixdorf's articles of association (**Wincor Nixdorf Articles of Association**) describes its corporate purpose 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 Plan

6.2.1 Share Capital

As of November 20, 2015, 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 (*Frankfurter Wertpapierbörse*) (Prime Standard) (ISIN DE000A0CAYB2) and included, among others, in the MDAX.

6.2.2 Wincor Nixdorf Treasury Shares

Approximately 9.88% (3,268,777 Wincor Nixdorf Shares) are currently held by Wincor Nixdorf as treasury shares (the **Wincor Nixdorf Treasury Shares**). In accordance with the Blocked Account Agreement (as defined in Section 13.1) pursuant to which (i) Wincor Nixdorf is prohibited from tendering the Wincor Nixdorf Treasury Shares into the Takeover Offer (*qualifizierte Nichtannahmeerklärung*) and (ii) the Wincor Nixdorf Treasury Shares will be placed into a blocked account for the [entire time of the Takeover Offer] 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 **Wincor Nixdorf Custodian Bank**), Wincor Nixdorf will refrain from accepting the Takeover Offer for the Wincor Nixdorf Treasury Shares (see Section 13.1 *et seq.*).

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 of Wincor Nixdorf in the total amount of up to 16,542,494 until January 19, 2019, once or in several instances by issuing up to 16,542,494 new bearer shares, without par value against contributions in cash and/or in kind with the consent of the supervisory board (**Authorized Capital 2014**). The shareholders are generally to be granted pre-emptive rights for the newly issued shares.

The management board is, however, authorized to fully or partially exclude the pre-emptive rights of the shareholders once or in several instances with the consent of the supervisory board as specified in more detail in the following provisions:

- (1) in order to exclude fractional amounts from pre-emptive rights;

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- (2) if the capital increase is made against contributions in cash pursuant to Section 186 para. 3 sentence 4 of the German Stock Corporation Act (Stock Corporation Act), and the issuing price of the new shares is not significantly below the market price of the shares of the same kind already listed on the stock exchange and the portion of the share capital attributable to the new shares to be issued with an exclusion of pre-emptive rights arithmetically does not exceed a total of 10% of the share capital, either at the time of taking effect or at the time of using the Authorized Capital 2014 is used. However, towards this 10% limit shall also count all shares or rights granting a right to receive Wincor Nixdorf Shares that were issued since January 20, 2014 while excluding subscription rights in direct or analogous application of Section 186 para. 3 sentence 4 Stock Corporation Act; and
- (3) if the capital increase is made against contributions in kind for the purpose of acquiring (also indirectly) enterprises, parts of enterprises or participations in enterprises, provided that the share capital attributable to the new shares issued with an exclusion of pre-emptive rights arithmetically does not exceed a total of 20% of the share capital, either at the time of taking effect or at the time the Authorized Capital 2014 is being used.

The preceding authorization of the management board to fully or partially exclude the pre-emptive rights of the shareholders when issuing new shares from the Authorized Capital 2014 is limited to a maximum of 20% of the share capital, either at the time of taking effect or at the time of Authorized Capital 2014 is being used. Towards this 20% limit shall also count all shares or rights granting a right to receive Wincor Nixdorf Shares that were issued since January 20, 2014 while excluding subscription rights in direct or analogous application of Section 186 para. 3 sentence 4 Stock Corporation Act.

6.2.4 Conditional Capital 2013

Wincor Nixdorf's share capital is conditionally increased by up to 10,000,000 through the issuance of up to 10,000,000 new bearer shares, without par value (**Conditional Capital 2013**).

The Conditional Capital 2013 is intended solely to be available for subscription rights that may become available in connection with certain equity-linked securities or warrants issued prior to January 20, 2016 by Wincor Nixdorf or one of its dependent subsidiaries within the meaning of Section 17 Stock Corporation Act as specified in detail in the authorization by Wincor Nixdorf's general shareholders' meeting held on January 21, 2013. New shares will only be issued from the Conditional Capital 2013 to the extent holders of subscription rights that may become available in connection with such equity-linked securities or warrants exercise their subscription rights. The new shares are entitled to dividends as of the beginning of the fiscal year in which they are issued. If they are issued before the ordinary annual general shareholders' meeting, the new shares shall also be entitled to dividends for the previous fiscal year.

As of the date of this Offer Document, neither Wincor Nixdorf nor any of its dependent subsidiaries within the meaning of Section 17 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 intended solely to be available for stock options issued to members of Wincor Nixdorf's management board, board members of subordinated affiliated foreign or domestic companies and to other executives and employees of Wincor Nixdorf and its subordinated affiliated companies, as specified in detail in the authorization by Wincor Nixdorf's general shareholders' meeting held on January 20, 2014. New shares will only be issued from the Conditional Capital 2014 to the extent holders of stock options exercise their obligations under the stock option plan and Wincor Nixdorf does not fulfill their subscription rights by making a cash payment or by transferring treasury shares. The new shares are entitled to dividends as of the beginning of the fiscal year in which they are issued. If the new shares are issued before the general shareholders' meeting of that fiscal year, the new shares shall also be entitled to dividends for the previous fiscal year.

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6.2.6 Wincor Nixdorf Stock Option Plan

As of November 20, 2015, Wincor Nixdorf has issued 2,609,010 stock options as part of a stock option plan (the **Wincor Nixdorf Stock Option Plan**). In case stock options under the Wincor Nixdorf Stock Option Plan 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 Plan during the tender right period, if any, pursuant to Section 39c Takeover Act (see Section 15.5). Wincor Nixdorf is obligated under the Business Combination Agreement (as defined in Section 7.2) to and will settle any stock options exercised prior to the expiration of the tender right period, if any, pursuant to Section 39c Takeover Act against a payment in cash.

From signing of the Business Combination Agreement until the later of (i) the expiration of the Additional Acceptance Period or (ii) the expiration of the tender right period, Wincor Nixdorf will ensure that any option right under the Wincor Nixdorf Stock Option Plan which can be exercised will be settled solely by cash payments.

6.3 Overview of the Business Activities of Wincor Nixdorf Group

Wincor Nixdorf Group has two operating segments: banking (**Banking**) and retail (**Retail**), which Wincor Nixdorf Group integrates based on its customers' needs.

The Banking segment's proposition includes hardware, software, information technology services, and consulting services. ATMs, cash recycling systems, automated teller safes and transaction terminals are key elements of the hardware portfolio. Besides software for the operating systems, banks may benefit from software by means of which they are able to manage processes throughout all distribution channels.

Through the Retail segment, Wincor Nixdorf also provides hardware, software, information technology services, and consulting services. Key elements are programmable electronic point of sale (ePOS) systems or self-checkout systems and relate to the checkout area. The software portfolio allows the entire control of all processes and systems within the branch.

Pursuant to Wincor Nixdorf's group income statement for the fiscal year ended September 30, 2014, prepared in accordance with IFRS, revenue amounted to approximately 2.5 billion, with an operating profit before finance income and finance costs and income taxes (EBIT) of approximately 155.0 million and a profit before income taxes of approximately 146.4 million.

In the fiscal year ended September 30, 2014, Wincor Nixdorf Group generated around two-thirds of its total net sales to external customers from the Banking segment and around one-third from its Retail segment. In the same period, Wincor Nixdorf Group generated 70%, 18% and 12% 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)

Jürgen Wunram (CFO, COO)

Olaf Heyden (Executive Vice President)

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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

Prof. Dr. Edgar Ernst

Gabriele Feierabend-Zaljec

Hans-Ulrich Holdenried

Volker Kotnig

Thomas Meilwes

Zvezdana Seeger

Martin Stamm

Carmelo Zanghi

6.5 Shareholder Structure of Wincor Nixdorf

On the internet site <http://www.wincor-nixdorf.com/> under the category *Investor Relations*, Wincor Nixdorf discloses in its annual report, uploaded as of July 23, 2015 (referring to the nine-months ended June 30, 2015), the following persons hold shareholdings of 3% or more in Wincor Nixdorf:

Shareholders	Shareholdings
Deutsche Asset & Wealth Management Investment GmbH, Deutschland	>3%
Highclere International Investors LLP, United Kingdom/Highclere	
International Investors SMID Fund, United States	>3%
Kiltearn Partners LLP, United Kingdom/Kiltearn Global Equity Fund, United States	>5%
Polaris Capital Management, LLC, United States	>5%

6.6 Persons Acting in Concert with Target

According 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 its potential 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.

The management board and the supervisory board of Wincor Nixdorf have undertaken in the Business Combination Agreement (as defined in Section 7.2) to publish a reasoned statement or a joint reasoned statement pursuant to Sections 27 para. 3, 14 para. 3 Takeover Act (the **Reasoned Statement**) and to support the Takeover Offer (see Section 7.2.1).

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7. Background of the Takeover Offer

Bidder and Wincor Nixdorf intend to form a combined enterprise which shall strive to be market leading 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**).

Bidder intends to acquire control over Target and, following the offer, depending on the percentage of Wincor Nixdorf common shares acquired by Bidder in the 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 eliminate any minority shareholder interest in Target remaining after the offer or allow Bidder to control Target to the greatest extent permissible.

7.1 Economic and Strategic Background

Bidder is 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. Target is one of the world's leading providers of information technology solutions and services to retail banks and the retail industry. Drawing on a comprehensive portfolio of products and services, Target supports and optimizes its customers' business processes, especially at the branch and store level.

Bidder and Target believe that the business combination will provide a number of significant strategic opportunities. 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. 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 the customers.

7.1.1 Geographic Expansion and Creation of a Global Company

Diebold Group and Wincor Nixdorf Group share a complementary geographic reach across the Americas, EMEA and within Asia. Bidder is a leading player in the Americas, whereas Target is a leading player in Europe. These two regions are key drivers for innovation and digital transformation in Banking and Retail. Diebold would benefit from 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 Target's Retail business.

Therefore, both Bidder and Target expect that the business combination would create a geographically expanded business with opportunities for an amplified global presence, including entry into new markets. Their complementary regional footprints and 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 solutions for its blue chip customer base and growth in both the software and services segments is expected to be accelerated by the business combination.

7.1.2 Potential for operative Synergies

Bidder and Target share a common strategic focus on growing services and software and have highly complementary offerings, geographic presence and customer bases. Consequently, both parties expect the transaction to yield approximately \$160 million of annual run rate synergies by the end of the third full year following the completion of the transaction, which are expected to arise, among others, through

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product consolidation, services rationalization in overlapping regions and the purchase of direct materials at better conditions. The Combined Group will target a non-GAAP operating margin in excess of 9% by the end of the third full year post closing. In addition, the transaction is expected to be accretive to non-GAAP earnings per share in the second year, excluding integration costs. The Combined Group had pro forma revenue of approximately \$5.2 billion or 4.8 billion for the trailing twelve (12) months ended September 30, 2015 excluding revenue attributable to Diebold's North America electronic security business, which it recently agreed to divest.

Bidder is of the opinion, that, by leveraging innovative solutions and talent from both organizations, it will have the scale, strength and flexibility to help its customers through their own business transformation. Furthermore, it anticipates that it may be able to take advantage of significant cost efficiencies and synergy opportunities resulting from the business combination. Also, Bidder expects that the business combination would provide increased free cash flow, which may be used to pursue future key transformative investments, mergers and acquisitions. Since Wincor Nixdorf Shareholders will own approximately 16.6% of the outstanding common shares of Diebold immediately after closing of the 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 Bidder and Target both provide services.

7.2 Business Combination Agreement

Following an analysis of the benefits and potentials resulting from a co-operation between and combination of Diebold Group's and Wincor Nixdorf Group's operations and with a view to mutually strengthen the business of each other, Bidder and 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 consistent with, and will advance, the business strategies and goals of Bidder, and is in the best interest of the Bidder's and Target's stockholders and Target's employees and other stakeholders.

To set out on their mutual intentions regarding the combination in legally binding form, on November 23, 2015, Bidder and 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 intentions and understandings of Bidder and 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, among other things, arrangements concerning the combination of the companies, the future positioning of the Bidder, and the employees and the management structure of the Bidder resulting from the combination.

The Business Combination Agreement encompasses agreements concerning the future position of the Combined Company that results from the Takeover Offer. As promptly as practicable following closing, Bidder and Target will establish an integration committee (the **Integration Committee**). The Integration Committee will consist of four (4) members and each of the Bidder and Wincor Nixdorf shall nominate two (2) members. The Integration Committee's initial members shall be Bidder's and Target's respective chief executive officer and chief financial officer. Thereafter, Bidder and Target may at all times replace any of its members in the Integration Committee by another member of a broader group of company leaders at the level of the Bidder.

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

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

7.2.1 Support of the Takeover Offer

The management board and the supervisory board of Target have undertaken in the Business Combination Agreement to support the Takeover Offer in any and all publications and communications that relate to it. Target will publish a Reasoned Statement or a joint Reasoned Statement without undue delay 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 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 in compliance with applicable laws via or outside the stock exchange at a price and at a time that is, at their sole discretion, reasonably satisfactory to them.

All obligations of Target under the Business Combination Agreement in this respect are subject to the applicable obligations and responsibilities of the applicable law, 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.

7.2.2 Conduct of Business and Future Cooperation

Target has committed to conduct its business and to ensure its subsidiaries will conduct the business in all material respects consistent with past practice, carry on its and their business in the ordinary course including the continuation of Target's announced restructuring program entitled "Delta".

In particular, Target has undertaken, to the extent permitted by applicable law, to refrain from initiating any measures or steps which could jeopardize the success or the timely consummation of the Takeover Offer or the intentions of the Bidder as set forth in the Business Combination Agreement as explained hereinafter and in Section 8 (*Intentions of the Bidder*).

Further, Target has undertaken to not solicit a competing offer or another transaction, proposal or approach which is economically or otherwise comparable to a competing offer. Target has also undertaken to inform the Bidder immediately if it has been approached by a third party in relation to a situation which could reasonably be expected to end in a competing offer or other transactions that, if implemented, would jeopardize the success or the timely completion of the Takeover Offer or the intentions of the Bidder as explained hereinafter and in Section 8 (*Intentions of the Bidder*).

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

Should the Bidder obtain control over Wincor Nixdorf as defined by Section 29 para. 1 Takeover Act, the Bidder is exempt from the requirement of having to issue a mandatory offer to the Wincor Nixdorf Shareholders pursuant to Section 35 para. 3 Takeover Act.

8. Intentions of the Bidder

Bidder intends to acquire control over Target and, following the offer, depending on the percentage of Target common shares acquired by Bidder in the 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 eliminate any minority shareholder interest in Target remaining after the offer or allow Diebold to control Target to the greatest extent permissible.

After the closing of this Takeover Offer, Bidder, together with the management of Target, will carry out an analysis of potential synergies and efficiencies between Diebold Group and Wincor Nixdorf Group. Bidder expects that significant synergy potentials will arise (see Section 7.1 above).

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

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

The parties intend the Combined Group to continue Bidder's and Target's respective restructuring programs with the objective of an accelerated transition 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) to accelerate growth.

It is intended 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 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 Target are represented in a fair way. The guideline for staffing should be performance over origin.

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.

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

- (i) NA North America (the United States and Canada),

(ii) LA Latin America,

(iii) AP Asia, Pacific, 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. 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.

Bidder has no further intentions regarding the use of the remaining assets of Target and, as far as the Bidder is affected by the Takeover Offer, Bidder's own assets.

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8.2 Impact on the Members of the Supervisory Board and the Management Board of Target and on the Members of the Board of Directors of the Bidder

Pursuant to the Business Combination Agreement, Bidder and 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 Bidder and Target as promptly as reasonably practicable after the closing as follows.

8.2.1 Supervisory Board of Target

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

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

Following closing, each member of the management board will enter into discussions with the supervisory board with the goal of agreeing to new service agreements (*Dienstverträge*) with Target which follow the Bidder's human resources practices (in respect of terms, extension and severance).

8.2.3 Board of Directors of the Bidder

Immediately following the closing of the Takeover Offer 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 Target, Dr. Dieter Düsedau, member of the supervisory board of Target, and Mr. Eckard Heidloff, chief executive officer of Target to Bidder's board of directors.

The Bidder shall nominate 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 the formerly appointed board members Mr. Eckard Heidloff, Dr. Alexander Dibelius and Dr. Dieter Düsedau.

Upon becoming member of the board of directors, Bidder shall appoint Mr. Heidloff as its president.

8.2.4 Executive Committee at the level of Bidder

As promptly as practicable after the closing date, Diebold 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.

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

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

Bidder and Target view the Business Combination as an opportunity for growth and development for their employee base. Given both 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.

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

Both parties are committed 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.

Businesses and operations of Target as they existed on the date of the Business Combination Agreement shall substantially be maintained at least until September 30, 2018, subject to the implementation of Target's current Delta Program which is strongly supported by the Bidder and which shall be continued substantially in the same manner as planned; provided, however, that in Germany, any reduction of Target's workforce shall not materially exceed the extent contemplated under the Delta Program.

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 fairly in connection with the integration process.

8.3 Name and Registered Office of Target and the Bidder, Location of Essential Parts of the Combined Group

Bidder and Target intend that, subject to any required consents, 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 Target and blue as used by the Bidder. The Combined Group shall incorporate the principle of 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 Target's corporate headquarters in Paderborn or to the locations of the Target's German material subsidiaries or other essential parts.

8.4 Consolidation

The Bidder intends to control Target to the greatest extent permissible. To this end and depending on the percentage of Wincor Nixdorf common shares acquired by Bidder in the Takeover Offer and, to the extent legally permissible, in the open market, Bidder and Target may effect one or several of the measures described below and in more detail in Sections 15.2 to 15.3.

8.4.1 Appointment to the Governing Bodies and Committees

Bidder supports the previous business strategy of Target's management board. The Bidder is considering promoting relations during the combination of Bidder and 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 Bidder may effect a domination agreement and/or a profit and loss transfer agreement, pursuant to which the remaining shareholders of Target will have limited rights, including a limited ability to

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participate in the profits of Target, in which 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 cash compensation or (ii) receive a cash settlement in exchange for their Wincor Nixdorf Shares pursuant to Section 305(2) of the German Stock Corporation Act.

8.4.3 Squeeze-Out

Contingent on the acceptance rate of the Takeover Offer, the Bidder may 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.* Stock Corporation Act, Sections 39a *et seq.* Takeover Act or Section 62 para. 5 of the German Transformation Act (*Umwandlungsgesetz*, the **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).

8.5 Other Intentions

Other than the intentions and measures stated in this Section 8, the Bidder has not provided for any other intentions or measures concerning future business operations, the registered office and the location of essential parts of 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 Target or, to the extent affected by the Takeover Offer, the Bidder.

9. Consideration

9.1 Admittance to Trading on Organized Market and Liquidity of Diebold Offer Shares

Bidder will apply prior to the time of delivery of the Diebold Offer Shares to the shareholders of Wincor Nixdorf under the Takeover Offer for admission of its shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

Bidder will take all necessary actions that the Diebold Offer Shares, which the accepting shareholders of Wincor Nixdorf will receive upon settlement of the Takeover Offer, will be admitted to trading (listed) on the Frankfurt Stock Exchange at the time of delivery to the shareholders of Wincor Nixdorf. They will thus be admitted to trading on a regulated market within the meaning of Section 2 para. 7 Takeover Act. Further, Diebold Offer Shares will also be admitted to trading on NYSE in the existing quotation of the Diebold Shares.

Commencement of trading on the Frankfurt Stock Exchange is expected to occur immediately after delivery of the Diebold Offer Shares to the shareholders of Wincor Nixdorf having accepted the Takeover Offer. Diebold Shares are currently listed on the NYSE and have a significant free float. Diebold Shares and especially the Diebold Offer Shares offered under this Takeover Offer will be liquid shares within the meaning of Section 31 para. 2 Takeover Act.

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:

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- (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 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 mentioned under 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.

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 [] per Wincor Nixdorf Share, as the BaFin notified Bidder on [], 2015. The consideration offered to Wincor Nixdorf Shareholders must therefore amount to at least [] 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 value of the Share Component of Diebold Offer Shares has been determined on the basis of the volume-weighted average market price on the New York Stock Exchange of Diebold Shares during

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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 (the **Three-Month VWAP of the Diebold Offer Shares**).

Diebold Shares are listed and being traded on the New York Stock Exchange (the **NYSE**) under the ticker symbol **DBD** . The NYSE is the largest stock exchange worldwide by market capitalization of listed companies. More than [] Diebold Shares have been traded on the NYSE in the period from August 23, 2015 up to and including November 22, 2015 (the **Three-Month Period**), the Three-Month VWAP of the Diebold Offer Shares during such Three-Month Period amounted to [] 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 (**Annex 5**),
- (ii) the total number of Diebold Shares traded on each trading day on the NYSE during the Three-Month Period (**Annex 5**), 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.ny.frb.org/markets/fxrates/noon.cfm>),

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.

The value of the Share Component of the Offer Consideration thus amounts to []. This result is obtained by multiplying the value of one Diebold Offer Share pursuant to the Three-Month VWAP of the Diebold Offer Shares, that is [], and the exchange ratio of the Share Component, that is 0.434 Diebold Offer Shares for one 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 [] thus amounts to [].

(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 (*Frankfurter Wertpapierbörse*) (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 [] for Wincor Nixdorf Shares, the Offer Consideration of [] represents a premium of [] or []% of the Three-Month Average Price and is therefore appropriate for the purposes of section 31 paras. 1, 2 and 7 of the WpÜG in conjunction with section 3 sentence 1 of the WpÜGAngebotV.

Additionally, the Offer Consideration represents a premium of approximately [] or approximately []% based on the XETRA closing price of a Wincor Nixdorf Share of [] on November 20, 2015. With a value of approximately [], the Offer Consideration is higher than each closing price of Wincor Nixdorf Shares in the 52 weeks prior to November 20, 2015, the last trading day prior to the publication of the decision to launch the Takeover Offer (source: German Stock Exchange).

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Based on the volume-weighted average share price of Diebold Shares over the last five trading days prior to October 17, 2015, the day on which Bidder and Target confirmed entry into a non-binding term sheet for a proposed business combination, the total Offer Consideration represented an implied value of \$52.50 per Wincor Nixdorf Share. This implied value represents a premium of approximately 35% over Wincor Nixdorf's closing share price as of October 16, 2015, and a premium of approximately 42% over the volume-weighted average price per share over the last three months preceding that date.

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, to be implemented through a public takeover offer for all Wincor Nixdorf Shares at consideration of \$52.50 per Wincor Nixdorf Share:

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 articles of association of Wincor Nixdorf 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 Offer will also be subject to review by antitrust authorities in jurisdictions outside the United States. Under some of these jurisdictions, the 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,

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approvals, permits or authorizations have been obtained and/or the applicable waiting period has expired or has been terminated. Diebold intends to make all necessary notifications and filings in these jurisdictions as soon as practicable.

10.2 Registration Statement

The Registration Statement is necessary in order to register under the Securities Act the Bidder shares that are part of the Takeover consideration. The Takeover Offer may only be settled after the SEC declares the Registration Statement effective.

10.2.1 Status of the Proceedings

The Registration Statement was filed with the SEC on November 24, 2015. On _____, the Bidder received a comment letter from the SEC with respect to the Registration Statement. On _____, the Bidder filed an amendment to the Registration Statement with the SEC. Once the SEC is satisfied that 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.

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 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 a change in 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 S-4, 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.

10.2.3 Stop Order

If it appears to the SEC at any time that the Registration Statement includes any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading, 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 _____, 2016.

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11. Requirements for the Closing 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 requirements (the **Closing Conditions**) have been fulfilled or effectively waived by the Bidder:

11.1.1 Regulatory Condition

On or before November 21, 2016, the transaction pursued with this Takeover Offer has been approved by the antitrust authorities (each an **Antitrust Authority**) or the statutory waiting periods have lapsed, or hold-separate arrangements shall have been put in place, with the result that the transaction pursued with this Takeover Offer may be completed without the approval by the relevant Antitrust Authority (all such approvals and expiration of waiting periods, the **Antitrust Clearances**) under merger control or competition law regimes in any jurisdiction where the parties to the Business Combination Agreement have mutually determined merger control or competition law filings and/or notices to be necessary.

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

11.1.2 Registration Statement and Stock Exchange Listing Condition

(1) The Registration Statement regarding the Diebold Offer Shares:

- (i) shall have been declared effective by the SEC prior to the end of the Acceptance Period (as defined in Section 4.2), and
- (ii) shall not be subject of any stop order by the SEC pursuant to Section 8(d) of the United States Securities Act of 1933, as amended, or any proceeding initiated by the SEC seeking such a stop order at the time of the consummation of the Takeover, and

(2) the Diebold Offer Shares have been authorized for listing on the New York Stock Exchange and the Frankfurt Stock Exchange and all existing Diebold shares have been authorized for listing on the Frankfurt Stock Exchange, subject to official notice of issuance.

This Closing Condition is hereinafter referred to as the **Registration Statement and Stock Exchange Listing Condition** .

11.1.3 Minimum Acceptance Rate

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 12.3) (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 DE000 [] (WKN []) 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 or indirectly 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 corresponding application of Section 30 Takeover Act, and

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- (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 Section 11.1.3(4) are counted only once) equals at least 22,362,159 (approximately 67.6% of all Wincor Nixdorf Shares) Wincor Nixdorf Shares, in each case at the time of approval of this Offer Document by BaFin (the **Minimum Acceptance Rate**).

11.1.4 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 internet 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% below the closing quotation of the DAX on the trading day immediately preceding the day of the publication of the Bidder's Takeover Offer.

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

The Closing Conditions in Section 11.1.4(1) and 11.1.4(2) represent independent Closing Conditions.

11.1.5 No Material Adverse Change

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

- (1) has Wincor Nixdorf published new circumstances pursuant to Section 15 Securities Trading Act (*Wertpapierhandelsgesetz*, the **Securities Trading Act**), nor
- (2) have circumstances 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 during 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 during the Acceptance Period, (ii) this expert opinion of the Independent Expert has been received by the Bidder by the end 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 unfulfilled. In all other cases, the Closing Condition as set out in this Section 11.1.5 shall be deemed to have been fulfilled.

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11.1.6 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 material administrative offense (*Ordnungswidrigkeit*) relating to applicable corruption, anti-bribery, money-laundering or cartel laws 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 (be it an offense under any applicable administrative, criminal or equivalent laws in the United States, Germany or any other jurisdiction whose laws apply to operations of Wincor Nixdorf or a subsidiary of Wincor Nixdorf), is known to have occurred, if any such criminal or material administrative offense constitutes insider information for Wincor Nixdorf pursuant to Section 13 Securities Trading Act or has constituted insider information prior to its publication (**Material Compliance Violation**).

Whether a Material Compliance Violation has occurred during 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 during the Acceptance Period, (ii) this expert opinion of the Independent Expert has been received by the Bidder by the end 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 fulfilled. Otherwise, the Closing Condition as set out in this Section 11.1.6 shall be deemed to have been fulfilled.

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 (as defined in Section 4.2),

- (1) Wincor Nixdorf shall not have increased its share capital, or
- (2) Wincor Nixdorf shall not have granted, delivered, sold, committed to sell, transferred, 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 Conditions in Sections 11.1.7(1) and 11.1.7(2) represent independent closing conditions.

11.1.8 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):

- (1) No insolvency proceedings under German law have been opened in respect of the assets of Wincor Nixdorf; moreover the management board of Wincor Nixdorf has not applied for such proceedings to be opened; and

(2) There are no 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) represent independent Closing Conditions.

11.1.9 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 was announced by a third party within the meaning of Section 22 Takeover Act (i) which according to an ad hoc notification by Wincor Nixdorf pursuant to Section 15 Securities Trading Act, 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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11.1.10 No Prohibition or Illegality of the Takeover Offer or of the Business Combination

The absence of any temporary restraining order or preliminary or permanent injunction or other order by any governmental authority of competent jurisdiction preventing consummation of this Takeover Offer or the business combination.

11.2 Independent Expert

The determination of a Material Adverse Change, a Material Compliance Violation will be conducted by [], 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, 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 during 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 during the Acceptance Period, a Material Adverse Change (see Section 11.1.5), a Material Compliance Violation (see Section 11.1.6) 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 assist the Independent Expert in the preparation of its expert opinion insofar as requested to a reasonable extent and within the framework of what is legally permissible. In particular, Wincor Nixdorf insofar as is legally permissible in the abovementioned context will make available, without undue delay, the information necessary for the preparation of this audit.

11.3 Waiver of Closing Conditions

The Bidder shall be entitled, at its free discretion, up until one Business Day prior to the expiration of the Acceptance Period, to waive any Closing Condition 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 fulfilled. 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.

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 [], 2016 at 24:00 hours (Central European Time)).

11.4 Non-Fulfilment of Closing Conditions

The Takeover Offer will lapse (i) if the Closing Condition in Section 11.1.1 of this Offer Document has not been fulfilled by November 21, 2016 at the latest or (ii) if any of the other Closing Conditions set out in Section 11.1 has not been fulfilled by the end of the Acceptance Period and if the Bidder has not

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effectively waived the relevant Closing Conditions by the end of one working day before the expiration of the Acceptance Period pursuant to Section 21 para. 1 sentence 1 no. 4 Takeover Act.

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 12.3) 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 12.3) 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 unwinding (Rückabwicklung) will be free of fees and expenses of the Custodian Banks in accordance with Section 12.9 of this Offer Document.

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 fulfilled, (ii) a Closing Condition has been waived by the Bidder, (iii) all Closing Conditions have been fulfilled 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 one or more of the Regulatory Condition, the Registration Statement and Stock Exchange Listing Condition, or the No Market Material Adverse Change Condition, (ii) the Bidder and Wincor Nixdorf were unable to agree to a revised transaction and enter into a revised agreement following good-faith negotiations during a period of two months in compliance with the requirements of the Business Combination Agreement, including, to the extent necessary, the consultation of a mediator and (iii) either party has terminated the Business Combination Agreement due to the lapse of the Takeover Offer, with the Takeover Offer not being or not capable of being consummated by November 21, 2016 due to the failure to satisfy a Closing Condition or Wincor Nixdorf has terminated the Business Combination Agreement pursuant to one of its unilateral termination rights described in the Business Combination Agreement, then the Bidder must pay to Wincor Nixdorf without undue delay after the expiration of the two-month period for the negotiation of a revised transaction an amount equal to one of the fees below, provided that if more than one of the Closing Conditions described above failed to be satisfied, the termination fee (*pauschalierter Schadensersatz*) payable will correspond to the first of those failures to occur:

20 million if there was a failure of the Registration Statement and Stock Exchange Listing Condition, unless the failure of the Registration Statement and Stock Exchange Listing Condition arose in connection with a change required by the SEC on the recommendation of the management board and the supervisory board of Wincor Nixdorf or on the section on Wincor Nixdorf's reasons for the transaction that forms part of the Registration Statement or was caused by Wincor Nixdorf, and, in the latter case, Diebold has requested in writing that Wincor Nixdorf cure the circumstances that caused the failure of the Registration Statement and Stock Exchange Listing Condition and granted sufficient time for Wincor Nixdorf to do so; Diebold's obligation in respect of the written request and cure period is only applicable, however, if (i) Diebold was aware or should have been aware that the failure of the Registration Statement and Stock Exchange Listing Condition was caused by Wincor Nixdorf and (ii) the prompt application of a cure measure would have

resulted in the prevention of the failure of the Registration Statement and Stock Exchange Listing Condition;
or

30 million if there was a failure of the No Market Material Adverse Change Condition; or

50 million if there was a failure of the Regulatory Condition on or before November 21, 2016.

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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 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.

12.3 Declaration of Acceptance and Transfer

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 12.7), 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 DE000[] (WKN []) at Clearstream.

The Declaration of Acceptance will only be effective if the Tendered Wincor Nixdorf Shares are transferred into ISIN DE000[] (WKN []) at Clearstream no later than 18:00 hours (local time Frankfurt am Main) 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.

12.4 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 DE000[] (WKN []) 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 DE000[] (WKN []) 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 the Bidder;
- (4) the respective Wincor Nixdorf Shareholders subject to the fulfilment of the Closing Conditions, to the extent the Bidder has not waived one or more of the Closing Conditions pursuant to Section 11.3 instruct and authorize the Settlement Agent to transfer the Tendered Wincor Nixdorf Shares to the Bidder following receipt of the Offer Consideration for each Tendered Wincor Nixdorf Share by the Settlement Agent from the Bidder; the Settlement Agent will transfer the Offer Consideration through Clearstream to the Custodian Banks, and the Custodian Banks credit the Diebold Offer Shares that (subject to the fractional shares rules in this Section 12.4) relate to the 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;
- (5) the respective Wincor Nixdorf Shareholders instruct and authorize their Custodian Banks to aggregate and 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;
- (6) 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;
- (7) 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;
- (8) 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;
- (9) the respective Wincor Nixdorf Shareholders engage and authorize their respective Custodian Banks and the Settlement Agent, under exemption from the prohibition against 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;
- (10)

the respective Wincor Nixdorf Shareholders instruct their 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 the custody account of the Custodian Bank at Clearstream into ISIN DE000[] (WKN []);

- (11) 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
- (12) 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.

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The 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 only in the event of a valid withdrawal from the agreements entered into by acceptance of this Takeover Offer.

12.5 Settlement of the Takeover Offer

The Tendered Wincor Nixdorf Shares that will be transferred conditionally to the Settlement Agent pursuant to Section 12.4 will initially remain in the custody accounts of the tendering Shareholders and will be transferred into ISIN DE000[] (WKN []).

The Settlement Agent will pursuant to Section 12.4 transfer to the Bidder the Tendered Wincor Nixdorf Shares following receipt of the Offer Consideration for each Tendered Wincor Nixdorf Share by the Settlement Agent from the Bidder.

The Settlement Agent will arrange for all Diebold Offer Shares created through the Issuance of Diebold Offer Shares, as well as the Cash Component of the Offer Consideration for each Tendered Wincor Nixdorf Share, to be transferred or credited to the respective 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 a total of 0.434 Diebold Offer Shares, related to the Share Component, and 38.98, related to fulfilment of the Cash Component of the Offer Consideration, will be granted to the former Wincor Nixdorf Shareholders who have accepted the Takeover Offer.

The Bidder will ensure that the new Diebold Offer Shares and, with respect to the Frankfurt Stock Exchange, the existing Diebold Shares, are admitted for trading on the regulated market (*Regulierter Markt*) (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurt Wertpapierbörse*) and approved for listing on the New York Stock Exchange. After this admission, the Diebold Offer Shares will be transferred to the securities accounts held by the Custodian Banks at Clearstream.

The Diebold Offer Shares will be transferred to the securities accounts held by the Custodian Banks at Clearstream at the later of the expiration of the Additional Acceptance Period, or the satisfaction of all Closing Conditions as outlined in section 11. The Settlement Agent hereby offers to transfer the ownership of the securities in a way that does not require the former Wincor Nixdorf Shareholders who have tendered Wincor Nixdorf Shares to approach the Settlement Agent.

If fractions in Diebold Offer Shares with the ISIN [] (WKN []) are created due to the exchange ratio of the Offer Consideration, there will be no shareholder right to require a rounding to full shares (so-called fractional adjustment). Fractional amounts will only be paid in cash. In this regard, the Custodian Banks and/or the Settlement Agent will sell the fractions of Diebold Offer Shares, by necessarily combining these into whole shares, after the end of a yet-to-be-determined date on the stock exchange. The proceeds will then be paid out to the eligible former Wincor Nixdorf Shareholders who have tendered Wincor Nixdorf Shares according to the relevant fractions.

The Bidder will have fulfilled its obligation with respect to the Tendered Wincor Nixdorf to provide the Offer Consideration according to the Takeover Offer if the Diebold Shares have been admitted to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the New York Stock Exchange and 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. 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 credit of the Diebold Offer Shares and the Cash Component to the Custodian Banks will occur without undue delay after the Diebold Offer Shares are admitted to trading. The Bidder expects that the Diebold

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Shares will be admitted to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the listing on the New York Stock Exchange on [], 2016. The credit of the Diebold Offer Shares and the Cash Component to the respective Custodian Banks is expected to occur by [], 2016.

The Custodian Banks will aggregate and sell and/or transfer, as the case may be, all of the fractional amounts of the Diebold Offer Shares belonging to Wincor Nixdorf Shareholders (in the form of full Diebold Offer Shares) to the securities 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 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 [], 2016, all Closing Conditions are fulfilled up to this point or have been effectively waived by the Bidder by the end of one working day prior to the expiration of the Acceptance Period and all Anti-trust Clearances have been obtained by November 21, 2016, the crediting of the Diebold Offer Shares and the Cash Component will be carried out by [], 2016, a crediting of the proceeds from the fractional adjustments will be carried out by the respective Custodian Banks by [], 2016.

12.6 Legal Consequences of Acceptance

With the acceptance of the Takeover Offer, a binding agreement regarding the transfer of the Tendered Wincor Nixdorf Shares in accordance with the provisions of this Offer Document will be entered into between the accepting Wincor Nixdorf Shareholder 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 12.4 of this Offer Document, and they will also have made the declarations and assurances set forth in Section 12.4 of this Offer Document.

The *in rem* completion of this transfer agreement will only take place following the expiration of the Additional Acceptance Period and the fulfilment of the Closing Conditions by providing the Offer Consideration for all Tendered Wincor Nixdorf Shares through the transfer of all Tendered Wincor Nixdorf Shares. With the transfer of ownership of the Tendered Wincor Nixdorf Shares, all rights and claims associated therewith will be transferred to the Bidder.

12.7 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.

The statements in Sections 12.2 through 12.6 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 12.3 of this Offer Document.

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This Declaration of Acceptance also only comes into effect following the transfer in due time of the Wincor Nixdorf Shares for which the acceptance was declared to ISIN DE000[] (WKN []) at Clearstream. The transfer will be arranged by the respective Custodian Bank upon receipt of the Declaration of Acceptance.

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The transfer of Wincor Nixdorf Shares with Clearstream shall be deemed to have been effected on time 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 18:00 hours (local time Frankfurt am Main) on the second Business Day following the expiration of the Additional Acceptance Period. The Tendered Wincor Nixdorf Shares that are transferred during the Additional Acceptance Period as part of the Takeover Offer for which the Declaration of Acceptance was issued and which were transferred to ISIN DE000[] (WKN []) on time are likewise designated as Tendered Wincor Nixdorf Shares.

12.8 Trading with Tendered Wincor Nixdorf Shares

The Bidder will ensure that the Tendered Wincor Nixdorf Shares will be admitted to trading on the regulated market (*Regulierter Markt*) (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) under ISIN DE000[] (WKN []) starting from the third Business Day of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) following the commencement of the Acceptance Period.

It is expected that trading of the Tendered Wincor Nixdorf Shares on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) will cease after the end of the regular stock exchange trading hours one day after fulfilment of the last Closing Condition (see Section 11.1 of this Offer Document), or, if later, one day after the expiry of the Additional Acceptance Period on [], 2016.

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 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 12.4 of this Offer Document.

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

12.9 Rescission upon Non-fulfilment 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 acquire the Wincor Nixdorf Shares and to effect the transfer of the Offer Consideration associated herewith, if all Closing Conditions have been fulfilled. The Takeover Offer expires if a Closing Condition is not met and the Bidder has not effectively waived to the extent permissible the satisfaction of the Closing Conditions within the time period set forth in Section 11.3 of this Takeover Offer. 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 the Bidder 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 effected. Following the transfer, Wincor Nixdorf Shares may 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.

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

Wincor Nixdorf Shareholders that have accepted the Takeover Offer are authorized to withdraw Tendered Wincor Nixdorf Shares from the 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.

12.11 Costs for Wincor Nixdorf Shareholders Who Accept the Takeover Offer

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). To this end, the Bidder will pay the Custodian Bank a market-standard commission, 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.

The costs incurred in the event of a necessary transfer or re-transfer resulting from a failure to fulfil the Closing Conditions on which the effectiveness of this Takeover Offer depends are outlined in Section 12.9 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 (the **Maximum Number of Wincor Nixdorf Shares**).

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 12,940,236 Diebold Offer Shares (the **Maximum Supply Obligation**) and, according to the Cash Component of the Offer Consideration, to pay approximately 1.2 billion 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 \$[] million (which corresponds to approximately [] on the basis of the exchange rate of [\$1: []]) taken from the European Central Bank on [], <http://www.ecb.europa.eu> (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 [] million (the **Maximum Total Transaction Costs**).

However, the Bidder and Wincor Nixdorf entered into a non-tender agreement pursuant to which Wincor Nixdorf agreed 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

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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 approximately 1.2 billion in cash (**Expected Cash Obligation**) 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 \$[] million (which corresponds to approximately [] on the basis of the exchange rate of \$1: [] taken from the European Central Bank on [], <http://www.ecb.europa.eu>), amount to a maximum of [] 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, Bidder can at any time after the fulfillment 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.

By resolution of the board of directors of the Bidder adopted on November 21, 2015, 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, be, 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 Diebold. 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 extinguish at the time of such offset. Any claim to the Contractual Penalty would become due and payable immediately. The above 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 any of the Wincor Nixdorf Treasury Shares at any time during which the Takeover Offer could be accepted.

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Table of Contents**13.2.3 Expected Total Transaction Costs**

The Bidder has secured the necessary financial means to pay the Expected Total 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. The Expected Total Transaction Costs will be funded through third-party debt financing consisting of the following:

(1) Funds from the Bank Credit Agreement

On November 23, 2015, the Bidder as borrower entered into a \$1.8 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 1.7 billion on the basis of the exchange rate of \$1: 0.9356 taken from the European Central Bank on November 20, 2015, <http://www.ecb.europa.eu>. These funds will be available to the Bidder for the payment of the Expected Total 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 plans to manage its currency exchange risk as the total acquisition consideration through the use of currency hedges.

(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 467.8 million on the basis of the exchange rate of \$1:0.9356 taken from the European Central Bank on November 20, 2015, <http://www.ecb.europa.eu>. These funds will be available to and transferred to the Bidder for the payment of the Expected Total 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 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 plans to manage 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 Total

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 Total Transaction Costs would be financed by way of the Contractual Penalty payable by Wincor Nixdorf to the Bidder in case

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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 extinguish 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 November 23, 2015, 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 letter 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

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 resulting from a successful completion of the Takeover Offer.

14.1 Methodical Approach

Based on the Bidders 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

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.

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, and it is not intended to predict the future assets, financial and earnings positions of the Bidder.

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14.2 Basis and Assumptions

14.2.1 Basis

The Explanatory Financial Information is based on the following:

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 Wincor Nixdorf Share.

The general shareholders' meeting of Wincor Nixdorf has resolved to pay a dividend of \$1.75 per eligible Wincor Nixdorf Shares for the fiscal year 2013/2014 from January 20, 2015.

14.2.2 Assumptions

The Explanatory Financial Information assumes the following:

Wincor Nixdorf has issued 33,084,988 bearer shares, without par value, each representing a pro rata amount of the share capital of \$1.00 (Maximum Number Of Wincor Nixdorf Shares). No additional Wincor Nixdorf Shares will be issued after the publication of the Takeover Offer.

Based on the abovementioned assumptions, the total Offer Consideration amounts to 12,940,236 Diebold Offer Shares and a cash payment of \$1.2 billion for all outstanding Wincor Nixdorf Shares. Each Diebold Offer Share shall be attributed a value of \$31.37 or approximately \$405.9 million in total on the basis of the Three-Month VWAP of the Diebold Offer Shares. Therefore, the value of the total Offer Consideration amounts to \$1.6 billion.

Furthermore, the Bidder will incur Transaction Costs for the preparation and execution of this Takeover Offer of \$[] 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.

The Bidder finances the Cash Component from two sources: the Bank Credit Agreement in the amount of \$1.8 billion (of which \$1.6 billion is expected to be borrowed assuming the completion of Bidder's electronic securities business deposition) and the Bridge Credit Agreement in the amount of \$500.0 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 million for a period of nine months.

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 receives the tendered Wincor Nixdorf Shares in the course of the settlement of the Takeover Offer.

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 was not shareholder in Wincor Nixdorf at the time of the dividend payment and thus received no payment, and because the amount of future dividend payments is unknown.

Expected future synergy effects are not considered.

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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:

	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)*)
All values in \$ million (million)				
ASSETS				
Total current assets	\$ 1,608.2(1,435.5)	\$ 1,562.9(1,395.1)	-\$ 1,242.2(- 1,108.8)	\$ 1,928.9(1,721.8)
Securities and other investments	\$ 82.2(73.4)			\$ 82.2(73.4)
Property, plant and equipment	\$ 177.0(158.0)			\$ 177.0(158.0)
Goodwill	\$ 197.4(176.2)			\$ 197.4(176.2)
Deferred income taxes	\$ 85.4(76.2)			\$ 85.4(76.2)
Finance lease receivables	\$ 44.6(39.8)			\$ 44.6(39.8)
Other assets	\$ 80.3(71.7)		\$ 1,714.0(1,529.9)	\$ 1,794.3(1,601.6)
Total assets	\$ 2,275.1(2,030.8)	\$ 1,562.9(1,395.1)	\$ 471.8(421.1)	\$ 4,309.8(3,847.0)
LIABILITIES				
Total current liabilities	\$ 966.5(862.7)			\$ 966.5(862.7)
Long-term debt	\$ 618.3(551.9)	\$ 1,841.0(1,643.3)		\$ 2,459.3(2,195.2)
Pensions and other benefits	\$ 198.2(176.9)			\$ 198.2(176.9)
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(26.6)			\$ 29.8(26.6)
Total Diebold, Incorporated shareholders' equity	\$ 401.4(358.3)	-\$ 278.1(- 248.2)	\$ 471.8(421.1)	\$ 595.1(531.2)
Noncontrolling interests	\$ 25.1(22.4)			\$ 25.1(22.4)
Total equity	\$ 426.5(380.7)	-\$ 278.1(- 248.2)	\$ 471.8(421.1)	\$ 620.2(553.6)
Total liabilities and equity	\$ 2,275.1(2,030.8)	\$ 1,562.9(1,395.1)	\$ 471.8(421.1)	\$ 4,309.8(3,847.0)

*)

Euro or U.S. Dollar amounts in brackets following an U.S. Dollar or Euro amount, respectively, are calculated on the basis of the exchange rate of \$1: 0.8926 taken from the European Central Bank on September 30, 2015, <http://www.ecb.europa.eu>.

Notes:

Assets increase in the total amount of the cash received with the Bank Credit Agreement and the Bridge Credit Agreement.

Assets decrease in the total amount of the cash spent for the Cash Component to acquire the Wincor Nixdorf Shares as well as the related Transaction Costs.

Assets increase by the value/acquisition costs of the Wincor Nixdorf Shares.

Liabilities increase by the amount of the Bank Credit Agreement and the Bridge Credit Agreement.

Equity increases by the value of the Wincor Nixdorf Shares, which the Wincor Nixdorf Shareholders transfer to acquire the Diebold Shares, i.e., value of all Wincor Nixdorf Shares less the Cash Component for those shares.

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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(1,857.3)			\$ 2,069.8(1,857.3)
Cost of sales	\$ 1,539.7(1,381.6)			\$ 1,539.7(1,381.6)
Gross profit	\$ 530.1(475.7)			\$ 530.1(475.7)
Selling and administrative expense	\$ 392.5(352.2)		\$ 191.2(171.6)	\$ 583.7(523.8)
Research, development and engineering expense	\$ 66.2(59.4)			\$ 66.2(59.4)
Impairment of assets	\$ 18.9(17.0)			\$ 18.9(17.0)
Loss (gain) on sale of assets, net	-\$ 1.4(1.3)			-\$ 1.4(1.3)
	\$ 476.2(427.3)		\$ 191.2(171.6)	\$ 667.4(598.9)
Operating profit	\$ 53.9(48.4)		-\$ 191.2(171.6)	-\$ 137.3(123.2)
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 before taxes	\$ 39.5(35.5)	-\$ 86.9(78.0)	-\$ 191.2(171.6)	-\$ 238.6(214.1)
Income tax (benefit) expense	-\$ 1.7(1.5)			-\$ 1.7(1.5)
Net income	\$ 41.2(37.0)	-\$ 86.9(78.0)	-\$ 191.2(171.6)	-\$ 236.9(212.6)
Net income (loss) attributable to noncontrolling interests	\$ 0.1(0.1)			\$ 0.1(0.1)
Net income attributable to Diebold, Incorporated	\$ 41.1(36.9)	-\$ 86.9(78.0)	-\$ 191.2(171.6)	-\$ 237.0(212.7)

*)Euro or U.S. Dollar amounts in brackets following an U.S. Dollar or Euro amount, respectively, are calculated on the basis of the exchange rate of \$1: 0.8973 taken from the European Central Bank for the nine months ended September 30, 2015, <http://www.ecb.europa.eu>.

Notes:

The interest expenses increase in the amount of the interest for the Bank Credit Agreement and the Bridge Credit Agreement.

Expenses occur in the amount of the Transaction Costs for the acquisition of the Wincor Nixdorf Shares.

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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 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 (*Frankfurter Wertpapierbörse*) 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 closing 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 closing 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 closing 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 could prompt Wincor Nixdorf to remove the Wincor Nixdorf Shares from:

- (1) the sub-segment of the regulated market of the Frankfurt Stock Exchange with additional post-admission obligations (Prime Standard) while maintaining their listing on the regulated market (the **Segment Change**);
- (2) the regulated market of the Frankfurt Stock Exchange and to list them on the unregulated market (*Freiverkehr*) of the Frankfurt Stock Exchange (the **Downlisting**); or
- (3) the Frankfurt Stock Exchange entirely (**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). 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.

Under German securities law, no protection is afforded to the Wincor Nixdorf Shareholders should the Bidder decide to pursue a Segment Change. However, pursuant to Section 39 of the German Stock Exchange Act (*Börsengesetz*), the Bidder has to compensate the Wincor Nixdorf Shareholders if he pursues a Downlisting or a Delisting. In these cases, the Bidder must make a public takeover offer for all Wincor Nixdorf Shares. The consideration offered for the Wincor Nixdorf Shares must be in cash and may

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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 takeover 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 this Offer Document. If during this time no meaningful market price can be established or if the market price was significantly distorted due to violations of certain publication obligations or market manipulation, the Bidder has to pay to the Wincor Nixdorf Shareholders the above minimum consideration and the difference between such consideration and the actual value of their shares as determined by way of a company valuation.

In the event of a Segment Change, a Downlisting, or a Delisting, the Wincor Nixdorf Shares may be excluded from one or more of the indices described in Section 15.1, which would 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, Diebold Group will have the qualified majority necessary to implement all important corporate structural measures in a general shareholders meeting of Wincor Nixdorf. Such measures include, but are not limited to, 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, dissolutions and the sale of all or a substantial part of the assets held by Wincor Nixdorf. Accordingly, Wincor Nixdorf's minority shareholders will not be in a position to materially influence important business decisions of Wincor Nixdorf. Furthermore, the implementation of one or more of these measures may lead to a Delisting of the Wincor Nixdorf Shares.

15.4 Squeeze-Out

Following successful completion of the Takeover Offer up to three proceedings could be available to Diebold Group to seek a transfer of the Wincor Nixdorf Shares held by the minority shareholders to it. 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 Group holds at least 90% of the Wincor Nixdorf Shares entitled to vote following the successful completion of the Takeover Offer, Diebold Group 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 Holding against payment of an adequate cash consideration in connection with a merger of Wincor Nixdorf into Diebold Holding (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 Stock Corporation Act

If Diebold Group holds at least 95% of the Wincor Nixdorf Shares entitled to vote following the successful completion of the Takeover Offer, Diebold Group 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 the Bidder against payment of an adequate cash consideration (Sections 327a *et seq.* Stock Corporation Act). The adequate cash

consideration could be of the same value as the Offer Consideration, but could also have a higher or lower value.

Should Wincor Nixdorf re-issue Wincor Nixdorf Treasury Shares, Diebold Group may have to hold up to 95% of the Wincor Nixdorf Shares in order to be able to pursue a Squeeze-Out under Sections 327a *et seq.* Stock Corporation Act.

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Table of Contents**15.4.3 Squeeze-Out under the Takeover Act**

If Diebold Group holds at least 95% of the Wincor Nixdorf Shares following the successful completion of the Takeover Offer, Diebold Group could further prompt the filing of an application with the competent court, within three months of the end 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 Tender Right Period pursuant to Section 39c Takeover Act

If Diebold Group is entitled to request a Squeeze-Out under the Takeover Act (see Section 15.4.2) 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 **Tender Right Period**). Pursuant to Section 23 para. 1 sentence 1 no. 4 Takeover Act Diebold Group 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 him to request a Squeeze-Out under the Takeover Act (see Section 15.4.2). The three-month Tender Right Period pursuant to Section 39c Takeover Act will only begin to run after the Bidder has complied with these publication obligations. In these publications the Bidder will also explain the details of the technical execution of this right.

The information on the execution of the Takeover Offer described in Section 12 also applies correspondingly to the exercise of the tender right within the Tender Right Period (the **Tender Right**) with the following provision: the exercise of the Tender Right shall be deemed to have been effected in time if, due to a Declaration of Acceptance (see Section 12.3), the transfer of Wincor Nixdorf Shares with Clearstream into ISIN DE000[] (WKN []) comes into effect no later than the second Business Day (inclusive) after the expiration of the Tender Right Period until 18.00 hours (Central European Time). Offered Wincor Nixdorf Shares tendered within the Tender Rights Period that remain in the custody account of the respective Custodian Bank pursuant to the instructions set forth in Section 12 of this Offer Document must be submitted without undue delay from the custody account of the respective Custodian Bank no later than eight Business Days after the expiration of the Tender Right Period, after which the shares will be transferred to the Settlement Agent's custody account at Clearstream and offered for transfer of ownership to the Bidder.

16. Right of Withdrawal

Bidder grants Wincor Nixdorf Shareholders who have accepted the Takeover Offer the right to withdraw their Wincor Nixdorf Shares (*Rücktrittsrechte*) at any time during the Acceptance Period.

Following the expiration of the Acceptance Period, withdrawal rights will cease, and any Tendered Wincor Nixdorf Shares cannot be withdrawn. There will be no withdrawal rights during the Additional Acceptance Period or during any three-month tender right period pursuant to Section 39c Takeover Act.

To withdraw Tendered Wincor Nixdorf Shares (except in the Additional Acceptance Period, during which there will be no withdrawal rights), a written notice of withdrawal must, prior to the expiration of the Acceptance Period, be timely received by the custodian bank holding the respective Tendered Wincor Nixdorf Shares for a Wincor Nixdorf Shareholder.

Wincor Nixdorf Shareholders may only exercise their right of withdrawal pursuant to this Section 16 of this Offer Document by taking the following steps prior to expiration of the Acceptance Period:

- (i) declaring their withdrawal to their Custodian Bank in writing for a specified number of Tendered Wincor Nixdorf Shares; and
- (ii) instructing their respective Custodian Bank to arrange for the transfer into ISIN DE000A0CAYB2 at Clearstream of a corresponding number of Tendered Wincor Nixdorf Shares held in their custody account and for which they have declared their withdrawal.

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The notice of withdrawal will only become effective once the Tendered Wincor Nixdorf Shares of the withdrawing Wincor Nixdorf Shareholder have promptly been transferred. A transfer of the shares shall be deemed to have been effected on time if it is effected no later than 18:00 hours (local time Frankfurt am Main) on the second Business Day following the 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 not considered to have been tendered for exchange 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

The members of Target's management board and supervisory board were offered the following cash benefits or other monetary benefits in connection with the Takeover Offer:

In accordance with the Business Combination Agreement the Target's chief executive officer shall become member of the board of directors of Bidder and subsequently its president and will receive customary compensation for such activity.

In accordance with the Business Combination Agreement Mr. Eckard Heidloff and Mr. Jürgen Wunram from the management board of Target shall serve on the Executive Committee in the Combined Group [and will receive customary compensation for such activity].

In accordance with the Business Combination Agreement Mr. Olaf Heyden, a member of the management board of 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).

In accordance with the Business Combination Agreement Messrs Dr. Alexander Dibelius and Dr. Dieter Düsedau from the supervisory board of Target shall become members of the board of directors of Bidder in the Combined Group and will receive customary compensation for such activity.

Apart from the above, no member of Target's management or supervisory board or persons acting in concert with 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 Bidder, or persons acting in concert with Bidder within the meaning of Section 2 para. 5 Takeover Act, or their subsidiaries.

Members of 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.

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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% of the voting shares capital 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 Tax Considerations in Germany* on pages [] *et seq.* of **Annex 4** of this Offer Document. **The Bidder recommends that every Wincor Nixdorf Shareholder obtain**

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.

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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, , 2015

Diebold, Incorporated

Christopher A. Chapman

Senior Vice President and Chief Financial Officer

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Annex 1

Financing Confirmation

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Table of Contents**Annex 2****Persons Acting in Concert with Diebold, Incorporated (Subsidiaries of Diebold)****as of November 20, 2015**

Company	Registered Office
Diebold Australia Holding Company, Inc.	Delaware
Diebold China Security Holding Company, Inc.	Delaware
Diebold Enterprise Security Systems, Inc.	New York
Diebold Global Finance Corporation	Delaware
Diebold Holding Company, Inc.	Delaware
Diebold Latin America Holding Company, LLC	Delaware
Diebold Mexico Holding Company, Inc.	Delaware
Diebold Netherlands Holding Company, LLC	Delaware
Diebold Self-Service Systems	New York
Diebold Software Solutions, Inc.	Delaware
Diebold Southeast Manufacturing, Inc.	Delaware
Diebold SST Holding Company, Inc.	Delaware
Diebold Transaction Services, Inc.	Delaware
Impexa LLC	Texas
FirstLine, Inc.	California
Mayfair Software Distribution, Inc.	Delaware
Phoenix Interactive USA Inc.	Delaware
VDM Holding Company, Inc.	Delaware
Verdi & Associates, Inc.	New York
1932780 Ontario Inc.	Canada
Altus Bilisim Hizmetleri Anonim Sirketi	Turkey
Bitelco Diebold Chile Limitada	Chile
C.R. Panama, Inc.	Panama
Cable Print B.V.B.A.	Belgium
Caribbean Self Service and Security LTD.	Barbados
Central de Alarmas Adler, S.A. de C.V.	Mexico
Cryptera A/S	Denmark
D&G ATMS y Seguridad de Costa Rica Ltda.	Costa Rica
D&G Centroamerica y GBM de Nicaragua y Compañia Ltda.	Nicaragua
D&G Centroamerica, S. de R.L.	Panama
D&G Dominicana S.A.	Dominican Republic
D&G Honduras S. de R.L.	Honduras
D&G Panama S. de R.L.	Panama
DB & GB de El Salvador Limitada	El Salvador
DB&G ATMs Seguridad de Guatemala, Limitada	Guatemala
DBD EMEA Holding C.V.	The Netherlands
DCHC, S.A.	Panama
Diebold (Thailand) Company Limited	Thailand
Diebold Africa (Pty) Ltd.	South Africa

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Diebold Africa Investment Holdings Pty. Ltd.	South Africa
Diebold Argentina, S.A.	Argentina
Diebold ATM Cihazlari Sanayi Ve Ticaret A.S.	Turkey
Diebold Australia Pty. Ltd.	Australia
Diebold Belgium B.V.B.A	Belgium
Diebold Bolivia S.R. L.	Bolivia
Diebold Brasil LTDA	Brazil
Diebold Brasil Servicos de Tecnologia e Participacoes Ltda	Brazil

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Company	Registered Office
Diebold Canada Holding Company Inc.	Canada
Diebold Colombia S.A.	Colombia
Diebold Ecuador SA	Ecuador
Diebold EMEA Processing Centre Limited	United Kingdom
Diebold Financial Equipment Company (China), Ltd.	Peoples Republic of China
Diebold France SARL	France
Diebold Germany GmbH	Germany
Diebold Hungary Trading & Servicing LLC	Hungary
Diebold Hungary Self-Service Solutions, Ltd.	Hungary
Diebold International Limited	United Kingdom
Diebold Italia S.p.A.	Italy
Diebold Kazakhstan LLP	Kazakhstan
Diebold Mexico, S.A. de C.V.	Mexico
Diebold Netherlands B.V.	The Netherlands
Diebold One UK Limited	United Kingdom
Diebold Osterreich Selbstbedienungssysteme GmbH	Austria
Diebold Pacific, Limited	Hong Kong
Diebold Panama, Inc.	Panama
Diebold Paraguay S.A.	Paraguay
Diebold Peru S.r.l	Peru
Diebold Philippines, Inc.	Philippines
Diebold Physical Security Pty. Ltd.	Australia
Diebold Poland S.p. z.o.o.	Poland
Diebold Portugal Solucoes de Automatizacao, Limitada	Portugal
Diebold Selbstbedienyngssysteme (Schweiz) GmbH	Switzerland
Diebold Self-Service Solutions Limited Liability Company	Switzerland
Diebold Self Service Solutions Namibia (Pty) Ltd	Namibia
Diebold Self-Service Ltd.	Russia
Diebold Self-Service Solutions Industrial and Servicing Rom Srl	Romania
Diebold Singapore Pte. Ltd.	Singapore
Diebold Software Solutions UK Ltd.	United Kingdom
Diebold South Africa (Pty) Ltd.	South Africa
Diebold Spain, S.L.	Spain
Diebold Switzerland Holding Company, LLC	Switzerland
Diebold Systems Private Limited	India
Diebold Uruguay S.A.	Uruguay
Diebold Vietnam Company Limited	Vietnam
Diebold Corp Systems Sdn. Bhd.	Malaysia
GAS Informática Ltda.	Brazil
J.J.F. Panama, Inc.	Panama
Phoenix Interactive (Aust) Pty Ltd.	Australia
Phoenix Interactive Design Inc.	Canada
Phoenix Interactive (UK)	United Kingdom
P.T. Diebold Indonesia	Indonesia
Procomp Amazonia Industria Eletronica S.A.	Brazil
Procomp Industria Eletronica LTDA	Brazil
SIAB (HK) Ltd.	Hong Kong

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Table of Contents**Annex 3****Persons Acting in Concert with Wincor Nixdorf (Subsidiaries of Wincor Nixdorf)****as of September 30, 2015**

Company	Registered Office
Wincor Holding GmbH	Paderborn, Germany
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
IP Management GmbH	Paderborn, Germany
Prosystems IT GmbH	Bonn, Germany
Bankberatung Organisations- und IT-Beratung für Banken AG	Wedemark, Germany
WINCOR NIXDORF GmbH	Vienna, Austria
WINCOR NIXDORF N.V.	Zaventem, Belgium
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 A/S	Ballerup, Denmark
WINCOR NIXDORF Oy	Espoo, Finland
WINCOR NIXDORF SAS	Vélizy-Villacoublay, France
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 Information Systems S.A.	Kifissia/Athens, Greece
WINCOR NIXDORF Kft.	Budapest, Hungary
WINCOR NIXDORF Ltd.	Dublin, Ireland
WINCOR NIXDORF S.r.l.	Basiglio/Milan, Italy

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WINCOR NIXDORF Finance Malta Holding Limited	St. Julians, Malta
WINCOR NIXDORF Finance Malta Limited	St. Julians, Malta
WINCOR NIXDORF A/S	Oslo, Norway
WINCOR NIXDORF Sp.z. o.o.	Warsaw, Poland
WINCOR NIXDORF Lda.	Carnaxide, Portugal
LLC WINCOR NIXDORF	Moscow, Russia
WINCOR NIXDORF Oil and Gas IT LLC	Moscow, Russia

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Company	Registered Office
WINCOR NIXDORF Oil and Gas IT Service LLC	Moscow, Russia
WINCOR NIXDORF s.r.o.	Bratislava, Slovakia
WINCOR NIXDORF S.L.	Madrid, Spain
Dynasty Technology Group, S.A.U.	Madrid, Spain
WINCOR NIXDORF AB	Solna, Sweden
BEB Industrie-Elektronik AG	Burgdorf, Switzerland
WINCOR NIXDORF Finance AG	Baar, Switzerland
WINCOR NIXDORF AG	Brüttsellen, Switzerland
SecurCash B.V.	Rotterdam, The Netherlands
WINCOR NIXDORF B.V.	Delft, The Netherlands
WINCOR NIXDORF Software C.V.	Utrecht, The Netherlands
WINCOR NIXDORF Software Partner B.V.	Utrecht, The Netherlands
WINCOR NIXDORF Global Solutions B.V.	Utrecht, The Netherlands
SecurCash Nederland B.V.	Houten, The Netherlands
SecurCash Geldverwerking B.V.	Houten, The Netherlands
WINCOR NIXDORF Bilgisayar Sistemleri A.S.	Kadikoy/Istanbul, Turkey
LIMITED LIABILITY COMPANY WINCOR NIXDORF	Kiew, Ukraine
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.	Mumbai, India
WINCOR NIXDORF India Private Ltd.	Jakarta Selatan, Indonesia
PT. WINCOR NIXDORF Indonesia	
WINCOR NIXDORF RETAIL SOLUTIONS (M) SDN. BHD	Kuala Lumpur, Malaysia
WINCOR NIXDORF (M) Sdn. Bhd.	Makati City, Philippines
WINCOR NIXDORF (PHILIPPINES) INC.	Singapore
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 (Joint Venture)	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 as regards 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 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 only update this Offer Document to the extent permissible and required under the Takeover Act, and will comply with its obligation under U.S. law based on the Registration Statement according to 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 Bidder's website at <http://www.diebold.com>, and will file such information in English on the SEC's website at <http://www.sec.gov/edgar/searchedgar/companysearch.html>.
- III. All notifications and announcements required according to the Takeover Act will also be published on the internet under www.diebold.com under the heading *Investor Relations* (in German and 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.

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Annex 5

Closing Prices and Turnover in Diebold Shares

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PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The general effect of Diebold's code of regulations is to provide for the indemnification of its directors, officers and employees to the full extent permitted by applicable law, except that such indemnity shall not extend to any matters as to which any director, officer or employee shall be finally adjudged, in any action, suit or proceeding, to be liable for negligence or misconduct in the performance of duties as such director or officer, nor to any settlement made without judgment, unless it be determined by the board of directors that he was not guilty of such negligence or misconduct.

Section 1701.13 of the Ohio Revised Code, or ORC, generally permits indemnification of any director, officer or employee with respect to any proceeding against any such person provided that: (a) such person acted in good faith, (b) such person reasonably believed that the conduct was in or not opposed to the best interests of the corporation, and (c) in the case of criminal proceedings, such person had no reasonable cause to believe that the conduct was unlawful. Indemnification may be made against expenses (including attorneys' fees), judgments, fines and settlements actually and reasonably incurred by such person in connection with the proceeding; provided, however, that if the proceeding is one by or in the right of the corporation, indemnification may be made only against reasonable expenses (including attorneys' fees) and may not be made with respect to any proceeding in which the director, officer or employee has been adjudged to be liable to the corporation, except to the extent that the court in which the proceeding was brought shall determine, upon application, that such person is, in view of all the circumstances, entitled to indemnity for such expenses as the court shall deem proper. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent does not, of itself, create a presumption that the director, officer or employee did not meet the standard of conduct required for indemnification to be permitted.

Section 1701.13 of the ORC further provides that indemnification thereunder may not be made by the corporation unless authorized after a determination has been made that such indemnification is proper, with that determination to be made (a) by the board of directors by a majority vote of a quorum consisting of directors not parties to the proceedings; (b) if such a quorum is not obtainable, or, even if obtainable, but a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; (c) by the shareholders; or (d) by the court in which the proceeding was brought.

Finally, Section 1701.13 of the ORC provides that indemnification or advancement of expense provided by that Section is not exclusive of any other rights to which those seeking indemnification may be entitled under the articles of incorporation or code of regulations or any agreement, vote of shareholders or disinterested directors or otherwise.

Diebold maintains insurance on behalf of any person who is or was a director or officer against any loss arising from any claim asserted against him in any such capacity, subject to certain exclusions. Diebold also maintains fiduciary liability insurance on behalf of any person involved in the management or administration of any employee benefit plan maintained by Diebold.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

Table of Contents**ITEM 21. EXHIBITS**

Exhibit	Document Description
2.1	Business Combination Agreement, dated as of November 23, 2015, between Diebold, Incorporated and Wincor Nixdorf AG (incorporated by reference to Exhibit 2.1 to Diebold's Current Report on Form 8-K filed on November 23, 2015, File No. 1-04879).
3.1(i)	Certificate of Amended Articles of Incorporation of Diebold, Incorporated (incorporated by reference to Exhibit 3.1(i) to Diebold's Annual Report on Form 10-K filed on March 9, 1995, File No. 1-04879).
3.1(ii)	Certificate of Amendment by Shareholders to the Articles of Incorporation of Diebold, Incorporated (incorporated by reference to Exhibit 3.2 to Diebold's Quarterly Report on Form 10-Q filed on April 30, 1996, File No. 1-04879).
3.1(iii)	Certificate of Amendment by directors of Diebold, Incorporated (incorporated by reference to Exhibit 3.3 to Diebold's report on Form 10-K filed on March 8, 1999, File No. 1-04879).
3.2	Amended and Restated Code of Regulations of Diebold, Incorporated (incorporated by reference to Exhibit 3.1(ii) to Diebold's Current Report on Form 8-K filed on November 23, 2015, File No. 1-04879).
5.1	Opinion of Sullivan & Cromwell LLP.*
10.1	Credit Agreement, dated as of November 23, 2015, among Diebold, Incorporated, the subsidiary borrowers from time to time party thereto, the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to Diebold's Current Report on Form 8-K filed November 23, 2015, File No. 1-04879).
10.2	Bridge Credit Agreement, dated as of November 23, 2015, among Diebold, Incorporated, the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.2 to Diebold's Current Report on Form 8-K filed November 23, 2015, File No. 1-04879).
23.1	Consent of Sullivan & Cromwell LLP (included in Exhibit 5.1).*
23.2	Consent of KPMG LLP.
23.3	Consent of KPMG AG Wirtschaftsprüfungsgesellschaft.
24.1	Power of Attorney (included on the signature pages hereto).
99.1	Consent of Prospective Director Dr. Alexander Dibelius.
99.2	Consent of Prospective Director Dr. Dieter Düsedau.
99.3	Consent of Prospective Director Mr. Eckard Heidloff.

* To be filed by amendment.

ITEM 22. UNDERTAKINGS

(A)(1) The undersigned registrant hereby undertakes as follows: That prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party

who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other Items of the applicable form.

(2) The registrant undertakes that every prospectus (i) that is filed pursuant to Item 512 (h)(1) of Regulation S-K, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the

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registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(B)(1) The undersigned registrant hereby undertakes to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

- (i) To include any prospectus required by section 10(a)(3) of the Securities Act;
- (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and
- (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) The undersigned registrant hereby undertakes that, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) The undersigned registrant hereby undertakes to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(C) The undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of Form S-4, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(D) The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

(E) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such

liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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(F) For the purpose of determining liability under the Securities Act to any purchaser:

(1) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) under the Securities Act shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(2) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) under the Securities Act as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) under the Securities Act for the purpose of providing the information required by section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(G) For the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(1) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424 under the Securities Act;

(2) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(3) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(4) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

Table of Contents**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Canton, Ohio, on this 24th day of November, 2015.

DIEBOLD, INCORPORATED

By: /s/ Andreas W. Mattes
 Name: Andreas W. Mattes
 Title: President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Jonathan B. Leiken and Christopher A. Chapman with full power to act alone, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement and any subsequent registration statement filed by the registrant pursuant to Rule 462(b) of the Securities Act, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof. This Power of Attorney may be executed in multiple counterparts, each of which shall be deemed an original, but which taken together, shall constitute one instrument.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities indicated on November 24, 2015.

Signature	Title
/s/ Andreas W. Mattes	President, Chief Executive Officer and Director (Principal Executive Officer)
Andreas W. Mattes	
/s/ Christopher A. Chapman	Senior Vice President, Chief Financial Officer and Principal Accounting Officer
Christopher A. Chapman	(Principal Financial and Accounting Officer)
/s/ Henry D.G. Wallace	Chairman and Director
Henry D.G. Wallace	

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/s/ Patrick W. Allender

Director

Patrick W. Allender

/s/ Phillip R. Cox

Director

Phillip R. Cox

/s/ Richard L. Crandall

Director

Richard L. Crandall

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Signature	Title
/s/ Gale S. Fitzgerald Gale S. Fitzgerald	Director
/s/ Gary G. Greenfield Gary G. Greenfield	Director
/s/ Robert S. Prather, Jr. Robert S. Prather, Jr.	Director
/s/ Rajesh K. Soin Rajesh K. Soin	Director
/s/ Alan J. Weber Alan J. Weber	Director

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