

DIEBOLD NIXDORF, Inc  
Form DEF 14A  
March 15, 2019  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, DC 20549**

**SCHEDULE 14A**

**(RULE 14A-101)**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under § 240.14a-12

**Diebold Nixdorf, Incorporated**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No:

(3) Filing Party:

(4) Date Filed:

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**5995 Mayfair Road**

**P.O. Box 3077 North Canton, Ohio 44720-8077**

**March 15, 2019**

**Dear Shareholder:**

The 2019 Annual Meeting of Shareholders of Diebold Nixdorf, Incorporated will be held at the Cleveland Marriott at Key Tower, 1360 West Mall Drive, Cleveland, Ohio 44114, on Thursday, April 25, 2019 at 8:30 a.m. EDT.

As described in the accompanying Notice and Proxy Statement, at the Annual Meeting, you will be asked to (1) elect thirteen directors, (2) ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2019, (3) approve, on an advisory basis, our named executive officer compensation, and (4) approve an amendment to the Diebold Nixdorf, Incorporated 2017 Equity and Performance Incentive Plan.

We are pleased to continue to take advantage of the Securities and Exchange Commission rules allowing us to furnish proxy materials to shareholders on the Internet. We believe that these rules provide you with proxy materials more quickly and reduce the environmental impact of our Annual Meeting. Accordingly, we are mailing to shareholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access and review our 2019 Proxy Statement and Annual Report for the year ended December 31, 2018, and to vote online or by telephone. If you would like to receive a paper copy of our proxy materials, please follow the instructions for requesting these materials on the Notice of Internet Availability of Proxy Materials.

All holders of record of Diebold Nixdorf, Incorporated common shares at the close of business on February 25, 2019 are entitled to vote at the 2019 Annual Meeting. You may vote online at [www.proxyvote.com](http://www.proxyvote.com). If you received a paper copy of the proxy card by mail, you may also vote by signing, dating and mailing the proxy card promptly in the return envelope or by calling a toll-free number.

If you are planning to attend the meeting, directions to the meeting location are included on the back page. If you are unable to attend the meeting, you may listen to a replay that will be available on our website at <http://www.dieboldnixdorf.com>. The replay may be accessed on our website soon after the meeting and shall remain available for up to three months.

We look forward to seeing those of you who will be attending the meeting.

Sincerely,

**GARY G. GREENFIELD**

**GERRARD B. SCHMID**

Chairman of the Board

President and Chief Executive  
Officer

**Important Notice Regarding the Availability of Proxy Materials for the  
Annual Meeting of Shareholders to be held on April 25, 2019.**

This Proxy Statement, along with our Annual Report for the year ended December 31, 2018, including exhibits, are available free of charge at [www.proxyvote.com](http://www.proxyvote.com) (you will need to reference the 16-digit control number found on your proxy card or Notice of Internet Availability of Proxy Materials in order to vote).

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**5995 Mayfair Road**

**P.O. Box 3077 North Canton, Ohio 44720-8077**

**NOTICE OF ANNUAL MEETING OF  
SHAREHOLDERS**

**DATE:**

April 25, 2019

**TIME:**

8:30 a.m. EDT

**LOCATION:**

Cleveland Marriott

at Key Tower

1360 West Mall Drive

Cleveland, Ohio 44114

**ITEMS TO BE DISCUSSED:**

- 1.** To elect thirteen directors;
- 2.** To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2019;
- 3.** To approve, on an advisory basis, our named executive officer compensation; and
- 4.** To approve an amendment to the Diebold Nixdorf, Incorporated 2017 Equity and Performance Incentive Plan.

**Your attention is directed to the attached Proxy Statement, which fully describes these items.**

Any action on the items of business described above may be considered at the Annual Meeting at the time and on the date specified above or at any time and date to which the Annual Meeting may be properly adjourned or postponed.

Holders of record of Diebold Nixdorf, Incorporated common shares at the close of business on February 25, 2019 will be entitled to vote at the 2019 Annual Meeting.

The enclosed proxy card is solicited, and the persons named therein have been designated, by Diebold Nixdorf's Board of Directors.

By Order of the Board of Directors

Jonathan B. Leiken

Senior Vice President, Chief Legal Officer and  
Corporate Secretary

March 15, 2019

(approximate mailing date)

**You are requested to cooperate in assuring a quorum by voting online at [www.proxyvote.com](http://www.proxyvote.com)  
or, if you received a paper copy of the proxy materials, by filling in, signing and dating the  
enclosed proxy and promptly mailing it in the return envelope.**



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**DIEBOLD NIXDORF, INCORPORATED**

**5995 Mayfair Road**

**P.O. Box 3077 North Canton, Ohio 44720-8077**

**PROXY STATEMENT**

**2019 ANNUAL MEETING OF SHAREHOLDERS**

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**PROXY SUMMARY**

*This Proxy Statement is furnished to shareholders of Diebold Nixdorf, Incorporated ( Diebold Nixdorf, the Company, we, our, and us ) in connection with the solicitation by the Board of Directors of proxies to be used at our 2019 Annual Meeting of Shareholders, and any postponements or adjournments of the meeting.*

*These proxy materials are being sent to our shareholders on or about March 15, 2019.*

*This proxy summary is intended to provide an overview of the information you can find elsewhere in this Proxy Statement. As this is only a summary, we encourage you to read the Proxy Statement in its entirety for more information about these topics before voting.*

**MEETING INFORMATION**

<b>TIME AND DATE</b>	<b>PLACE</b>	<b>RECORD DATE</b>
8:30 a.m. EDT, April 25, 2019	Cleveland Marriott at Key Tower 1360 West Mall Drive Cleveland, Ohio 44114  <i>*Please note new location*</i>	Close of Business on February 25, 2019

**PROPOSALS FOR YOUR VOTE AND BOARD RECOMMENDATIONS**

PROPOSAL	BOARD RECOMMENDATION (FOR MORE DETAIL)	PAGE REFERENCES
1. <u>To elect thirteen directors</u>	FOR EACH NOMINEE	19
2. <u>To ratify the appointment of KPMG LLP as our independent registered public accounting firm</u>	FOR	29
3. <u>To approve, on an advisory basis, our named executive officer compensation</u>	FOR	31
4. <u>To approve an amendment to the Diebold Nixdorf, Incorporated 2017 Equity and Performance Incentive Plan</u>	FOR	32

Information on voting mechanics, approval requirements and related matters can be found in the *Voting Information* and *Other Matters* sections starting on pages 5 and 87, respectively.

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**PROXY SUMMARY**

**KEY LEADERSHIP AND BOARD DEVELOPMENTS**

In 2018, a new Chairman of the Board, a new Chief Executive Officer and ultimately a new Chief Financial Officer significantly reset Diebold Nixdorf by launching a transformation and turnaround to reshape the Company's future. The work in 2018 included:

streamlining our organizational structure to refocus the Company on its banking and retail customers;

raising \$650 million of new debt to provide liquidity and stability;

launching a merger squeeze-out to acquire all remaining shares of the Company's German public subsidiary; and

initiating the DN Now transformation program which is expected to generate approximately \$400 million in gross savings through 2021.

At the same time, our Board of Directors continued a thorough refreshment process to align our Board with the strategic goals and challenges of the organization resulting in:

two new independent directors in 2018: Bruce Besanko, CFO of Kohl's Corporation, and Ellen Costello, retired CEO of BMO Financial Corporation;

four new director nominees in 2019: Arthur Anton, Chairman and CEO of Swagelok Company; Reynolds Bish, CEO of Kofax Limited; Matthew Goldfarb, Partner at Southport Midstream Partners LLC; and Kent Stahl, retired Partner at Wellington Management Company, LLP; and

with the 2019 Board slate, a reduction in the average director tenure from 8.3 years to 3.8 years, bringing fresh ideas and perspectives to the Company.

Entering 2019, we are focused on serving our dynamic customer needs, improving operational efficiency and advancing our leadership position within the retail and banking industries.



On January 1, 2018, Gary Greenfield assumed the position of Chairman of the Board and immediately undertook, with his fellow directors, to identify our next CEO to lead the Company forward. Mr. Greenfield also continued the board refreshment process, adding two new independent directors in 2018. Mr. Greenfield brings to the chairmanship more than 30 years of experience in corporate turnarounds and transformation, particularly focused on technology.

The Board's CEO search process was both expeditious and impactful. In February 2018, Gerrard Schmid, a seasoned corporate executive with a track record of delivering value in a transforming environment, including as a public company CEO, joined the Company as our President and CEO. Under

Mr. Schmid's leadership, the Company promptly developed strategies and initiatives, including DN Now, to improve financial performance, deliver value to customers and shareholders and create growth opportunities for our employees. By the end of the year, despite unexpected challenges stemming from the Company's 2016 German acquisition, these initiatives bore significant fruit. We finished the year with fourth quarter profit and cash flow performance that was the strongest since the combination of Diebold and Wincor Nixdorf.

In October 2018, the Company attracted an experienced interim CFO, Jeffrey Rutherford, with substantial turnaround credentials across manufacturing and technology industries. In November 2018, Mr. Rutherford hired a new head of global finance whose responsibilities include improvements to the Company's forecasting function. Mr. Rutherford was named permanent CFO on January 3, 2019. Mr. Rutherford is responsible for overseeing the implementation of the DN Now program across the Company's global finance function.

Our DN Now transformation requires rigorous work and extensive contributions from virtually all functions of the business. Our early success is creating good energy within our leadership team and we are strengthening the team with new, experienced leaders such as Hermann Wimmer to lead retail and Julian Sparkes to transform internal IT as our Chief Digital Officer.

In addition, the Company's transformation is taking effect in the marketplace. Key accomplishments include:

Partnered with MasterCard on key technology and services agreements to strengthen the Company's connected commerce offerings and further bridge physical and digital transactions;

Ranked as one of the Top 10 Technology Companies on the 2018 IDC Financial Insights FinTech Rankings;

Won new product contracts valued at more than \$250 million for Windows 10 ATM upgrades with numerous financial institutions in the Americas, including an agreement with a regional U.S. bank for more than 500 DN Vynamic software licenses and a new managed services agreement;

Enabled the first integrated, digital kiosk in the Middle East in partnership with Emirates NBD;

Signed a \$70 million, multi-year services contract covering about 1,000 Marks & Spencer stores in Western Europe; and

Booked an order for 6,000 cash recyclers and maintenance services at Banco do Brasil, the largest bank in that country.

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## PROXY SUMMARY

## OVERVIEW OF OUR BOARD NOMINEES

*You are being asked to vote to elect each of the following nominees to our Board of Directors. The tables that follow provide summary information about our nominees, and detailed information about each director nominee's background, skills and expertise can be found in Proposal 1: Election of Directors on pages 19-25.*

NAME AND OCCUPATION / CAREER HIGHLIGHTS	COMMITTEE MEMBERSHIP							
	AGE	DIRECTOR			BOARD			
		SINCE	INDEPENDENT	AUDIT	GOV.	COMP.	FIN.	TS&I
<b>Patrick W. Allender</b>								
Retired Executive Vice President, Chief Financial Officer and Secretary, Danaher Corporation	72	2011	Yes	Chair				
<b>Arthur F. Anton</b>								
Chairman and Chief Executive Officer, Swagelok Company	61		Yes					
<b>Bruce H. Besanko</b>								
Chief Financial Officer, Kohl's Corporation	60	2018	Yes					
<b>Reynolds C. Bish</b>								
	66		Yes					

Chief Executive Officer,  
Kofax Limited

**Ellen M. Costello**

Retired Chief Executive  
Officer, BMO Financial  
Corporation

64 2018 Yes . .

**Phillip R. Cox**

President and Chief  
Executive Officer,

71 2005 Yes . Chair

Cox Financial  
Corporation

**Dr. Alexander Dibelius**

Managing Partner, CVC  
Capital Partners

59 2016 Yes . .

(Deutschland) GmbH

**Dr. Dieter W. Düsedau**

Physicist and Former  
Director (Senior  
Partner),

60 2016 Yes . .

McKinsey & Co.

**Matthew Goldfarb**

Partner, Investment  
Manager North  
American  
Energy/Infrastructure  
Investments, Southport  
Midstream Partners  
LLC

47 Yes

**Gary G. Greenfield**

Non-executive  
Chairman of the Board,  
Diebold  
Nixdorf, Incorporated;  
Partner, Court Square  
Capital Partners

64 2014 Yes .

**Gerrard B. Schmid**

50 2018 No

President and Chief  
Executive Officer,  
Diebold

Nixdorf, Incorporated

**Kent M. Stahl**

Retired Partner, Chief  
Investment Strategist  
and

Director of Investment      56  
Strategy and Risk  
Management,  
Wellington  
Management  
Company, LLP

Yes

**Alan J. Weber**

Chief Executive Officer,  
Weber Group LLC

70

2005

Yes

Chair

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**PROXY SUMMARY**

**SNAPSHOT OF KEY QUALIFICATIONS AND SKILLS OF OUR NOMINEES**

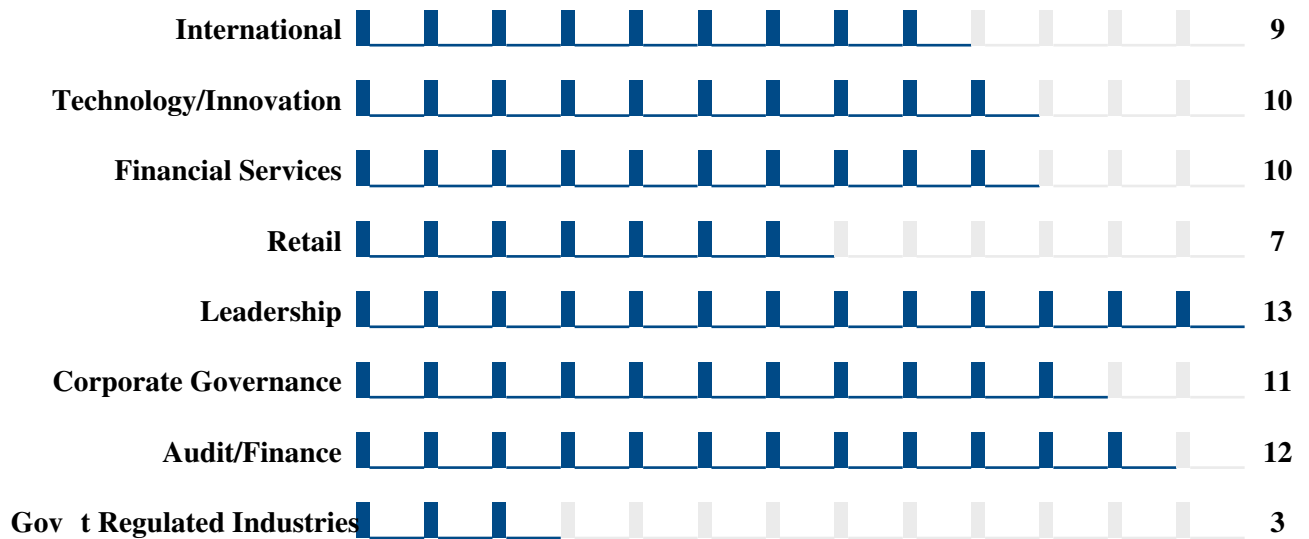


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**VOTING INFORMATION**

**Q: What items will be voted on at the Annual Meeting and how does the Board recommend I vote?**

A: You are being asked to vote on the proposals outlined above in the proxy summary on page 1. The Board recommends a vote FOR each nominee, and FOR each of Proposals 2, 3 and 4.

**Q: What happens if other matters are properly presented at the Annual Meeting?**

A: If a permissible proposal other than the listed proposals is presented at the Annual Meeting, your proxy gives authority to the individuals named in the proxy to vote on any such proposal in accordance with their best judgment. We have not received notice of other matters that may be properly presented at the Annual Meeting.

**Q: Who is entitled to vote at the Annual Meeting?**

A: Our record date for the 2019 Annual Meeting is February 25, 2019. Each shareholder of record of our common shares as of the close of business on February 25, 2019 is entitled to one vote for each common share held. As of the record date, there were 76,563,308 common shares outstanding and entitled to vote at the Annual Meeting.

**Q: How do I vote?**

A: If you were a shareholder on the record date and you held shares in your own name, you have three ways to vote and submit your proxy before the 2019 Annual Meeting:

By mail You may vote by completing, signing and returning the proxy card that you will receive in the mail;

By Internet We encourage you to vote and submit your proxy online at [www.proxyvote.com](http://www.proxyvote.com). Even if you request and receive a paper copy of the proxy materials, you may vote online by going to [www.proxyvote.com](http://www.proxyvote.com) and entering your control number, which is a 16 digit number located in a box on your proxy card that you can also receive in the mail, if requested; or

By telephone You may vote and submit your proxy by calling 1-800-690-6903 and providing your control number, which is a 16-digit number located in a box on your proxy card that you can also receive in the mail, if requested.

If you complete and submit a proxy card, the persons named as proxies on your proxy card, which we refer to as the Proxy Committee, will vote the shares represented by your proxy in accordance with your instructions. If you submit your proxy card but do not indicate your voting preferences, the Proxy Committee will vote according to the recommendation of the Board.

**Q: Can I change my vote after I have voted?**

A: You may change your vote at any time before your proxy is voted at the 2019 Annual Meeting by:

Revoking your proxy by sending written notice or submitting a later dated, signed proxy before the 2019 Annual Meeting to our Corporate Secretary at the Company's address above;

Submitting a later dated, signed proxy before the start of the 2019 Annual Meeting;

If you have voted by the Internet or by telephone, you may vote again over the Internet or by telephone up until 11:59 p.m. EDT on April 24, 2019; or

Attending the 2019 Annual Meeting, withdrawing your earlier proxy and voting in person.

**Q: Can I cumulate my votes for the election of directors?**

A: No. At the 2017 Annual Meeting, our Shareholders approved an amendment to our Amended Articles of Incorporation to eliminate cumulative voting in director elections.

**Q: How many votes are required to adopt each proposal?**

A: For Proposal 1, the number of votes cast for the director-nominee's election must exceed the number of votes cast against his or her election. For each of Proposals 2, 3, and 4, the affirmative vote of the holders of a majority of the votes cast, whether in person or by proxy, is required for approval. The results of the voting at the meeting will be tabulated by the inspectors of election appointed for the Annual Meeting.

**Q: What is the Majority Voting Policy?**

A:



Our Board of Directors has adopted a policy that any director-nominee who is elected but receives a greater number of votes against his or her election than votes for his or her election, in an election that is not a contested election, is expected to tender his or her resignation following certification of the shareholder vote, as described in greater detail below under *Majority Voting Policy*.

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**VOTING INFORMATION**

**Q: What is a broker non-vote ?**

A: If your shares are held in the name of a brokerage firm, your shares may be voted even if you do not provide the brokerage firm with voting instructions. Brokerage firms have the authority under the New York Stock Exchange, or NYSE, rules to vote shares for which their customers do not provide voting instructions on certain routine matters. When a proposal is not a routine matter under NYSE rules and the brokerage firm has not received voting instructions from the beneficial owner of the shares with respect to that proposal, the brokerage firm cannot vote the shares on that proposal. This is referred to as a broker non-vote.

Proposal 2, the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2019, is the only routine matter for which the brokerage firm who holds your shares can vote your shares on these proposals without your instructions. Accordingly, there should be no broker non-votes with respect to Proposal 2. Broker non-votes will have no effect on the outcome of Proposals 1, 3 and 4.

**Q: How many shares must be present to constitute a quorum and conduct the Annual Meeting?**

A: A quorum is necessary to hold the Annual Meeting. A majority of the outstanding shares present or represented by proxy constitutes a quorum for the purpose of adopting a proposal at the Annual Meeting. If you are present and vote in person at the Annual Meeting, or vote on the Internet, by telephone or by submitting a properly executed proxy card, you will be considered part of the quorum. Broker non-votes will not be part of the voting power present, but will be counted to determine whether or not a quorum is present.

**Q: What happens if I abstain?**

A: For all proposals except Proposal 4, a share voted abstain with respect to any proposal is considered as present and entitled to vote with respect to the proposal, but is not considered a vote cast with respect to the proposal. For Proposal 4, abstentions are considered votes cast for purposes of shareholder approval of an amendment to an equity plan. Accordingly, abstentions will have no effect on Proposal 1, the election of directors, and will not be counted for determining the outcome of Proposals 2 and 3.

**Q: Why did I receive a one-page notice in the mail regarding Internet availability of proxy materials instead of a full set of proxy materials?**

A:

Under rules adopted by the Securities and Exchange Commission, or SEC, we have elected to provide access to our proxy materials on the Internet. Accordingly, we are sending you a Notice of Internet Availability of Proxy Materials. The instructions found in the Notice explain that all shareholders will have the ability to access the proxy materials on [www.proxyvote.com](http://www.proxyvote.com) or request to receive a printed copy of the proxy materials. You may also request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis. We encourage you to take advantage of the availability of the proxy materials on the Internet to help reduce the environmental impact of our Annual Meeting materials.

**Q: What shares are included on my proxy card or Notice of Internet Availability of Proxy Materials?**

A: The number of shares printed on your proxy card(s) represents all your shares under a particular registration. Receipt of more than one proxy card or Notice of Internet Availability of Proxy Materials means that certain of your shares are registered differently and are in more than one account. If you receive more than one proxy card, sign and return all of your proxy cards to ensure that all of your shares are voted. If you receive more than one Notice, reference the distinct 16-digit control number on each Notice when voting by Internet.

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**CORPORATE GOVERNANCE**

Our Board is committed to strong corporate governance principles and practices to ensure that the Board most effectively and efficiently serves in its oversight obligations.

This section provides an overview of the organization of the Board, its committees, responsibilities and other related topics and initiatives.

**BOARD LEADERSHIP STRUCTURE**

Our Board is committed to strong leadership and currently maintains separate roles of our CEO, and our Chairman of the Board. We believe this structure is effective for our current circumstances and a good governance practice. The Board does not have a specific policy with respect to separating or

combining these roles, or whether the Chairman should be an employee or non-employee director, and will continue to periodically review our leadership structure in light of corporate governance standards, market practices and our specific circumstances and needs.

**BOARD AND DIRECTOR ASSESSMENTS**

The Board Governance Committee leads the Board and director assessment program, as noted below in *Board Committees and Composition*. When taken together, the following assessment program provides a holistic review of the role, performance and function of the full Board, the Chairman and each director in relation to the Company's needs, challenges and opportunities. Our Board and director assessments helped inform our recent refreshment efforts,

including the four new nominees for director this year. The assessment program includes a full board self-assessment, committee assessments, a chairman assessment and individual director assessments. The full board self-assessment includes comprehensive questions designed to provide an all-inclusive evaluation of the performance of the Board in light of our needs and strategies. The committee, chairman, and individual director assessments are more specifically tailored. The assessment results are shared with our Chairman, and applicable directors, committee members, and the full Board as appropriate, and action plans are prepared and executed as necessary.

## **BOARD MEETINGS AND EXECUTIVE SESSIONS**

The Board held five regular meetings and five special meetings in person or telephonically during 2018. All of our current directors attended 75% or more of the aggregate of all meetings of the Board and the Board committees on which they served during 2018.

In accordance with the NYSE's corporate governance standards, our independent directors regularly meet in executive session without management present, generally following each regularly-scheduled Board meeting. In addition, on occasion, our independent directors will meet in executive session prior to the start of a Board meeting. Gary

Greenfield, the Chairman of our Board, presides over these meetings in executive session. The executive sessions of each Board committee are overseen by the respective committee chair.

While we do not have a formal policy regarding directors' attendance at the Annual Meeting of Shareholders, it is expected that all directors attend the Annual Meeting unless there are extenuating circumstances for non-attendance. All directors standing for re-election who were serving as directors as of the 2018 annual meeting of shareholders attended the 2018 annual meeting.

## **BOARD RISK OVERSIGHT**

The Board and the Board committees collectively play an active role in overseeing management of our risks and in helping establish an appropriate risk tolerance. The Board oversees our risk strategy and effectiveness; however, management is responsible for identifying risks inherent in

our business, as well as implementing and supervising day-to-day risk management. Accordingly, the Board and the appropriate committees receive regular reports from our senior management on areas of material risk to us, including operational, financial, strategic, compliance, cybersecurity,

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**CORPORATE GOVERNANCE**

competitive, reputational, legal and regulatory risks. The Board also meets with senior management as part of each Board meeting, and more frequently as needed, to discuss strategic planning, including the key risks inherent in our short- and long-term strategies. Senior management then provides the Board with periodic updates throughout the year with respect to these strategic initiatives and the impact and management of these key risks.

In addition, each Board committee is responsible for evaluating certain risks within its area of responsibility and overseeing the management of such risks. The entire Board is then informed about such risks and management's response to each risk through regular committee reports delivered by the Committee Chairs. Our Compensation Committee performs an annual compensation risk assessment, and we believe that our compensation practices are not reasonably likely to have a material adverse effect on the Company.

We also have robust internal dialog among our operations, finance, compliance, treasury, tax, legal and internal audit departments, among others, whenever a potential risk arises.

These discussions are escalated to our President and Chief Executive Officer, Chief Financial Officer, Corporate Controller, Chief Legal Officer, Chief Ethics and Compliance Officer, Chief People Officer, and/or Vice President, Security Office, Vice President, Internal Audit and other Vice Presidents of our various divisions and regions, as appropriate, with open lines of communication among them, the various committees of the Board and the entire Board.

We believe that the Board's approach and continued evaluation of its risk oversight, as described above, enhances its ability to assess the various risks, make informed cost-benefit decisions, and approach emerging risks in a proactive manner for the Company. We also believe that our Board leadership structure complements our risk management structure because it allows our independent directors to exercise effective oversight of the actions of management in identifying risks and implementing effective risk management policies and controls.

**BOARD COMMITTEES AND COMPOSITION**

The Board's current standing committees are the Audit Committee, Board Governance Committee, Compensation Committee, Finance Committee and Technology Strategy and Innovation Committee. Each committee's members and meetings during 2018 and functions are described below. The Board reviews committee membership, charters and responsibilities every year and will do so in 2019 following the Annual Meeting.

## AUDIT COMMITTEE\*

### **Members:**

Patrick W. Allender (Chair), Bruce H. Besanko, Ellen M. Costello and Dr. Dieter W. Düsedau

All members of this committee qualify as independent.

### **Meetings:**

This committee met in person or telephonically ten times during 2018, and had informal communications with management, as well as with our independent auditors, at various other times during the year.

### **Contact:**

[auditchair@dieboldnixdorf.com](mailto:auditchair@dieboldnixdorf.com)

**Committee Report:** See page 85.

\* This committee is a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 (the Exchange Act).

### **Primary Duties and Responsibilities:**

Monitors the adequacy of our financial reporting process and systems of internal controls regarding finance, accounting and ethics and compliance.

Monitors the independence and performance of our independent auditors and performance and controls of our internal audit department.

Provides an avenue of communication among the independent auditors, management, the internal audit department and the Board.

### **Financial Experts:**

The Board has determined that each of Messrs. Allender and Besanko and Ms. Costello is an audit committee financial expert within the meaning of such term under Item 407(d)(5) of Regulation S-K.



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**CORPORATE GOVERNANCE**

**BOARD GOVERNANCE COMMITTEE**

**Members:**

Gale S. Fitzgerald (Chair), Phillip R. Cox, Richard L. Crandall and Dr. Dieter W. Düsedau

All members of this committee qualify as independent.

**Meetings:**

This committee met in person or telephonically eight times during 2018, and had informal communications with management at various other times during the year.

**Contact:**

[bdgovchair@dieboldnixdorf.com](mailto:bdgovchair@dieboldnixdorf.com)

**Primary Duties and Responsibilities:**

Reviews qualifications of potential director candidates.

Makes recommendations to the Board to fill vacancies or consider the appropriate size of the Board.

Makes recommendations regarding corporate governance principles, Board committee composition, and the directors' compensation for their services on the Board and on Board committees.

Leads Board and committee assessments.

Oversees director orientation and education, as described in *Director Orientation and Education* below.

Ensures Board oversight of our enterprise risk management process.

## COMPENSATION COMMITTEE

### **Members:**

Phillip R. Cox (Chair), Dr. Alexander Dibelius, Gale S. Fitzgerald and Alan J. Weber

All members of this committee qualify as independent.

### **Meetings:**

This committee met in person or telephonically six times during 2018, and had informal communications with management, as well as the committee's independent compensation consultant, at various other times during the year.

### **Contact:**

[compchair@dieboldnixdorf.com](mailto:compchair@dieboldnixdorf.com)

**Committee Report:** See page 43.

### **Primary Duties and Responsibilities:**

Administers our executive compensation program.

Oversees our equity plans (including reviewing and approving equity grants to executive officers).

Annually reviews and approves all pay decisions relating to executive officers.

Determines and measures achievement of corporate and individual goals, as applicable, by our executive officers under our short- (annual) and long-term incentive plans, and makes recommendations to the Board for ratification of such achievements.

Reviews the management succession plan and proposed changes to any of our benefit plans, such as retirement plans, deferred compensation plans and 401(k) plans.

For additional discussion of the committee's role, processes and procedures in connection with executive compensation, see *Compensation Discussion and Analysis Role of the Compensation Committee* below.

## FINANCE COMMITTEE

**Members:**

Alan J. Weber (Chair), Patrick W. Allender, Bruce H. Besanko, Ellen M. Costello and Dr. Alexander Dibelius

All members of this committee qualify as independent.

**Meetings:**

This committee met in person or telephonically nine times in 2018, and had informal communications with management at various other times during the year.

**Primary Duties and Responsibilities:**

Makes recommendations to the Board with respect to material or other significant transactions.

Oversees the Company's borrowing structures and credit facilities.

Establishes investment policies, including asset allocation, for our cash, short-term securities and retirement plan assets and oversees the management of those assets.

Reviews our financial exposure and liabilities, including the use of derivatives and other risk management techniques.

Makes recommendations to the Board related to customer financing activities and funding plans for our Company.

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**CORPORATE GOVERNANCE**

**TECHNOLOGY STRATEGY AND INNOVATION  
COMMITTEE**

**Members:**

Richard L. Crandall (Chair) and Gary G. Greenfield

All members of this committee qualify as independent.

**Meetings:**

This committee met informally throughout 2018 and communicated with management at various times throughout the year.

**Primary Duties and Responsibilities:**

Assists the Board in its oversight of our investment in software and services technology and intellectual property.

Evaluates our global technology and innovation strategies and initiatives, including their impact on our performance and competitive position.

Evaluates management proposals for strategic software and technology investments, divestitures, and acquisitions.

Provides clarification and validation to the Board on the direction of our Company as it relates to technology and innovation.

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**CORPORATE GOVERNANCE**

**CORPORATE GOVERNANCE MATERIALS AVAILABLE ON OUR WEBSITE**

Copies of the following documents, among others, are available on our website ([www.dieboldnixdorf.com](http://www.dieboldnixdorf.com)) in the Corporate Governance portion of the Investor Relations section under the Policies and Charters tab:

Current Charters for our Audit, Board Governance, Compensation, Finance, and Technology Strategy and Innovation Committees;

Our Director Independence Standards;  
Our Corporate Governance Guidelines; and

Our Code of Business Ethics.

Information on our website is not, and will not be deemed to be, a part of or incorporated into this Proxy Statement.

For a discussion of our Insider Trading Policy, which prohibits hedging or pledging our stock by employees, see *Compensation Discussion and Analysis Insider Trading Policy* below.

**DIRECTOR INDEPENDENCE**

The Board determined that each of Patrick W. Allender, Arthur F. Anton, Bruce H. Besanko, Reynolds C. Bish, Ellen M. Costello, Phillip R. Cox, Richard L. Crandall, Dr. Alexander Dibelius, Dr. Dieter W. Düsedau, Gale S. Fitzgerald, Matthew Goldfarb, Gary G. Greenfield, Kent M. Stahl and Alan J. Weber has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with us) and is independent under our director independence standards, the NYSE director independence standards, and the SEC

independence requirements, as applicable and as currently in effect. In addition, former directors Robert S. Prather, Jr., Rajesh K. Soin and Henry D. G. Wallace, also met these independence standards at the time of their service in 2018. Gerrard Schmid does not meet these independence standards because he is employed by us as our President and CEO.

In making the independence determinations, the Board considered the following business or professional relationships and determined, in each instance, that the relationship was not material or did not impair the independence of the respective directors:

Messrs. Crandall and Greenfield serve on the board of directors of Donnelley Financial Solutions, Inc., which provided SEC filing and printing services in 2018 related to our proxy statement for our 2018 Annual Meeting of Shareholders for a fee of approximately \$64,483.

Mr. Weber serves on the board of directors of Broadridge Financial Solutions, Inc., which provided processing, mailing and tabulation services for our proxy statement in 2018 for a fee of approximately \$117,909.

Ms. Costello serves on the board of directors of Citigroup, Inc., which is our customer and part of our lending syndicate. Ms. Costello recuses herself from all Board and committee discussions regarding Citigroup, Inc. and similarly recuses herself from any discussions regarding the Company that may arise during Citigroup, Inc. meetings.

Messrs. Crandall and Greenfield own equity interests (approximately 3% and less than 1%, respectively) in ACTV8, Inc., from which we license software used in certain of our products pursuant to which no fees were paid in 2018. Mr. Crandall also serves on the board of directors of ACTV8, Inc.

## **RELATED PERSON TRANSACTION POLICY**

Pursuant to our director independence standards, discussed above, and our Corporate Governance Guidelines, discussed below in *Director Qualifications*, we do not engage in transactions with non-employee directors or their affiliates if a transaction would cause an independent director to no longer be deemed independent, would present the appearance of a conflict of interest or is otherwise prohibited by law, rule or regulation. This includes, directly or indirectly, any extension, maintenance or renewal of an extension of credit to any of our

directors. This prohibition also includes significant business dealings with directors or their affiliates, charitable contributions that would require disclosure in our proxy statement under the rules of the NYSE, and consulting contracts with, or other indirect forms of compensation to, a director. Any waiver of this policy may be made only by the Board and must be promptly disclosed to our shareholders.

In 2018, we did not engage in any related person transaction(s) requiring disclosure under Item 404 of Regulation S-K.

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**CORPORATE GOVERNANCE**

**COMMUNICATIONS WITH DIRECTORS**

The Company's Board of Directors provides a process for shareholders to send communications to the Board. Shareholders and interested parties may communicate with our Audit, Board Governance and Compensation Committee Chairs by sending an email to the address provided in the applicable committee description above or with our non-employee directors as a group by sending an email to [nonmanagementdirectors@dieboldnixdorf.com](mailto:nonmanagementdirectors@dieboldnixdorf.com).

Communications may also be directed in writing to such person or group at Diebold Nixdorf, Incorporated, Attention: Corporate Secretary, 5995 Mayfair Road, P.O. Box 3077, North Canton, Ohio 44720-8077. The independent members of the Board have approved a process for handling communications we receive that are addressed to non-employee members of the Board. Under that process, the Corporate Secretary will review all such communications and determine whether communications require immediate attention. The Corporate Secretary will forward communications, or a summary of communications, to the appropriate director or directors.

**CODE OF BUSINESS ETHICS**

All of our directors, executive officers and employees are required to comply with certain policies and protocols concerning business ethics and conduct as provided in our Code of Business Ethics. The Code of Business Ethics ties our core values to the ethical principles that must guide our business decisions. The Code of Business Ethics also provides clear information on the resources available for directors, executive officers and employees to ask questions and report unethical behavior. All members of the Board have received training specific to the Code of Business Ethics.

The Code of Business Ethics applies to us, including all of our domestic and international affiliates and subsidiaries. The Code of Business Ethics describes certain responsibilities that our directors, executive officers and employees have to the Company, to each other and to our global partners and communities. It covers many topics, including compliance with



laws, including the Foreign Corrupt Practices Act and relevant global anti-corruption laws, conflicts of interest, intellectual property and the protection of competitive and confidential information, as well as maintaining a respectful and non-retaliatory workplace. The Code of Business Ethics also includes and links to our Conflicts of Interest Policy, which further details the requirements for our officers, directors and employees to avoid and disclose potential conflicts, including those that may result from related party transactions. In addition, our employees are required to report any conduct that they believe in good faith to be a violation of the Code of Business Ethics. Our Audit Committee has procedures to receive, retain and treat complaints regarding accounting, internal financial controls or auditing matters, and to allow for the confidential and anonymous submission of concerns regarding questionable practices or potential violations of our policies, including the Code of Business Ethics.

## **COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

The members of the Compensation Committee during the year ended December 31, 2018 were Phillip R. Cox, Dr. Alexander Dibelius, Dr. Dieter W. Düsedau, Gale S. Fitzgerald, Rajesh K. Soin, and Alan J. Weber. No member of the Compensation Committee has had any relationships requiring disclosure by us under the SEC's rules requiring disclosure of certain

relationships and related person transactions. No officer or employee of the Company has served as a director or member of a compensation committee (or other committee serving an equivalent function) of any other entity, the executive officers of which served as a director of the Company or member of the Compensation Committee during 2018.

## **DIRECTOR ORIENTATION AND EDUCATION**

All new directors participate in a director orientation program. The Board Governance Committee oversees this introduction and orientation process during which the new director meets with key senior management personnel and takes a tour through our global solutions center to improve his or her understanding of our business and global products and

solutions. In addition, the orientation process educates the new director on his or her obligations as a director, the history of the Company, our strategic plans, significant financial matters, core values, including ethics and compliance programs (and also including our Code of Business Ethics), corporate governance practices and other key policies and practices.

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**COMPENSATION OF DIRECTORS**

The following director compensation is determined by the Board at the recommendation of the Board Governance Committee. With respect to non-employee directors, it is our goal to provide directors with fair and competitive compensation, while ensuring that their compensation is closely aligned with shareholder interests.

The annual retainer received by our non-employee directors during 2018 remained the same as that paid in 2017. Accordingly, during 2018, our non-employee directors received an annual cash retainer of \$75,000 for their service as directors. Our non-executive Chairman of the Board received an additional annual cash retainer of \$100,000.

In addition to their annual cash retainers, each non-employee director may receive equity awards under our Diebold Nixdorf, Incorporated 2017 Equity and Performance Incentive Plan (as amended), which we refer to as the 2017 Plan. We aim to

provide a balanced mix of cash and equity compensation to our directors that targets the directors' total pay at the median of a peer group of companies in similar industries and of comparable size and revenue. This peer group is the same one used by our Compensation Committee for benchmarking executive compensation, which is discussed in more detail below in *Role of Peer Companies and Competitive Market Data* under *Compensation Discussion and Analysis*. As such, in 2018, the Company awarded RSUs to each non-employee director which approximated \$158,323 in value at the time of grant, except for Mr. Besanko who joined our Board in September and therefore received an RSU grant on a pro-rated basis to reflect partial year service. Each award provides for dividend equivalent payments in cash during the restricted period. We believe these awards strengthen the directors' ties to shareholder interests by aligning their long-term economic interests and that these awards provide effective ways to help our directors build stock ownership.

Our non-employee directors also received the following annual committee fees for their participation as members or as Chairs of one or more Board committees:

	MEMBER	CHAIR

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Audit Committee	\$ 12,500	\$ 25,000
Compensation Committee	\$ 10,000	\$ 20,000
Board Governance Committee	\$ 7,500	\$ 15,000
Finance Committee	\$ 7,500	\$ 15,000
Technology Strategy and Innovation Committee	\$ 7,500	\$ 15,000

The varying fee amounts are intended to reflect differing levels of responsibility and meeting requirements. The fees for a director who joins or leaves the Board or assumes additional responsibilities during the year are pro-rated for his or her

period of actual service. A director may elect to defer receipt of all or a portion of his or her compensation pursuant to the Deferred Compensation Plan No. 2 for Directors.

Table of Contents**COMPENSATION OF DIRECTORS****2018 DIRECTOR COMPENSATION**

The following table details the compensation of our non-employee directors for 2018:

NAME	FEES EARNED			TOTAL
	OR PAID IN	STOCK	ALL OTHER	
	CASH <sup>1</sup>	AWARDS <sup>2</sup>	COMPENSATION <sup>3</sup>	
	(\$)	(\$)	(\$)	(\$)
Patrick W. Allender	107,500	158,352	2,335	268,187
Bruce H. Besanko	23,750	22,994		46,744
Ellen M. Costello	55,417	159,244		214,661
Phillip R. Cox	102,500	158,352	2,571	263,423
Richard L. Crandall	97,500	158,352	2,606	258,458

Dr. Alexander Dibelius	91,250	158,352	516	250,118
Dr. Dieter W. Düsedau	96,250	158,352	516	255,118
Gale S. Fitzgerald	102,500	158,352	3,335	264,187
Gary G. Greenfield	186,250	158,352	516	345,118
Robert S. Prather <sup>4</sup>	31,667		1,740	33,407
Rajesh K. Soin <sup>5</sup>	69,375	158,352	1,261	228,988
Henry D.G. Wallace <sup>4</sup>	25,000		3,545	28,545
Alan J. Weber	100,000	158,352	2,531	260,883

<sup>1</sup> This column reports the amount of cash compensation earned in 2018 for Board and committee service, including Board retainer amounts discussed above and the committee fees earned in 2018. Ms. Fitzgerald moved from the Audit Committee to the Compensation Committee in October. Ms. Fitzgerald was paid in advance of this move and received the amount due for service on the Audit Committee for the entire year. Mr. Besanko joined the Audit Committee in October. Ms. Costello joined the Audit Committee in June. In addition, Dr. Düsedau served on the Compensation Committee during Q1 and Q2 and then moved to the Board Governance Committee for Q3 and Q4. Dr. Dibelius served on the Board Governance Committee for Q1 and Q2 and then moved to the Compensation Committee for Q3 and Q4. Mr. Greenfield served on the Finance Committee for Q1 and Q2. The below table

reflects the current committee membership and corresponding fees as of December 31, 2018.

NAME	BOARD				
	AUDIT COMMITTEE	GOVERNANCE COMMITTEE	COMPENSATION COMMITTEE	FINANCE COMMITTEE	TECHNOLOGY STRATEGY & INNOVATION COMMITTEE
	(\$)	(\$)	(\$)	(\$)	(\$)
Patrick W. Allender	25,000			7,500	
Bruce H. Besanko	12,500			7,500	
Ellen M. Costello	12,500			7,500	
Phillip R. Cox		7,500	20,000		
Richard L. Crandall		7,500			15,000
Dr. Alexander Dibelius			10,000	7,500	
Dr. Dieter W. Düsedau	12,500	7,500			

Gale S. Fitzgerald	15,000	10,000
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Gary G. Greenfield		7,500
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Alan J. Weber		10,000	15,000
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<sup>2</sup> This column represents the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 718 for RSUs granted to our non-employee directors in 2018, as further described above. Mr. Allender, Mr. Cox, Mr. Crandall, Dr. Dibelius, Dr. Düsedau, Ms. Fitzgerald, Mr. Greenfield, Mr. Soin, and Mr. Weber each received 9,928 RSUs as of April 25, 2018, valued based on the closing price of our common shares on that date of \$15.95. Ms. Costello received 12,156 RSUs as of June 21, 2018, valued based on the closing price of our common shares on that date of \$13.10, and Mr. Besanko received 5,792 RSUs as of October 18, 2018, valued based on the closing price of our common shares on that date of \$3.97.

<sup>3</sup> This column represents dividend equivalents paid in cash on shares deferred by our directors.

<sup>4</sup> Messrs. Prather and Wallace did not stand for re-election to the Board at the Company's 2018 annual meeting of shareholders and their terms ended on April 25, 2018.

<sup>5</sup> Mr. Soin resigned from the Board on September 9, 2018.



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**COMPENSATION OF DIRECTORS**

**DIRECTOR STOCK OWNERSHIP GUIDELINES**

The Board has adopted stock ownership guidelines to align with the practices of our peer group (discussed further below under *Role of Peer Companies and Competitive Market Data* under *Compensation Discussion and Analysis* ). Each non-employee director is expected to own common shares of the Company valued at least five times the annual retainer, and the directors are not permitted to sell any vested shares prior to meeting this ownership level. We count the deferred shares held by the directors for purposes of these guidelines,

which are intended to build stock ownership among non-employee directors and ensure that their long-term economic interests are aligned with those of other shareholders. In 2017, the majority of our directors exceeded these ownership guidelines, or were on track to achieve the ownership guidelines within the next few years. However, as a result of the recent decline in our stock price in 2018, our directors did not meet their ownership requirements as of December 31, 2018.

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**IDENTIFYING AND EVALUATING**

**DIRECTOR-NOMINEES**

We are pleased to include four new nominees for director this year: Arthur F. Anton, Reynolds C. Bish, Matthew Goldfarb and Kent M. Stahl. These new director nominees, together with Ms. Costello and Mr. Besanko, who joined our Board during the course of this past year, reflect the ongoing efforts by our Board Governance Committee to identify talented nominees and directors that bring skills and strategic vision to the Company. We have also engaged with shareholders, including GAMCO, for their input and views regarding our Board succession planning.

The Board has determined to increase the size of our Board to thirteen members effective as of the date of the Annual Meeting. The Board views this number of directors as the correct balance of new perspectives with the experience and historical knowledge of the Company and its markets held by our continuing directors. The Board Governance Committee and Board have determined that this is the appropriate size for our Board as we continue our director succession planning efforts, focusing on bringing the skills necessary to support our strategic initiatives and considering the overall diversity of our Board. The Board Governance Committee will continue to evaluate the Board size commensurate with evolving needs of the Company.

Richard L. Crandall and Gale S. Fitzgerald are retiring from our Board at the Annual Meeting after 23 and 20 years, respectively, of service to the Company. We thank Mr. Crandall and Ms. Fitzgerald for their service to the Company.

Although Mr. Allender has reached the retirement age set forth in our Board governance policy, the Board Governance Committee and the Board determined that a waiver of the policy was warranted in order to maintain continuity on the Board in light of the recent refreshment efforts, particularly in light of Mr. Allender's financial expertise and extensive knowledge of the Company's finances and accounting.

**IDENTIFICATION AND EVALUATION OF DIRECTOR-NOMINEES**

The Board Governance Committee considers many methods for identifying and evaluating director-nominees, plans for any anticipated vacancies and also regularly reviews the appropriate size of the Board. When vacancies arise or are anticipated, the Board Governance Committee considers various potential candidates. Candidates may come to the attention of the Board Governance Committee through current Board members, professional search firms, shareholders or other persons. This past year, the Company engaged a third-

party search firm, Korn Ferry, to assist the Board Governance Committee in identifying, evaluating and conducting due diligence on potential director nominees. As described below, the Board Governance Committee also considers properly submitted shareholder nominations for candidates for the Board. Following verification of the recommending shareholder's status, recommendations are considered by the Board Governance Committee at a regularly scheduled meeting.

In evaluating director-nominees, including the re-election of continuing directors, the Board Governance Committee considers many factors in order to maintain and strengthen the talent and capabilities of the Board and the committees,

consistent with our Corporate Governance Guidelines and other criteria established by the Board. While the Board Governance Committee does not have a formal diversity policy, its general goal is to create a well-balanced Board that combines broad business and industry experience with comprehensive diversity characteristics and professional viewpoints. Together, these considerations enable us to appropriately pursue our strategic objectives domestically and abroad.

Of particular interest in our current search were individuals with experience as executives responsible for technology operations in companies undergoing transformation with a digital emphasis, focusing on individuals with experience in industries which have gone through technology-driven business model change, conversions from non-cloud to cloud based technology and industrial companies transforming to digital. As we continue to substantially evolve the Company, the Board also looked for candidates with deep shareholder rights experience as we evolve our business models and capital structure.

Qualifications for Board service have not otherwise been reduced to a checklist of specific standards or minimum qualifications, skills or qualities. Rather, the Board Governance Committee decides which nominees to recommend based on the facts and circumstances at the time. Applicable considerations for new nominees or for directors potentially standing for re-election include:

whether the candidate has demonstrated a high level of performance in his or her service as a director of a public company, including with respect to the performance of our directors standing for re-election;

achieving the appropriate balance of tenure on the Board, with value placed on both familiarity with the Company and on new perspectives;

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**IDENTIFYING AND EVALUATING DIRECTOR-NOMINEES**

whether the expertise and contributions of existing Board members will assist the Company as it continues its turnaround efforts;

whether the Board Governance Committee is currently looking to fill a new position created by an expansion of the number of directors, or a vacancy that may exist or is anticipated on the Board;

whether the current composition of the Board is consistent with the criteria described in our Corporate Governance Guidelines;

whether the candidate possesses the qualifications that are generally the basis for selection of candidates to the Board, including the candidate's applicable experience and skill set in order to support the current and future needs of the Company;

whether the candidate possesses additional diversity qualifications in order to enhance the function of the Board by contributing a variety of experiences, backgrounds, qualifications, technical expertise and other characteristics; and

whether the candidate would be considered independent under the rules of the SEC, NYSE and our standards with respect to director independence.

Final approval of any candidate is determined by the full Board. In addition, the performance and contributions of each incumbent director are assessed as part of the Board's annual assessment program, as discussed above in *Board and Director Assessments*. The Board Governance Committee believes that each of the director-nominees fits the general qualifications described above and brings valuable experience, skills and qualifications to the Board. Detailed information about each director nominee's background, experience and qualifications is provided in Proposal 1: Election of Directors.

**SHAREHOLDER NOMINEES**

**POLICY & PROCEDURE**

The policy of the Board Governance Committee is to consider properly submitted shareholder nominations for candidates for membership on the Board as described above under *Identification and Evaluation Methods*. In evaluating shareholder nominations, the Board Governance Committee seeks to achieve a balance of knowledge, experience and capability on the Board and to address the membership criteria set forth above under *Director Qualifications*.

The Board Governance Committee will consider any shareholder nominations for director that are properly proposed and meet the requirements set out in our Code of Regulations, which include but are not limited to:

complete information as to the identity and qualifications of the proposed nominee, including name, address, present and prior business and/or professional affiliations, education and experience, particular fields of expertise, and a representation that the shareholder is a holder of record;

an indication of the nominee's consent to serve as a director of the Company if elected;

why, in the opinion of the recommending shareholder, the proposed nominee is qualified and suited to be a director of the Company; and

whether the shareholder intends to deliver a proxy statement and form of proxy to holders of at least the percentage of shares entitled to vote that are required to elect a nominee.

Shareholder nominations should be addressed to Diebold Nixdorf, Incorporated, Attention: Corporate Secretary, 5995 Mayfair Road, P.O. Box 3077, North Canton, Ohio 44720-8077. For important additional information related to proposal requirements, see *Shareholder Proposals* below.

## **PROXY ACCESS**

We have a proxy access provision as part of our Code of Regulations, which allows a shareholder, or a group of up to 20 shareholders in aggregate, owning 3% or more of our outstanding shares of common stock continuously for at least three years to nominate and include in our annual meeting proxy materials director nominees constituting up to 20% of the number of directors in office or two nominees, whichever is greater, provided that the shareholder(s) and the nominee(s) satisfy the requirements specified in our Code of Regulations.

## **NOMINATION AGREEMENT WITH GAMCO**

We recently entered into a Nomination and Standstill Agreement with GAMCO Asset Management Inc. and its affiliates pursuant to which Arthur F. Anton and Matthew Goldfarb are each nominated for election at the Annual Meeting. Both Messrs. Anton and Goldfarb bring extensive experience and valuable perspectives to our Board. For additional information regarding the Nomination and Standstill Agreement, see our current report on Form 8-K filed on February 25, 2019, and for detailed information about each director nominee's background, experience and qualifications, see Proposal 1: Election of Directors below.



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**IDENTIFYING AND EVALUATING DIRECTOR-NOMINEES**

**MAJORITY VOTING POLICY**

In light of our shareholders' approval of the amendment to the Company's Amended Articles of Incorporation to implement a majority voting standard in uncontested director elections, the Board adopted an amended majority voting policy, which provides that, in an uncontested election, any nominee for director who receives a greater number of votes against his or her election than votes for election, which we refer to as a Majority Vote Against, is expected to tender his or her resignation following certification of the shareholder vote. The Board Governance Committee will then consider the tendered resignation and make a recommendation to the Board as to whether to accept or reject the tendered resignation. The Board will act on the Board Governance Committee's recommendation within 90 days following certification of the shareholder vote. Any director who tenders his or her resignation pursuant to this policy will not participate in the

Board Governance Committee recommendation or Board action regarding whether to accept or reject the tendered resignation.

However, if each member of the Board Governance Committee received a Majority Vote Against in the same election, then the Board will appoint a committee comprised solely of independent directors who did not receive a Majority Vote Against at that election to consider each tendered resignation offer and recommend to the Board whether to accept or reject each resignation. Further, if all of the directors received a Majority Vote Against in the same election, then the Board will appoint a committee comprised solely of independent directors to consider each tendered resignation offer and recommend to the Board whether to accept or reject each resignation.

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**PROPOSAL 1: ELECTION OF DIRECTORS**

**BOARD RECOMMENDATION**



**FOR the election of each of our director nominees**

The Board recommends that its thirteen nominees for director be elected at the 2019 Annual Meeting, each to hold office for a term of one year from the date of the Annual Meeting or until the election and qualification of a successor. In the absence of contrary instruction, the Proxy Committee will vote the proxies for the election of the thirteen nominees. In connection with this proposal, the size of the Board will be increased to thirteen members, effective as of the date of the Annual Meeting.

In connection with our board succession efforts, we are pleased to be nominating four new directors, including two nominated by shareholders, and nine continuing directors (seven of whom were previously elected by our shareholders at our 2018 annual meeting). All of the director-nominees, except for Gerrard Schmid, our President and CEO, are independent as defined by the corporate governance standards of the NYSE.

If for any reason any director-nominee is not available for election when the election occurs, the Proxy Committee, at its option, may vote for substitute nominees recommended by the Board. Alternatively, the Board may reduce the number of director-nominees. The Board has no reason to believe that any director-nominee will be unavailable for election when the election occurs.

**OUR DIRECTOR NOMINEES**



Patrick W. Allender

**PRINCIPAL OCCUPATION, PROFESSIONAL AND BOARD EXPERIENCE:**

Mr. Allender retired in February 2007 as Executive Vice President, Chief Financial Officer and Secretary for Danaher Corporation, Washington, D.C. (a diversified manufacturing company).

**AGE: 72**

He currently is a director of Brady Corporation, Milwaukee, Wisconsin (an identification solutions company), where he has served since 2007 and where he serves as Chair of the Finance Committee and as a member of the Audit and Corporate Governance Committees. Mr. Allender also is a director of Colfax Corporation, Annapolis Junction, Maryland (a diversified manufacturing company), where he has served since 2008 and where he serves as Chair of the Nominating and Corporate Governance Committee and as a member of the Audit Committee, and he is also a member of the Board of Governors of Washington College, Chestertown, Maryland.

**DIRECTOR SINCE:  
2011**

**COMMITTEES:**

Audit Committee (Chair)

Finance Committee

**DIRECTOR QUALIFICATIONS:**

Mr. Allender's 18 years as chief financial officer of a large publicly traded company with global operations provides our Board with valuable expertise in financial reporting and risk management. In addition, as a result of Mr. Allender's public accounting background, including as audit partner of a major accounting firm, he is exceptionally qualified to serve as Chair of our Audit Committee and a member of our Finance Committee.

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**PROPOSAL 1: ELECTION OF DIRECTORS**

**Arthur F. Anton**

**PRINCIPAL OCCUPATION, PROFESSIONAL AND BOARD EXPERIENCE:**

Mr. Anton has served as Chairman of the Board and Chief Executive Officer of the Swagelok Company, Solon, Ohio (a fluid systems technologies company), since 2017. Previously, Mr. Anton served as President and Chief Executive Officer from 2004-2017, President and Chief Operating Officer from 2001-2004, Executive Vice President from 2000-2001, and Chief Financial Officer from 1998-2000 of Swagelok, and is a former Partner of Ernst & Young LLP (a professional services organization).

**AGE:** 61

**DIRECTOR  
NOMINEE**

Mr. Anton is currently a director of The Sherwin-Williams Company, Cleveland, Ohio (a paint coatings manufacturer), where he has served since 2006 and where he serves as Chair of the Audit Committee. Mr. Anton also is lead director of Olympic Steel, Bedford Heights, Ohio (a steel processing and distribution company), where he has served since 2009, and a director of University Hospitals Health System, Cleveland, Ohio (a large academic medical center), where he has served since 2005 and became Chairman in 2019. He was also appointed as a director of the Rock & Roll Hall of Fame, Cleveland, Ohio, in 2018 and is a former director of Forest City Realty Trust, Cleveland, Ohio (a diversified Real Estate Investment Trust), where he served from 2010-2018.

**DIRECTOR QUALIFICATIONS:**

Mr. Anton brings significant domestic and international manufacturing and distribution experience and financial expertise to our Board. In addition, as a former partner of Ernst & Young LLP and the former Chief Financial Officer of Swagelok, Mr. Anton has financial expertise and extensive financial experience that provides him with a unique perspective on our business and operations. Mr. Anton was identified as a director nominee by, and nominated pursuant to an agreement with, GAMCO Asset Management Inc. and its affiliates.

**Bruce H. Besanko**

**PRINCIPAL OCCUPATION, PROFESSIONAL AND BOARD EXPERIENCE:**

**AGE:** 60

Mr. Besanko has served as Chief Financial Officer of Kohl's Corporation, Menomonee Falls, Wisconsin (a national retailer), since 2017. Previously, Mr. Besanko spent four years with SUPERVALU Inc., Eden Prairie, Minnesota (a national food retailer), in financial leadership roles, including Executive Vice President, Chief Operating Officer and Chief Financial Officer from 2016-2017, Executive Vice President and Chief Operating Officer from 2015-2016, and Executive Vice President and Chief Financial Officer from 2013-2015. From 2009-2013, he served as Executive Vice President, Chief Financial Officer and Chief Administrative Officer for OfficeMax Inc., Naperville, Illinois (a national office supplies retailer).

**DIRECTOR SINCE:**  
2018

**COMMITTEES:**

Audit Committee

In addition to his business experience, Mr. Besanko served 26 years in the U.S. Air Force where he rose to the rank of Lieutenant Colonel. Mr. Besanko is also currently a

Finance Committee

director of United Service Organizations of Illinois (a non-profit organization supporting military service members).

**DIRECTOR QUALIFICATIONS:**

Mr. Besanko's leadership experience as an executive in the retail sector strengthens our Board's proficiency in this area. In addition, with his background as chief financial officer of publicly held companies, he brings another SEC-level financial expert perspective to our Board as a member of our Audit and Finance Committees.

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**PROPOSAL 1: ELECTION OF DIRECTORS**

**Reynolds C. Bish**

**PRINCIPAL OCCUPATION, PROFESSIONAL AND BOARD EXPERIENCE:**

**AGE:** 66

Mr. Bish has served as Chief Executive Officer and director of Kofax Limited, Irvine, California (a process automation software provider), since 2017. Previously, Mr. Bish was Vice President of Lexmark International, Inc., Lexington, Kentucky (a provider of printing and imaging products) from 2015-2017 and Chief Executive Officer of Kofax Limited from 2007-2015. From 1989-2005, he served as Chief Executive Officer and was the co-founder of Captiva Software Corporation (a provider of input management software and services).

**DIRECTOR  
NOMINEE**

Mr. Bish is a former director of Guidance Software, Inc., Pasadena, California (a provider of digital forensic and endpoint security software), and was Chair of its Nominating and Governance Committee from 2016-2017. He also served as a director and Chair of the Audit Committee of Iomega Corporation (a provider of portable data storage products) from 2005-2008 and I-Many, Inc. (a provider of contract management software) from 2005-2009.

**DIRECTOR QUALIFICATIONS:**

Mr. Bish brings substantial experience in the technology sector to our Board, including as an executive in the enterprise software and services market, which strengthens the Board's proficiency in these crucial areas. Mr. Bish was identified as a director nominee by the Board Governance Committee.

**Ellen M. Costello**

**PRINCIPAL OCCUPATION, PROFESSIONAL AND BOARD EXPERIENCE:**

**AGE:** 64

Ms. Costello retired in July 2013 as Chief Executive Officer of BMO Financial Corporation and U.S. Country Head of BMO Financial Group (a global diversified financial services company headquartered in Toronto, Canada). Prior to taking on these roles in the firm's Chicago office in 2011, she was Group Head of Personal and Commercial Banking for the U.S. and the Chief Executive Officer of BMO Harris Bank N.A. and BMO Financial Corporation from 2006-2011. Prior to this, she held a number of capital markets leadership roles in Canada, Asia and the U.S.

**DIRECTOR SINCE:**  
2018

**COMMITTEES:**

Audit Committee

Finance Committee

Ms. Costello currently is a director of Citigroup, Inc., New York, New York (a global diversified financial services company), where she has served since 2016 and where she serves as a member of the Audit Committee and the Risk Management Committee. She also serves as a director of Citigroup's subsidiary, Citibank, N.A. In addition, Ms. Costello serves on the board of the Chicago Council on Global Affairs and is a member of its Audit and Finance committees. She is a former director of D+H Corporation (a global fintech company), where she served from 2014-2017 and was Chair of the Risk Committee and a member of the Audit Committee and the Human Resources and Compensation Committee. She also served as a director of BMO Financial Corporation's Board, BMO's independent U.S. Board of Directors, from 2006-2013.

**DIRECTOR QUALIFICATIONS:**

Ms. Costello's broad experience as chief executive officer and director in the financial services and financial technologies industries provides our Board with experience relevant to many key aspects of our business. In addition, her extensive financial background and prior committee experience bring valuable insight to our Audit and Finance Committees.

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**PROPOSAL 1: ELECTION OF DIRECTORS**

**Phillip R. Cox**

**PRINCIPAL OCCUPATION, PROFESSIONAL AND BOARD EXPERIENCE:**

**AGE:** 71  
Mr. Cox has served as President and Chief Executive Officer of Cox Financial Corporation, Cincinnati, Ohio (a financial planning and wealth management services firm), since 1972.

**DIRECTOR SINCE:**  
2005  
Mr. Cox currently is a director of Cincinnati Bell Inc., Cincinnati, Ohio (a telecommunications company), where he has served as a director since 1993 and as Chairman of the Board since 2003, and where he serves as a member of the Audit and Finance, Business Development, Compensation, and Governance and Nominating Committees and as the Chair of the Executive Committee. He also serves as a director of Touchstone Investments, Cincinnati, Ohio (a mutual fund company), where he has served since 1993 and where he has served as Chairman of the Board since 2008. Mr. Cox has been a director of TimkenSteel, Canton, Ohio (an engineered steel products company), since 2014 and serves as a member of the Audit and Compensation Committees. Prior to TimkenSteel becoming an independent company, Mr. Cox served as a director of The Timken Company, Canton, Ohio (an engineered steel products company), and was a member of the Audit Committee from 2004-2016, and Chair of the Finance Committee from 2004-2011.

**COMMITTEES:**

Compensation  
Committee (Chair)

Board Governance  
Committee

**DIRECTOR QUALIFICATIONS:**

Mr. Cox's 46 years of experience as a president and chief executive officer in the financial services industry, as well as his experience as a director on the boards of several government-regulated businesses, a global manufacturing company, and the Federal Reserve Bank of Cleveland, provides our Board with experience relevant to many key aspects of our business. Mr. Cox's experience as a chief executive officer also imparts appropriate insight into executive compensation and succession planning issues that are ideal for the Chairman of our Compensation Committee, and his extensive experience serving on public company boards of directors provides the understanding necessary to

serve on our Board Governance Committee.

## Dr. Alexander Dibelius

### **PRINCIPAL OCCUPATION, PROFESSIONAL AND BOARD EXPERIENCE:**

**AGE:** 59

Dr. Dibelius is Managing Partner of CVC Capital Partners (Deutschland) GmbH (a private equity advisor), in which capacity he has served since 2015. Previously, he served in a number of capacities at Goldman Sachs from 1993-2015, including Chairman of the Executive Board of Goldman Sachs AG (a financial services company) from 2002-2015, and Global Chairman of the Investment Banking Division of Goldman Sachs, Inc. from 2013-2015. Prior to this, he worked as a consultant for McKinsey & Co. (a global management consulting firm) where he was appointed partner in 1992. Before his career in business, Dr. Dibelius was a surgeon at the University Clinic of Freiburg.

**DIRECTOR SINCE:**  
2016

### **COMMITTEES:**

Compensation  
Committee

Finance Committee

Dr. Dibelius also is Chairman and a member of the supervisory board of Diebold Nixdorf AG, a member of the supervisory board of KION Group AG, Wiesbaden (a fork lift manufacturing company), chairman of the board of Breitling SA, Switzerland (a luxury watch manufacturer), a member of the supervisory board of Douglas AG (a perfumery retail company) (as well as a member of the supervisory boards of Douglas GmbH, Düsseldorf, and Douglas Holding, Düsseldorf), a member of the supervisory board of Kirk Beauty Investments SA, Luxembourg, a member of the board of CVC Capital Partners Luxembourg SARL, Luxembourg, and a member of the shareholders' committee of Tipico Group Ltd., Malta.

### **DIRECTOR QUALIFICATIONS:**

Dr. Dibelius' over twenty years of experience in the investment and merchant banking sectors and his management consulting experience bring important expertise and insight to our Board. His historical knowledge from, and continued service leading, the Diebold Nixdorf AG supervisory board provides an invaluable perspective to our Board.

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**PROPOSAL 1: ELECTION OF DIRECTORS**

**Dr. Dieter W. Düsedau**

**PRINCIPAL OCCUPATION, PROFESSIONAL AND BOARD EXPERIENCE:**

**AGE:** 60

Dr. Düsedau is a physicist and formerly a Director (Senior Partner) of McKinsey & Co. (a global management consulting firm) from 1988-2014, based in Munich. He was the leader of the German Strategy Practice and was the long-standing leader of McKinsey's Telecoms, IT, and Media Sector in Germany. Prior to joining McKinsey, he worked at the Max Planck Institute, CERN (the European Organization for Nuclear Research), The University of Michigan, Ann Arbor, and M.I.T. on quantum field theories.

**DIRECTOR SINCE:**  
2016

**COMMITTEES:**

Dr. Düsedau also is a member of the supervisory board of Diebold Nixdorf AG and a member of Kuratorium Deutsches Museum. In addition, in 2001, Dr. Düsedau founded startsocial e.V. (a business planning competition for social enterprises) and is currently Chairman of its supervisory board. He was also formerly a member of the supervisory board of Kontron AG (an embedded computing technology company) until it was merged into S&T Deutschland in 2017.

Audit Committee  
  
Board Governance  
Committee

**DIRECTOR QUALIFICATIONS:**

Dr. Düsedau's experience as a senior partner of a top management consulting firm, and his years of experience leading its strategy practice and telecommunications, IT, and media industry sectors, provide helpful insight and strengthen our Board's proficiencies in these areas. He also brings significant transactional experience to our Board, and his historical knowledge from and continued service on the Diebold Nixdorf AG supervisory board provides an invaluable perspective to our Board.



**Matthew Goldfarb**

**PRINCIPAL OCCUPATION, PROFESSIONAL AND BOARD EXPERIENCE:**

**AGE:** 47

**DIRECTOR  
NOMINEE**

Mr. Goldfarb is a founding partner and managing member of Southport Midstream Partners LLC, Westport, Connecticut (a private-equity backed investment vehicle focused on energy infrastructure projects in North America). Previously, Mr. Goldfarb served as Chief Restructuring Officer and Acting Chief Executive Officer of Cline Mining Corporation, Toronto, Canada (a Canadian mining company), from 2013-2018, and was Chief Executive Officer of Xinergey Ltd. (a Central Appalachian coal producer) having previously served as its Vice Chairman and lead independent director from 2009-2013. Mr. Goldfarb was previously an investment professional with The Blackstone Group/GSO Capital Partners, Icahn Associates Corp. and Pirate Capital, LLC. Prior thereto, Mr. Goldfarb worked as an M&A lawyer at Schulte, Roth & Zabel.

In December 2013 and in contemplation of a financial restructuring, Mr. Goldfarb was retained by the Cline Mining Corporation Board of Directors, at the instruction of its senior lenders, to lead the financial restructuring and optimization of the mining assets of the TSX-listed issuer. CCAA insolvency proceedings and related Chapter 15 recognition proceedings relating to the work-out of Cline Mining Corporation were initiated in December 2014, and the company emerged therefrom in July 2015.

Mr. Goldfarb resigned as the Chief Executive Officer of Xinergey, Ltd. in November 2013. Xinergey, Ltd. filed for bankruptcy protection under Chapter 11 in July 2015 due to challenging market conditions given its exposure to metallurgical coal pricing.

Mr. Goldfarb is a former chairman of Sevcon, Inc. (a leader in electrification technologies for zero emission electric vehicles) where he served from 2016-2017, Midway Gold Corporation, Helena, Montana (an emerging gold producer), where he served from 2016-2017, The Pep Boys Manny, Moe & Jack, Philadelphia, Pennsylvania (a full-service and tire automotive aftermarket chain), where he served from 2015-2016, Huntingdon Capital Corp. (an owner and operator of affordable business premises in markets across Canada) where he served from 2013-2014, Fisher Communications, Inc., Seattle, Washington (a media company), where he served from 2011-2013, CKE Restaurants, Inc., Carpinteria, California (the parent company of several restaurant chains), where he served from 2006-2010, and James River Coal Company, Richmond, Virginia (a coal producer), where he served in 2006.

**DIRECTOR QUALIFICATIONS:**

Mr. Goldfarb brings vast investing experience and experience with commercial and corporate law, as well as an extensive record of service on the boards of several public companies to our Board. Mr. Goldfarb was identified as a director nominee by, and nominated pursuant to an agreement with, GAMCO Asset Management Inc. and its affiliates.

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**PROPOSAL 1: ELECTION OF DIRECTORS**

**Gary G. Greenfield**

**PRINCIPAL OCCUPATION, PROFESSIONAL AND BOARD EXPERIENCE:**

**AGE:** 64  
Mr. Greenfield is the non-executive Chairman of the Board of Diebold Nixdorf, Incorporated, in which capacity he has served since January 1, 2018. Mr. Greenfield serves as a Partner for Court Square Capital Partners, New York, New York (a private equity company), and has served in that role since 2013.

**DIRECTOR SINCE:**  
2014

Mr. Greenfield is currently a director of Donnelley Financial Solutions, Inc., Chicago, Illinois (a financial communications and data services company), where he has served since October 2016 and is the Chairperson of the Compensation Committee and a member of the Audit Committee. In addition, he is also a director of Ancile Solutions, Elkridge, Maryland (a learning and performance software company) and Research Now SSI, Plano, Texas (an online sampling and data collection company). He formerly was a director of Vocus, Inc., Beltsville, Maryland (a marketing and public relations software company), where he served as Chair of the Nominating and Governance Committee from 2008-2014.

**COMMITTEES:**

Chairman of the Board  
Technology Strategy and  
Innovation Committee

**DIRECTOR QUALIFICATIONS:**

Mr. Greenfield's proven senior executive experience in high technology industries, coupled with his exceptional ability to grow markets, both domestic and international, and develop products provides our Board with experience relevant to many key aspects of our business. Mr. Greenfield's strong skills at developing company vision and strategies in the evolving software development field strengthen the proficiency of our Board in this area.

Gerrard B. Schmid

**PRINCIPAL OCCUPATION, PROFESSIONAL AND BOARD EXPERIENCE:**

Mr. Schmid is the President and Chief Executive Officer of Diebold Nixdorf, Incorporated and has served in this capacity since February 2018. He was previously Chief Executive Officer of D+H Corporation (a global fintech company) from 2012-2017 and was Chief Operating Officer from 2009-2012. Prior to that, he was President and CEO of D+H's Filogix business unit (a mortgage and real estate technology service provider) from 2007-2009. Prior to that, he held senior executive roles in banking in the UK and Canada. Prior to this, he spent several years at McKinsey and Company focused on financial services and technology.

**AGE:** 50

**DIRECTOR SINCE:**  
2018

President and Chief  
Executive Officer

Mr. Schmid is currently a member of the Advisory Board of Difenda, Toronto, Canada (a cyber security company).

**DIRECTOR QUALIFICATIONS:**

As President and Chief Executive Officer of our Company, Mr. Schmid's day-to-day leadership provides him with intimate knowledge of our operations, which are a vital component of our Board discussions.

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**PROPOSAL 1: ELECTION OF DIRECTORS**

**Kent M. Stahl**

**PRINCIPAL OCCUPATION, PROFESSIONAL AND BOARD EXPERIENCE:**

**AGE: 56**

**DIRECTOR  
NOMINEE**

Mr. Stahl, CFA, is a retired Partner from Wellington Management Company, LLP, Boston, Massachusetts (an investment management firm), where he was Chief Investment Strategist and Director of Investment Strategy and Risk Management from 1998-2018. In this capacity, Mr. Stahl was a portfolio manager and fiduciary on over \$25 billion in assets for a variety of institutional clients and insurance companies. He also spearheaded the firm's investment oversight processes and was a member of the firm's Operating Committee. Previously, Mr. Stahl worked at NCR Corporation, Atlanta, Georgia (an information technology company), where he led the corporate finance and pension investment groups from 1990-1998.

Mr. Stahl is a member of the advisory board of Longfellow Investment Advisors and the investment advisory board for The Ohio State University Endowment.

**DIRECTOR QUALIFICATIONS:**

Mr. Stahl brings over twenty years of experience in evaluating investments and risk, growing and managing businesses, and advising institutional clients on strategy and trends to our Board. Mr. Stahl was identified as a director nominee by Korn Ferry, the advisor engaged by the Board Governance Committee to assist with identifying board nominees.

Alan J. Weber

**PRINCIPAL OCCUPATION, PROFESSIONAL AND BOARD EXPERIENCE:**

**AGE:** 70

Mr. Weber is the Chief Executive Officer of Weber Group LLC, Greenwich, Connecticut (an investment advisory firm). He was Chairman and Chief Executive Officer of US Trust, Inc. (a banking and trust company) from 2002-2005 and an Operating Partner of Arsenal Capital Partners, LLC, New York, New York (a private equity firm), from 2009-2013.

**DIRECTOR SINCE:**  
2005

**COMMITTEES:**

Finance Committee  
(Chair)

Compensation  
Committee

Mr. Weber currently is a director of Broadridge Financial Solutions, Inc., Lake Success, New York (an investor communications, securities processing, and outsourcing company), where he has served since 2007 and where he serves as a member of the Audit Committee and as Chairman of the Compensation Committee. He is also a director and Treasurer of DCTV (a charitable organization), and a director of Street Diligence LLC (a Fintech company). He also is a former director of Sandridge Energy, Inc., Oklahoma City, Oklahoma (an energy exploration and production company), where he served from 2013-2016 and was Chairman of the Nominating and Governance Committee.

**DIRECTOR QUALIFICATIONS:**

Mr. Weber's experience as a chief executive officer and chief financial officer in the financial industry, as well as his 27 years of experience at Citibank, including 10 years as an Executive Vice President, provides a tremendous depth of knowledge of our customers and our industry. Further, Mr. Weber's experience as Chief Financial Officer of Aetna, Inc. (an insurance services company) brings extensive financial expertise to our Finance Committee.

**Table of Contents****BENEFICIAL OWNERSHIP****BENEFICIAL OWNERSHIP OF SHARES**

To our knowledge, no person beneficially owned more than five percent of our outstanding common shares as of December 31, 2018, except for the shareholders listed below. The information provided below was derived from reports filed with the SEC by the beneficial owners on the dates indicated in the footnotes below.

TITLE OF CLASS	NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	PERCENT OF CLASS
Common Shares	BlackRock, Inc. 55 East 52nd Street New York, New York 10055	11,339,245 <sup>1</sup>	14.81%
Common Shares	GAMCO Investors, Inc., et al. One Corporate Center Rye, New York 10580	7,767,337 <sup>2</sup>	10.14%
Common Shares	The Vanguard Group	6,571,490 <sup>3</sup>	8.58%

100 Vanguard Blvd.

Malvern, Pennsylvania 19355

Common Shares	Prescott Group Capital Management, L.L.C., et al.		
	1924 South Utica, Suite 1120		
	Tulsa, Oklahoma 74104-6529	5,827,679 <sup>4</sup>	7.61%

Common Shares	Sapience Investments, LLC		
	520 Newport Center Drive, Suite 650		
	Newport Beach, California 92660	5,685,835 <sup>5</sup>	7.43%

<sup>1</sup> Information regarding share ownership was obtained from the Schedule 13G/A filed on January 28, 2019 by BlackRock, Inc. BlackRock, Inc. has sole voting power over 11,134,066 of our common shares and sole dispositive power over 11,339,245 of our common shares. BlackRock, Inc. is the parent company of the following subsidiaries that beneficially own our common shares: BlackRock Life Limited, BlackRock Advisors, LLC, BlackRock Investment Management (UK) Limited, BlackRock Asset Management Canada Limited, BlackRock Investment Management (Australia) Limited, BlackRock (Netherlands) B.V., BlackRock Fund Advisors, BlackRock Asset Management Ireland Limited, BlackRock Institutional Trust Company, National Association, BlackRock Financial Management, Inc., BlackRock Asset Management Schweiz AG, and BlackRock Investment Management, LLC. BlackRock Fund Advisors is the only BlackRock, Inc. subsidiary whose interest in our common shares is more than 5% of our common shares outstanding.

<sup>2</sup> Information regarding share ownership was obtained from the Schedule 13D/A filed jointly by GAMCO Investors, Inc., et al., on February 25, 2019. The entities of GAMCO Investors, Inc., et al., that hold our common shares reported their beneficial ownership as follows: (i) Gabelli Funds, LLC has sole voting and dispositive power over 1,175,500 of our common shares; (ii) GAMCO Asset Management Inc. has sole voting power over 5,470,936 of our common shares and sole dispositive power over 6,092,636 of our common shares; (iii) MJG Associates, Inc. has sole voting and dispositive power over 32,500 of our common shares; (iv) Gabelli Foundation, Inc. has sole voting and dispositive power over 34,000 of our common shares; (v) GGCP, Inc. has sole voting and dispositive power over 5,000 of our common shares; (vi) Mario J. Gabelli has sole voting and dispositive power over 7,000 of our common shares; (vii) Gabelli & Company Investment Advisors, Inc. has sole voting and dispositive power over 2,500 of our common shares; (viii) Teton Advisors, Inc. has sole voting and dispositive power over 417,701 of our common shares; and (ix) Associated Capital Group, Inc. has sole voting and dispositive power over 500 of our common shares.



- <sup>3</sup> Information regarding share ownership was obtained from the Schedule 13G/A filed on February 11, 2019 by The Vanguard Group. The Vanguard Group has sole voting power over 72,973 of our common shares, shared voting power over 20,802 of our common shares, sole dispositive power over 6,483,986 of our common shares, and shared dispositive power over 87,504 of our common shares. Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of The Vanguard Group, is the beneficial owner of 66,702 of our common shares or .09% 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 The Vanguard Group, is the beneficial owner of 27,073 of our common shares or .04% of our common shares outstanding, as a result of its serving as investment manager of Australian investment offerings.
- <sup>4</sup> Information regarding share ownership was obtained from the Schedule 13G filed jointly by Prescott Group Capital Management, L.L.C., et al., on February 11, 2019. The entities of Prescott Group Capital Management, L.L.C., et al., that hold our common shares reported their beneficial ownership as follows: (i) Prescott Group Capital Management, L.L.C. has sole voting and dispositive power over 5,707,679 of our common shares; (ii) Prescott Group Aggressive Small Cap, L.P. has shared voting and dispositive power over 5,677,679 of our common shares; (iii) Prescott Group Aggressive Small Cap II, L.P. has shared voting and dispositive power over 5,677,679 of our common shares; and (iv) Phil Frohlich has sole voting and dispositive power over 5,827,679 of our common shares.

Table of Contents**BENEFICIAL OWNERSHIP**

<sup>5</sup> Information regarding share ownership was obtained from the Schedule 13G/A filed on February 13, 2019 by Sapience Investments, LLC. Sapience Investments, LLC has sole voting power over 5,113,585 of our common shares and sole dispositive power over 5,685,835 of our common shares. The common shares beneficially owned by Sapience Investments, LLC are owned by various investment advisory clients thereof, none of which individually hold more than 5% of our common shares outstanding.

**SECURITY OWNERSHIP OF DIRECTORS AND MANAGEMENT**

The following table shows the beneficial ownership of the Company's common shares, including those shares that individuals have a right to acquire (for example, through exercise of options) within the meaning of Rule 13d-3(d)(1) under the Exchange Act, by (1) each director and nominee, (2) each of our named executive officers, and (3) all directors and executive officers as a group as of February 25, 2019. Ownership is also reported as of that date for shares in the 401(k) Savings Plan over which the individual has voting power, together with shares held in our Employee Stock Purchase Plan.

DIRECTORS AND NOMINEES:	COMMON SHARES	STOCK OPTIONS	PERCENT OF CLASS
	BENEFICIALLY OWNED <sup>1</sup>	EXERCISABLE WITHIN 60 DAYS	
Patrick W. Allender	38,090		*
Arthur F. Anton			*
Bruce H. Besanko	3		*

Reynolds C. Bish \*

Ellen M. Costello 3 \*

Phillip R. Cox 15,092 \*

Richard L. Crandall 53,281<sup>2</sup> \*

Dr. Alexander Dibelius 3,614 \*

Dr. Dieter W. Düsedau 3,614 \*

Gale S. Fitzgerald 64,531<sup>2</sup> \*

Matthew Goldfarb \*

Gary G. Greenfield 26,292 \*

Kent M. Stahl \*

Alan J. Weber	27,792		*
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**Named Executive Officers:**

Gerrard B. Schmid			
President and Chief Executive Officer	43,475 <sup>3</sup>	64,016	*

Jeffrey Rutherford			
Senior Vice President and Chief Financial Officer	3		*

Dr. Juergen Wunram			
Former Senior Vice President and Chief Operating Officer	16,731 <sup>3,5</sup>	65,554	*

Christopher A. Chapman			
Former Senior Vice President and Chief Financial Officer	34,721 <sup>3,4,5</sup>	194,895	*

Dr. Ulrich Näher			
Senior Vice President, Products	37,537 <sup>3</sup>	43,192	*

Olaf Heyden	11,537 <sup>3</sup>	43,192	*
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Senior Vice President, Services

Jonathan B. Leiken

Senior Vice President, Chief Legal Officer and  
Corporate Secretary

26,585<sup>3</sup>

85,400

\*

**All Current Directors and Current Executive  
Officers as a Group (16)**

**377,980**

**327,378**

\*

\* Less than 1%.

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**BENEFICIAL OWNERSHIP**

- <sup>1</sup> Director amounts do not include shares deferred by our non-employee directors under the Deferred Compensation Plan No. 2 for Directors. The amounts of such deferred shares are: Mr. Allender, 23,352; Mr. Cox, 20,550; Dr. Dibelius, 9,928; Dr. Düsedau, 9,928; and Mr. Weber, 20,150.
- <sup>2</sup> Includes all shares deferred under the Deferred Compensation Plan No. 2 for Directors which are scheduled to be released upon the end of their service as a director of the board.
- <sup>3</sup> Beneficial ownership excludes unvested RSUs that will not vest within 60 days of February 25, 2019. The number of unvested RSUs held is: Mr. Besanko, 5,792; Ms. Costello, 12,156; Mr. Schmid, 434,373; Mr. Rutherford, 135,978; Dr. Wunram, 20,726; Mr. Chapman, 37,423; Mr. Leiken, 101,336; Dr. Näher, 107,665; and Mr. Heyden, 107,665.
- <sup>4</sup> Includes shares held in his/her name under the 401(k) Savings Plan over which he/she has voting power.
- <sup>5</sup> The amounts included in this beneficial ownership table are based on amounts held by Dr. Wunram and Mr. Chapman on their respective separation dates from the Company.

**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than 10% of our common shares, to file with the SEC reports of ownership of our securities on Form 3 and changes in reported ownership on Form 4 or Form 5, as applicable. Such directors, executive officers and greater than 10% shareholders are also required by SEC rules to furnish us with copies of all Section 16(a) forms they file.

Based solely upon a review of the reports furnished to us, or written representations from reporting persons that all other reportable transactions were reported, we believe that during

the year ended December 31, 2018, our directors, executive officers and greater than 10% shareholders timely filed all reports they were required to file under Section 16(a), with the exception of four Form 4s that were unintentionally filed late on behalf of: (1) our former CEO and President Mr. Andreas W. Mattes in February 2018 for the disposition of 2,512 of our common shares; (2) our director Mr. Besanko in October 2018 for the acquisition of 5,792 RSUs; (3) our director Dr. Dibelius in February 2019 for the withholding of 1,550 RSUs for tax purposes; and (4) our director

Dr. Düsedau in February 2019 for the withholding of 1,550 RSUs for tax purposes.

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**PROPOSAL 2: RATIFICATION OF  
APPOINTMENT OF OUR INDEPENDENT  
REGISTERED PUBLIC ACCOUNTING FIRM**

**BOARD RECOMMENDATION**



**FOR Proposal 2**

The Audit Committee has again appointed KPMG LLP, our independent registered public accounting firm since 1965, to examine our accounts and other records for the year ending December 31, 2019. This appointment is being presented to you for ratification at the Annual Meeting. If the shareholders fail to ratify the appointment, the Audit Committee will

reconsider its selection. KPMG LLP has no financial interest, direct or indirect, in us or any of our subsidiaries.

A representative of KPMG LLP is expected to be present at the 2019 Annual Meeting to make a statement if he or she desires and to respond to appropriate questions.

**AUDIT AND NON-AUDIT FEES**

The following table shows the aggregate fees billed to us for the annual audit and the review of the interim financial statements and other services provided by KPMG LLP for fiscal 2018 and 2017.



	2018	2017
Audit Fees <sup>1</sup>	\$ 9,581,000	\$ 7,792,000
Tax Fees <sup>2</sup>	\$ 451,000	\$ 1,045,000
All Other Fees <sup>3</sup>		\$ 1,024,000
Total	\$ 10,032,000	\$ 9,861,000

<sup>1</sup> Audit Fees consist of fees billed for professional services rendered for the audit of our annual financial statements and the review of the interim financial statements included in quarterly reports and services that are normally provided by KPMG LLP in connection with statutory and regulatory filings.

<sup>2</sup> Tax Fees consist of fees billed for professional services rendered for tax compliance, tax advice and tax planning, both domestic and international. These services include assistance regarding federal, state and international tax compliance, acquisitions and international tax planning.

<sup>3</sup> All Other Fees consist of fees billed for those services not captured in the audit, audit-related and tax categories. In 2017, these fees include services provided by KPMG LLP in connection with the Company's revenue recognition standard readiness efforts.

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**PROPOSAL 2: RATIFICATION OF APPOINTMENT OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**POLICY ON AUDIT COMMITTEE PRE-APPROVAL OF AUDIT AND PERMISSIBLE NON-AUDIT SERVICES OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Consistent with SEC policies regarding auditor independence, the Audit Committee has responsibility for appointing, setting compensation and overseeing the work of our independent registered public accounting firm. In recognition of this responsibility, the Audit Committee has established a policy to pre-approve all audit and non-audit services provided by the independent registered public accounting firm.

These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for and any pre-approval is detailed as to the particular service or category of services and is generally

subject to a specific budget. The Audit Committee has delegated pre-approval authority to Patrick W. Allender, Chair of the Audit Committee, when expedition of services is necessary, provided that Mr. Allender must report any decisions to pre-approve to the full Audit Committee at its next scheduled meeting. All of the fees included under the categories Audit-Related Fees, Tax Fees and All Other Fees above were pre-approved by the Audit Committee. None of these fees were approved by the Audit Committee after services were rendered pursuant to the de minimis exception established by the SEC.

**RECOMMENDATION OF THE BOARD**

The Board recommends a vote **FOR** the approval of this Proposal 2.

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**PROPOSAL 3: APPROVAL, ON AN ADVISORY  
BASIS, OF OUR NAMED EXECUTIVE OFFICER  
COMPENSATION**

**BOARD RECOMMENDATION**



**FOR Proposal 3**

In this Proposal 3, as required by Section 14A of the Exchange Act and pursuant to Rule 14a-21(a) promulgated thereunder, we are providing our shareholders the opportunity to cast an advisory (non-binding) vote to approve the compensation paid to our named executive officers, as disclosed in *Compensation Discussion and Analysis* and *Executive Compensation Matters* that follow the proposals, pursuant to the compensation rules of the SEC. While this vote is advisory, and thus not binding on us, the Board values the opinions of our shareholders and the Compensation Committee will review the results of the vote and expects to take them into consideration when making future decisions regarding named executive officer compensation. Under current Board policy, the shareholder vote for advisory approval of named executive officer compensation will occur annually. After the 2019 Annual Meeting, the next such vote will occur at our 2020 Annual Meeting of Shareholders.

The *Compensation Discussion and Analysis* and *Executive Compensation Matters* sections of this Proxy Statement describe our executive compensation program and the decisions and rationale of our Compensation Committee. Our executive pay program is designed to enable us to attract, retain and motivate high quality executives who will provide us with dynamic leadership and are instrumental to our success. We emphasize performance-based variable pay through a mix of base salary, annual cash bonuses and long-term incentives and seek to provide total pay that is commensurate with our performance and competitive with our peer group. Accordingly, we are asking our shareholders to vote **FOR** the following resolution:

RESOLVED, that the compensation of our named executive officers as disclosed pursuant to the compensation rules of the SEC, including the Compensation Discussion and Analysis, the compensation tables and any related material disclosed in this Proxy Statement, is hereby APPROVED.

## **RECOMMENDATION OF THE BOARD**

The Board recommends a vote **FOR** the approval of this Proposal 3.

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**PROPOSAL 4: APPROVAL OF AN  
AMENDMENT TO THE DIEBOLD NIXDORF,  
INCORPORATED 2017 EQUITY AND  
PERFORMANCE INCENTIVE PLAN**

**BOARD RECOMMENDATION**



**FOR Proposal 4**

We are asking our shareholders to approve an amendment to our 2017 Equity and Performance Incentive Plan, as amended (which we refer to as the 2017 Plan). The amendment was adopted by our Board on March 13, 2019 based on the recommendation of our Compensation Committee and subject to the approval of our shareholders at the Annual Meeting. If approved by our shareholders, the amendment would authorize an additional 3,000,000 shares of common stock, \$1.25 par value per share, of the Company (which we refer to in this Proposal 4 as common shares) for issuance under the 2017 Plan effective April 25, 2019. The amendment would not make any other changes to the 2017 Plan.

The 2017 Plan serves as a critical component of the overall compensation package that we offer our employees and non-employee Board members. Increasing the number of shares issuable under the 2017 Plan is necessary in order to allow us to continue to utilize equity awards to retain and attract the services of key individuals essential to our long-term growth and financial success and to further align their

interests with those of our shareholders. We rely on equity awards to incentivize current and potential employees and non-employee Board members and believe that such awards are necessary for us to remain competitive in retaining and attracting highly qualified individuals upon whom, in large measure, our future growth and success depend.

Declines in our stock price in 2018, which led to a more rapid depletion of shares available under the 2017 Plan than anticipated, have caused us to implement certain cash-based incentive compensation structures this past year in order to appropriately compensate key employees. If this Proposal 4 is not approved, we anticipate that we will not be able to provide equity-based compensation to our employees and non-employee Directors in accordance with our current compensation structure and as is customary for public companies. Furthermore, we do not believe that cash-based

incentives have the same long-term retention value or serve to align employees' interests with those of our shareholders as well as a program that includes an appropriate mix of equity incentives.

## SHARE REQUEST BACKGROUND

Our shareholders originally approved the 2017 Plan at the 2017 Annual Meeting of Shareholders; at that time, the 2017 Plan initially authorized the issuance of an aggregate of 4,941,117 common shares under the plan. At the 2018 Annual Meeting of Shareholders, our shareholders approved certain amendments to the 2017 Plan, including the authorization of an additional 1,150,000 common shares for issuance under the 2017 Plan and certain adjustments to reflect tax law changes. As of February 25, 2019, 1,264,104 common shares remain available for grants under the 2017 Plan. With the proposed 3,000,000 share increase, 4,264,104 will be available for issuance under the 2017 Plan, which represents approximately 5.6% of our 76,563,308 shares outstanding as of February 25, 2019. Absent an increase in the number of authorized shares under the 2017 Plan, we do not expect to have sufficient shares to meet our anticipated equity compensation needs for the next year. Therefore, if Proposal 4 is not approved by our

shareholders, we believe our ability to attract, motivate and retain the talent we need to compete in our industry would be seriously and negatively impacted and this could affect our long-term success.

The affirmative vote of a majority of our common shares represented and voting at the Annual Meeting is required to approve the amendment to the 2017 Plan. Our executive officers and non-employee directors have an interest in this proposal by virtue of their being eligible to receive equity awards under the 2017 Plan.

The material features and provisions of the 2017 Plan are summarized below. The full text of the 2017 Plan, as proposed to be amended to reflect the change described above, is attached as [Appendix A](#) to this Proxy Statement. The following description is not complete and is qualified in its entirety by reference to that exhibit.

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**PROPOSAL 4: APPROVAL OF AN AMENDMENT TO THE DIEBOLD NIXDORF,  
INCORPORATED 2017 EQUITY AND PERFORMANCE INCENTIVE PLAN**

**2017 PLAN HIGHLIGHTS**

The 2017 Plan authorizes the Compensation Committee to provide equity-based compensation in the form of stock options, stock appreciation rights (tandem and free-standing), restricted shares, restricted stock units, performance-based shares, performance units, dividend equivalents and other share-based awards for the purpose of providing our non-employee directors, officers and other employees (and those of our subsidiaries) with incentives and rewards for performance.

We believe our future success depends in part on our ability to attract, motivate and retain high quality employees and non-employee directors and that the ability to provide equity-based and incentive-based awards under the 2017 Plan is critical to achieving this success. We would be at a severe competitive disadvantage if we could no longer use share-based awards to recruit and compensate our non-employee directors, officers and other employees.

As discussed in the *Compensation Discussion and Analysis* section, the use of our common shares as part of our compensation program fosters a pay-for-performance culture that is an important element of our overall compensation philosophy. We believe that equity compensation motivates non-employee directors and employees to create shareholder value because the value they realize from their equity compensation is based on our stock price performance. Equity compensation also aligns the compensation interests of our non-employee directors and employees with the investment interests of our shareholders and promotes a focus on long-term value creation because our equity compensation awards can be subject to vesting and/or performance criteria. As of February 25, 2019, approximately 1,000 of our regular, full-time employees held outstanding equity awards.

Some of the key features of the 2017 Plan that reflect our commitment to effective management of equity and incentive compensation and our maintenance of sound governance practices in granting awards include:

**Performance-Based Awards:** The 2017 Plan provides that the payment of dividend equivalents with respect to performance-

based awards will be deferred until and paid contingent upon the level of achievement of the applicable management performance goals.

**Detrimental Activity and Clawback:** The 2017 Plan contains provisions that subject all awards under it to the terms of any recoupment or clawback policy required by law or applicable stock exchange requirement or adopted and in effect at the Company. The 2017 Plan also provides that in the event a participant participates in detrimental activity, as defined in the 2017 Plan, we have the right to have awarded shares returned.

**Minimum Vesting Period:** The 2017 Plan requires that nearly all awards granted under it be subject to a one-year minimum vesting period.

**No Discounted Options or Stock Appreciation Rights:** The 2017 Plan prohibits the grant of options or stock appreciation rights with an exercise price less than the fair market value of our common shares on the grant date.

**No Repricing of Options or Stock Appreciation Rights:** The 2017 Plan generally prohibits the repricing of options or stock appreciation rights (outside of certain corporate transactions or adjustment events described in the 2017 Plan) without shareholder approval.

**Change in Control Definition:** In 2015, we revised and conformed the definition that we use for change in control across our executive change in control agreements. The 2017 Plan includes this definition of change in control so that our agreements and this 2017 Plan provide for consistency and uniformity in the event of a change in control.

**Independent Committee Administration:** Awards to our named executive officers under the 2017 Plan will be granted by a committee composed entirely of independent directors.

**Term of the 2017 Plan:** No awards may be granted under the 2017 Plan more than ten years from the date of initial shareholder approval of the plan.

## SHARE USAGE

We are committed to sound equity compensation practices because we recognize that equity compensation awards dilute shareholder equity. Our equity compensation practices are intended to be competitive and consistent with market practices, and we believe our historical share usage has been responsible and mindful of shareholder interests. For purposes of evaluating our equity compensation program,

shareholders may wish to consider two metrics: historical burn rate and overhang.

**Historical burn rate:** Our historical burn rate is equal to the number of shares subject to equity awards granted during a period, in proportion to our outstanding shares. Our burn rate was 4.49% for 2018, 4.27% for 2017 and 2.28% for 2016, and our three-year average burn rate for 2016 through 2018 was 3.69%.



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Overhang: Our overhang is the number of shares subject to unvested equity awards outstanding at year-end plus the number of shares available for future grants of equity awards in proportion to our shares outstanding at year-end.

As of the end of 2018, our overhang was 16.4%.

More detail regarding the overhang and dilution associated with the current 2017 Plan, the 2017 Plan as proposed to be amended and our 1991 Equity and Performance Incentive Plan,

as amended (which we refer to as the 1991 Plan) is below. The information is as of February 25, 2019. As of that date, there were 76,563,308 of our common shares outstanding. We replaced the 1991 Plan with the 2017 Plan at the 2017 annual meeting. No additional awards will be made under the 1991 Plan, and therefore the table below reflects that no shares are available for future issuance under the 1991 Plan. The 2017 Plan is the sole compensation plan under which future awards can be made.

Outstanding full-value awards assuming that the outstanding awards achieve maximum performance under the 1991 Plan and 2017 Plan	5,444,333 shares or 7.1% of our outstanding shares
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Outstanding stock options under the 1991 Plan and 2017 Plan	3,423,864 shares or 4.5% of our outstanding shares
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Weighted average exercise price of outstanding options under the 1991 Plan and 2017 Plan	\$27.05
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Weighted average remaining term of outstanding options under the 1991 Plan and 2017 Plan	7 years
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Total shares subject to outstanding awards under the 1991 Plan and 2017 Plan	8,868,197 shares or 11.58%
	of our outstanding shares

Total shares available for future awards under the 2017 Plan	1,264,104
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Current overhang percentage based on total number of shares subject to outstanding awards under the 1991 Plan and 2017 Plan	13.23%
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Additional shares requested under amendment to the 2017 Plan	3,000,000
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Potential dilution of 3,000,000 additional shares as a percentage of outstanding shares	3.92%
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Total potential fully-diluted overhang under the 1991 Plan and the 2017 Plan, as amended pursuant to this proposal

13,132,301 shares or 17.16%

Based on the closing price on the NYSE for our common shares on February 25, 2019, of \$8.41 per share, the aggregate market value as of that date of the 3,000,000 additional common shares requested for issuance under the amended 2017 Plan was \$25,230,000.

In 2015, 2016 and 2017, we granted awards (including performance-based awards) under the 1991 Plan covering 1,563,000 shares, 1,717,000 shares, and 3,091,225 shares, respectively. In 2017, 2018 and 2019, we also granted awards (including performance-based awards) covering 134,869 shares, 2,806,998 shares and 2,336,101 shares, respectively, under the 2017 Plan. For information with respect to awards granted under the 2017 Plan, see *Existing Plan Benefits to Named Executive Officers and Others* below.

In determining the number of shares to request for approval by our shareholders pursuant to the amendment, our management team worked with advisors and the Compensation Committee to evaluate a number of factors including our recent share usage and criteria expected to be utilized by institutional proxy advisory firms in evaluating this

proposal. We are also mindful of the ratio of our stock-based compensation to our performance over time.

If the amendment to the 2017 Plan is approved, we intend to utilize the increased amount of shares authorized under the 2017 Plan to continue our practice of incentivizing key individuals through annual equity grants. As noted in *2017 Plan Highlights* and elsewhere below, our Compensation Committee retains full discretion under the 2017 Plan to determine the number and amount of awards to be granted under the 2017 Plan, subject to the terms of the 2017 Plan, and future benefits that may be received by participants under the 2017 Plan are not determinable at this time.

## SUMMARY OF MATERIAL TERMS OF THE 2017 PLAN

***Shares Available Under the 2017 Plan:*** Subject to adjustment as provided in the 2017 Plan and the approval of Proposal 4 by shareholders at the Annual Meeting, the number of common shares that may be issued or transferred:

upon the exercise of options or stock appreciation rights;

as restricted shares released from substantial risks of forfeiture;  
in payment of performance shares or performance units that have been earned;

in payment for restricted stock units;

in payment for other share-based awards; or

in payment of dividend equivalents paid with respect to awards made under the 2017 Plan

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**PROPOSAL 4: APPROVAL OF AN AMENDMENT TO THE DIEBOLD NIXDORF, INCORPORATED 2017 EQUITY AND PERFORMANCE INCENTIVE PLAN**

will not exceed in the aggregate 9,091,117 shares. Such shares may be shares of original issuance or treasury shares or a combination of the foregoing.

If an award is canceled, expires, lapses or is forfeited or is settled in cash, the common shares underlying the award will be available for future grant. Common shares covered by an award are not counted as used unless and until they are issued or transferred. In the event that withholding tax liabilities arising from an award other than an option or stock appreciation right are satisfied by the tendering of common shares or by the withholding of common shares by us, the common shares so tendered or withheld shall be added to the common shares available for awards under the 2017 Plan. For the avoidance of doubt, the following will not again become available for issuance under the 2017 Plan: (i) any common shares withheld in respect of taxes upon settlement of an option or stock appreciation right, (ii) any common shares tendered or withheld to pay an exercise price, (iii) any common shares subject to a stock appreciation right that are not issued in connection with its stock settlement on exercise thereof, and (iv) any common shares reacquired by us on the open market or otherwise using cash proceeds.

Unless terminated earlier by the Board, the 2017 Plan will be in effect until all shares subject to it have been purchased or acquired. In no event will any award under the 2017 Plan be granted on or after the tenth anniversary of its effective date.

**Limits on Awards:** Assuming adoption of Proposal 4, the following limits apply to awards under the 2017 Plan (subject to limited permitted adjustment under the 2017 Plan):

Aggregate number of common shares issued upon exercise of incentive stock options shall not exceed 9,091,117; and

With respect to non-employee directors, the aggregate dollar value of awards granted to any non-employee director shall not exceed \$750,000 in a calendar year, measured as of the date of grant.

**Minimum Vesting Requirement:** The Compensation Committee shall not award more than 5% of the aggregate number of common shares that become available for grant under the 2017 Plan pursuant to awards that are solely subject to a vesting or performance condition that provides for full vesting or completion of the performance period in less than one year following the grant date of the applicable award subject, in each case, to the Compensation Committee's authority under the 2017 Plan to vest awards earlier, as the Committee deems appropriate, upon the occurrence of a Change in Control (as defined in the 2017 Plan), in the event of a participant's termination of employment or service or otherwise as permitted by the 2017 Plan.

**Eligibility:** Our officers and employees (and those of our subsidiaries) (approximately 23,000 people) and our non-employee directors (currently 10 people) may be selected by the Compensation Committee to receive benefits under the 2017 Plan. We refer to those individuals selected as participants. The basis for participation in the 2017 Plan is selection for participation by the Compensation Committee (or its proper delegate) in its discretion.

**Options:** An option entitles the participant to purchase a common share at the exercise price. The Compensation Committee may grant incentive stock options, non-qualified stock options, or a combination of both, but incentive stock options cannot be granted to non-employees. Dividends or dividend equivalents are not payable on options. Each option will be evidenced by an award agreement that specifies the number of common shares covered by the option, the exercise price and term of the option, any conditions to the exercise and any other terms and conditions that the Compensation Committee specifies and are consistent with the 2017 Plan. The exercise price for an option will not be less than 100% of the common shares' fair market value on the date of grant (or, in the case of a 10% shareholder, 110% of the shares' fair market value on the date of grant). The exercise price is payable in cash, check, common shares, consideration received under a broker-assisted cashless exercise program, by net exercise or any other combination or method of payment to the extent permitted by law and approved by the Compensation Committee. No option will be exercisable more than 10 years from the date of grant.

**Stock Appreciation Rights (SARs):** A SAR is the right to the equivalent of the increase in value of a specified number of our common shares over a specified period of time. The Compensation Committee may grant SARs alone (which we refer to as a free standing right) or in tandem with an option granted under the 2017 Plan (which we refer to as a related right). Dividends or dividend equivalents are not payable on SARs. Each SAR will be evidenced by an award agreement that describes the SAR, the exercise price and term of the SAR, any conditions to the exercise, any related option and any other terms and conditions that the Compensation Committee specifies and are consistent with the 2017 Plan. The exercise price for a SAR will not be less than 100% of the common shares' fair market value on the date of grant (or, in the case of a related right, the same exercise price as the related option). The exercise price is payable in cash, check, common shares, consideration received under a broker-assisted cashless exercise program, by net exercise or any other combination or method of payment to the extent permitted by law and approved by the Compensation Committee. The amount payable by us upon exercise of a SAR shall be paid in cash, common shares or a combination of both, and the award agreement may so specify or grant to the participant or retain

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**PROPOSAL 4: APPROVAL OF AN AMENDMENT TO THE DIEBOLD NIXDORF, INCORPORATED 2017 EQUITY AND PERFORMANCE INCENTIVE PLAN**

to the Compensation Committee the right to elect among those alternatives. No SAR will be exercisable more than 10 years from the date of grant.

**Restricted Shares:** Restricted shares are common shares that are subject to forfeiture and may not be transferred by a participant until the restrictions established by the Compensation Committee have lapsed. Those restrictions may take the form of a period of continued employment, board service or achievement of certain performance criteria, for example. The award agreement for each grant of restricted shares will specify the restrictions, the number of restricted shares and any other terms and conditions the Compensation Committee specifies and are consistent with the 2017 Plan. The grant will constitute a transfer of ownership and, unless otherwise determined by the Compensation Committee, will entitle the participant to voting, dividend and other ownership rights during the restriction period.

**Restricted Stock Units (RSUs):** An RSU is an award that is valued by reference to one common share. Payment of the value of the RSU will not be made until the restrictions established by the Compensation Committee have lapsed. Those restrictions may take the form of a period of continued employment, board service or achievement of certain performance criteria, for example. The award agreement for each RSU grant will specify the restrictions, the number of RSUs and any other terms and conditions the Compensation Committee specifies and are consistent with the 2017 Plan. At the discretion of the Compensation Committee, RSUs may be credited with dividend equivalents, provided that, with respect to RSUs that are subject to performance conditions, the dividend equivalents will be deferred and paid contingent on the level of performance achieved at the end of the performance period. The amount payable may be paid in cash, common shares or a combination of both, and the award agreement may so specify or grant to the participant or retain to the Compensation Committee the right to elect among those alternatives.

**Performance Shares and Performance Units:** Performance shares are shares that become payable upon the achievement of specified performance goals, which may include management goals. Performance units are valued by reference to \$1.25 per unit and payable upon achievement of specified performance goals, which may include management goals. The grant may specify a minimum level of achievement of the performance or management goals and will include a formula for determining the number of shares or units earned at the end of the performance period. The Compensation Committee will certify achievement levels of performance prior to the payment of any shares or units. At the discretion of the Compensation Committee, performance shares or performance units may be credited with dividend equivalents,

and in all cases, the dividend equivalents will be deferred and paid contingent on the level of performance achieved at the end of the performance period. Each performance share or performance unit award will be evidenced by an award agreement that specifies the number of performance shares or performance units, the performance objectives (which may include management goals), the performance period applicable to the award, and any other terms and conditions that the Compensation Committee specifies and are consistent with the 2017 Plan. The amount payable may be paid in cash, common shares or a combination of both, and the award agreement may so specify or grant to the participant or retain to the Compensation Committee the right to elect among those alternatives.

**Other Share-Based Awards:** The Compensation Committee may, from time to time, grant other share-based awards not otherwise described above but in all cases consistent with the terms and conditions of the 2017 Plan. Each such award will be expressed in terms of common shares or units based on common shares and will be evidenced by an

award agreement that specifies the number of common shares or units granted, any conditions related to the award, and any other terms and conditions that the Compensation Committee specifies and are consistent with the 2017 Plan. The amount payable may be paid in cash, common shares or a combination of both, as determined by the Compensation Committee.

***Management Objectives and Goals:*** The 2017 Plan requires that the Compensation Committee use Management Objectives for purposes of establishing Management Goals for a performance period for any performance-based award. Management objectives that will be used to establish management goals will be based on the attainment of specific levels of performance of the Company, a subsidiary, division, business unit, operational unit, department, region or function with the Company or subsidiary in which the participant is employed. The management objectives may also be used to establish management goals on an absolute or comparative basis with other companies or a published index, as the Compensation Committee deems appropriate.

The Compensation Committee will use the management objectives to set management goals for a set performance period. The Compensation Committee may provide that an evaluation of the management goals shall include or exclude any of the following items: (1) asset write-downs; (2) litigation or claim judgments or settlements; (3) the effect of changes in tax laws, accounting principles, regulations, or other laws or regulations affecting reported results; (4) any reorganization and restructuring programs; (5) acquisitions or divestitures; (6) unusual nonrecurring or extraordinary items identified in our audited financial statements, including footnotes or in management's discussion and analysis in our annual report;

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**PROPOSAL 4: APPROVAL OF AN AMENDMENT TO THE DIEBOLD NIXDORF, INCORPORATED 2017 EQUITY AND PERFORMANCE INCENTIVE PLAN**

(7) foreign exchange gains and losses; (8) changes in our fiscal year; and (9) any other specific unusual or nonrecurring events, or objectively determinable category thereof.

Generally, if the Compensation Committee determines that a change in our business, operations, corporate structure or capital structure, or the manner in which we conduct our business, or other events or circumstances render the management goals unsuitable, the Compensation Committee may in its discretion modify such management goals or the minimum acceptable level of achievement, in whole or in part, as the Compensation Committee deems appropriate and equitable.

**Administration:** The Board delegates authority to administer the 2017 Plan to the Compensation Committee or any other committee so designated by the Board. Unless otherwise determined by the Board, the Compensation Committee will consist of two or more non-employee directors. The Compensation Committee may further delegate its authority to make awards under the 2017 Plan, complying in the Board's discretion with the requirements of Rule 16b-3.

The Compensation Committee is authorized to interpret the 2017 Plan and related agreements and other documents. The Compensation Committee may provide for special terms for awards to participants who are foreign nationals or who are employed by us or any of our subsidiaries outside of the United States of America as the Compensation Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom, in all cases consistent with the terms of the 2017 Plan.

**Transferability:** Except as otherwise determined by the Compensation Committee, no option, SAR or other derivative security is transferable by a participant except, upon death, by will or the laws of descent and distribution. If, however, a participant is not a director or officer of ours, transfer may be made to a fully revocable trust of which the participant is treated as the owner for federal income tax purposes. Except as otherwise determined by the Compensation Committee, options and SARs are exercisable during the participant's lifetime only by him or her or by his or her guardian or legal representative. The Compensation Committee may provide for transferability of options and SARs under the 2017 Plan if such provision would not disqualify the exemption for other awards under Rule 16b-3 of the Exchange Act and so long as such transfer is not to any third-party entity, including financial institutions.

The Compensation Committee may specify at the date of grant that part or all of the common shares that are (i) to be issued or transferred by us upon exercise of options or SARs or upon payment under any grant of performance shares, performance

units, RSUs or other share-based awards or (ii) no longer subject to the substantial risk of forfeiture and restrictions on transfer for restricted shares, shall be subject to further restrictions on transfer.

**Adjustments:** The maximum number of shares that may be issued and delivered under the 2017 Plan, the number of shares covered by outstanding awards under the 2017 Plan, and the prices per share applicable to outstanding options and SARs, are subject to adjustment in the event of stock dividends, stock splits, combinations of shares, recapitalizations, mergers, consolidations, spin-offs, reorganizations, liquidations, issuances of rights or warrants, and similar events. In the event of any such transaction or event, the Compensation Committee, in its discretion, may



provide in substitution for any or all outstanding awards under the 2017 Plan such alternative consideration as it, in good faith, may determine to be equitable in the circumstances and may require the surrender of all awards so replaced. The Compensation Committee may also make or provide for such adjustments in the numbers of shares authorized for issuance under the 2017 Plan as the Compensation Committee may determine appropriate to reflect any transaction or event described above.

***Change in Control:*** Under the 2017 Plan, a **Change in Control** generally means the occurrence of any of the following events: (1) when any person, entity or group acquires beneficial ownership of 30% or more of our outstanding common shares or voting power of our stock entitled to vote to elect directors, subject to limited exceptions described in the 2017 Plan; (2) a turnover of a majority of the incumbent Board members as of the date of the 2017 Plan, subject to limited exceptions described in the 2017 Plan; (3) consummation of certain corporate transactions or a sale or other disposition of all or substantially all of our assets, subject to limited exceptions described in the 2017 Plan; or (4) when our shareholders approve a complete liquidation or dissolution of the Company.

***Tax Withholding:*** To the extent that we are required to withhold federal, state, local or foreign taxes in connection with any payment made or benefit realized by a participant or other person under the 2017 Plan, and the amounts available to us for such withholding are insufficient, it will be a condition to the receipt of such payment or the realization of such benefit that the participant or such other person make arrangements satisfactory to us for payment of the balance of such taxes required to be withheld, which arrangements (in the discretion of the Compensation Committee) may include relinquishment of a portion of such benefit. Participants must also make such arrangements as we may require for the payment of any withholding tax obligations that may arise in connection with the disposition of shares acquired upon the exercise of option rights. In no event, however, may we accept common shares

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**PROPOSAL 4: APPROVAL OF AN AMENDMENT TO THE DIEBOLD NIXDORF, INCORPORATED 2017 EQUITY AND PERFORMANCE INCENTIVE PLAN**

for the payment of taxes in excess of required tax withholding rates. However, in the discretion of the Compensation Committee, a participant or such other person may surrender common shares owned for more than six months to satisfy any tax obligations resulting from any such transaction.

***Detrimental Activity:*** Any award agreement may provide that if a participant, either during employment by us or any of our subsidiaries or within a specified period after termination of such employment, engages in any Detrimental Activity (as defined in the 2017 Plan), and the Compensation Committee so finds, upon notice of such finding, the participant must unless otherwise provided in the award agreement:

- (A) Return to us, in exchange for payment by us of any amount actually paid therefor by the participant, all common shares that the participant has not disposed of that were offered pursuant to the 2017 Plan within a specified period prior to the date of the commencement of such detrimental activity, and
- (B) With respect to any common shares so acquired that the participant has disposed of, pay to us in cash the difference between:
  - (i) Any amount actually paid therefor by the participant pursuant to the 2017 Plan, and

- (ii) The market value per share of the common shares on the date of such acquisition.

To the extent that such amounts are not paid to us, we may set off the amounts so payable to us against any amounts (but only to the extent that such amount would not be considered non-qualified deferred compensation under Section 409A of the Code) that may be owing from time to time by us or one of our subsidiaries to the participant, whether as wages, deferred compensation or vacation pay or in the form of any other benefit or for any other reason.

***Clawback:*** Any award under the 2017 Plan that is subject to recovery under any law, government regulation or stock exchange listing requirement (or any policy adopted by us

pursuant to those requirements or pursuant to direction of the Board, including our current clawback policy) will be subject to clawback and deduction as required or permitted by law, regulation, listing requirement or policy.

***No Repricing Without Shareholder Approval:*** Subject to certain tax-related exceptions described in the 2017 Plan, in the case of termination of employment by reason of death, disability or normal or early retirement, or in the case of hardship or other special circumstances, of a participant who holds awards that are unearned, unvested or unexercisable, the Compensation Committee may, in its sole discretion, accelerate the time at which such awards are earned, vest or become exercisable. However, except in connection with a corporate transaction or event as described above with respect to adjustments, the terms of outstanding awards may not be amended to reduce the exercise price of outstanding options or SARs, or cancel outstanding options or SARs in exchange for cash, other awards or options

or SARs with an exercise price that is less than the exercise price of the original option or SAR, without shareholder approval.

**Amendment and Termination:** We may, by action of the Board, amend or terminate the 2017 Plan. Any amendment which must be approved by our shareholders in order to comply with applicable law or the national securities exchange upon which our common shares are traded will not be effective until such approval is obtained. Any amendment or termination of the 2017 Plan will not impair in any material way the rights and obligations of the participants under any award that is outstanding without the written consent of the participant.

**Governing Law:** The 2017 Plan and all awards granted and actions taken thereunder will be governed by the internal substantive laws of the State of Ohio.

**New Plan Benefits:** It is not possible to determine specific amounts that may be awarded in the future under the 2017 Plan because grants of awards under the 2017 Plan are discretionary.

## TAX CONSEQUENCES TO PARTICIPANTS

The following is a brief summary of some of the U.S. federal income tax consequences of certain awards under the 2017 Plan based on U.S. federal income tax laws in effect for taxable years beginning on and after January 1, 2019. This summary, which is presented for the information of shareholders considering how to vote on this Proposal 4 and not for 2017 Plan participants, is not intended to be complete and does not describe federal taxes other than income taxes (such as Medicare and Social Security taxes, and Code Section 409A taxes), state, local or foreign tax consequences.

**Non-qualified Stock Options:** In general, (i) no income will be recognized by a participant at the time a non-qualified option right is granted; (ii) at the time of exercise of a non-qualified option right, ordinary income will be recognized by the optionee in an amount equal to the difference between the option price paid for the shares and the fair market value of the shares, if unrestricted, on the date of exercise; and (iii) at the time of sale of shares acquired pursuant to the exercise of a non-qualified option right, appreciation (or depreciation) in value of the shares after the date of exercise will be treated as

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either short-term or long-term capital gain (or loss) depending on how long the shares have been held.

***Incentive Stock Options:*** No income generally will be recognized by a participant upon the grant or exercise of an incentive stock option (ISO). The exercise of an ISO, however, may result in alternative minimum tax liability. If common shares are issued to the optionee pursuant to the exercise of an ISO, and if no disqualifying disposition of such shares is made by the participant within two years after the date of grant or within one year after the transfer of such shares to the participant, then upon sale of such shares, any amount realized in excess of the option price will be taxed to the participant as a long-term capital gain and any loss sustained will be a long-term capital loss.

If common shares acquired upon the exercise of an ISO are disposed of prior to the expiration of either holding period described above, the participant generally will recognize ordinary income in the year of disqualifying disposition in an amount equal to the excess (if any) of the fair market value of such shares at the time of exercise (or, if less, the amount realized on the disposition of such shares if a sale or exchange) over the option price paid for such shares. Any further gain (or loss) realized by the participant generally will be taxed as short-term or long-term capital gain (or loss) depending on the holding period.

***Stock Appreciation Rights (SARs):*** No income will be recognized by a participant in connection with the grant of a SAR. When a SAR is exercised, the participant normally will be required to include as taxable ordinary income in the year of exercise an amount equal to the amount of cash received and the fair market value of any unrestricted common shares received on the exercise.

***Restricted Shares:*** The recipient of restricted shares generally will be subject to tax at ordinary income rates on the fair market value of the restricted shares (reduced by any amount paid by the participant for such restricted shares) at such time as the shares are no longer subject to forfeiture or restrictions on transfer for purposes of Section 83 of the Code. However, a recipient who so elects under Section 83(b) of the Code within 30 days of the date of transfer of the shares will have taxable ordinary income on the date of transfer of the shares equal to the excess of the fair market value of such shares (determined without regard to the restrictions) over the purchase price, if any, of such restricted shares. If a Code Section 83(b) election has not been made, any dividends received with respect to restricted shares that are subject to the restrictions generally will be treated as compensation (instead of dividend income) that is taxable as ordinary income to the participant.

***Restricted Stock Units (RSUs):*** Generally, the recipient of an RSU award will not recognize income on the grant date. When any part of an RSU award is paid (in the case of cash) or delivered (in the case of unrestricted common shares), the participant will have taxable ordinary income on such date of receipt in an amount equal to the cash or the fair market value of any unrestricted common shares received.

***Performance Shares and Performance Units:*** No income generally will be recognized by a participant upon the grant of performance shares or performance units. Upon payment in respect of the earn-out of performance shares or performance units, the participant will have taxable ordinary income on the date of receipt in an amount equal to the amount of cash received and the fair market value of any unrestricted common shares received.

## **TAX CONSEQUENCES TO THE COMPANY OR SUBSIDIARY**

To the extent that a participant recognizes ordinary income in the circumstances described above, we or our subsidiary for which the participant performs services will be entitled to a corresponding income tax deduction provided that, among other things, the income meets the test of reasonableness, is an ordinary and necessary business expense, is not an excess parachute payment within the meaning of Section 280G of the Code, and is not disallowed by the \$1 million limitation on certain executive compensation to our covered employees under Section 162(m) of the Code (Section 162(m)).

The 2017 Plan was designed to permit the Company to deduct performance-based compensation under Section 162(m). Historically, Section 162(m) limited the annual tax deductibility of compensation paid to certain named executive officers

disclosed in our proxy statement (Covered Employees) to \$1 million per Covered Employee, unless the compensation qualified as Section 162(m) performance-based compensation.

For taxable years beginning on and after January 1, 2018, the Tax Cuts and Jobs Act of 2017 (TCJA) generally eliminated the performance-based compensation exception under Section 162(m), and expanded the \$1 million per Covered Employee annual limitation on deductibility to a larger group of named executive officers. In addition, the TCJA also provides that any employee who was a Covered Employee in taxable years beginning on and after January 1, 2017, will continue to be a Covered Employee for all subsequent taxable years (including taxable years after his or her death). As a

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result, the Company may no longer take an annual deduction for any compensation paid to its expanded number of Covered Employees in excess of \$1 million per Covered Employee,

including compensation relating to awards under the 2017 Plan. The 2017 Plan, as amended, has eliminated certain provisions to reflect this change in law.

**REGISTRATION WITH THE SEC**

We intend to file a Registration Statement on Form S-8 relating to the issuance of additional common shares under the 2017 Plan with the SEC pursuant to the Securities Act of

1933, as amended, as soon as practicable after approval of the amendment to the 2017 Plan by our shareholders.

**EXISTING PLAN BENEFITS TO NAMED EXECUTIVE OFFICERS AND OTHERS**

Although we cannot currently determine the benefits or number of shares subject to awards that may be granted to participants under the 2017 Plan during the remainder of the 2019 fiscal year or in future periods due to the discretionary nature of the 2017 Plan, we did award our annual equity grants for fiscal 2019 on January 29, 2019. We also made broad-based awards to certain employees during 2018 under the 2017 Plan.

The following table sets forth with respect to each named executive officer listed in the Summary Compensation Table

on page 66 and each group listed below (i) the number of common shares issuable pursuant to performance units granted under the 2017 Plan, (ii) the number of common shares issuable pursuant to stock options granted under the 2017 Plan and (iii) the number of common shares issuable pursuant to RSUs awarded under the 2017 Plan, in each case since the 2017 Plan's inception on April 26, 2017 through February 25, 2019 (without regard to whether any grants were subsequently forfeited, terminated or canceled). It does not include any grants made during this same period under any other compensation plans.

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**PROPOSAL 4: APPROVAL OF AN AMENDMENT TO THE DIEBOLD NIXDORF,  
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NAME AND POSITION	ESTIMATED POSSIBLE PAYOUTS UNDER EQUITY INCENTIVE PLAN AWARDS <sup>1</sup>			ALL OTHER STOCK AWARDS:	ALL OTHER OPTION AWARDS:	PRICE OF UNDERLYING OPTION AWARDS (\$/SH)
	THRESHOLD (#)	TARGET (#)	MAX. (#)	NUMBER OF SHARES OR UNITS <sup>2</sup>	NUMBER OF OPTIONS <sup>3</sup>	
<b>Gerrard B. Schmid</b> President and Chief Executive Officer				370,043	676,814	4.49
<b>Jeffrey Rutherford</b> Senior Vice President and Chief Financial Officer				135,978	68,572	4.08
<b>Dr. Juergen Wunram</b> Former Senior Vice President and Chief Operating Officer	19,084	38,167	76,334	26,717	45,953	18.75
<b>Christopher A. Chapman</b> Former Senior Vice President and Chief Financial Officer	16,434	32,867	65,734	23,007	39,572	18.75
<b>Dr. Ulrich Näher</b> Senior Vice President, Products	12,574	25,147	50,294	111,612	30,278 47,407	18.75 4.08
<b>Olaf Heyden</b>					30,278	18.75



Senior Vice President, Services				111,612	47,407	4.08
	12,574	25,147	50,294			
<b>Jonathan B. Leiken</b>					24,517	18.75
					43,715	4.08
Senior Vice President, Chief Legal Officer and Corporate Secretary				100,940		
	10,182	20,363	40,726			
<b>All current executive officers as a group</b>					108,300	18.75
					676,814	4.49
					252,101	4.08
				932,925		
	44,975	89,949	179,898			
<b>All current non-employee directors as a group</b>				138,684 <sup>4</sup>		
<b>All employees, excluding current executive officers, as a group</b>					150,135	18.75
					180,096	4.08
				1,458,202		
	238,902	477,804	955,608			

<sup>1</sup> These columns present information about performance-based shares awarded during 2017, 2018 and 2019 pursuant to the 2017 Plan. The payout of these performance-based shares will be determined based on the achievement of specific metrics calculated over a three-year performance period.

<sup>2</sup> This column presents information about RSUs awards during 2017, 2018 and 2019 pursuant to the 2017 Plan.

<sup>3</sup> All stock option grants in this column are new and were not granted in connection with an option re-pricing transaction, and the terms of the stock options have not been materially modified.

<sup>4</sup> This includes the following amounts of RSUs for each current non-employee director: each of Messrs. Allender, Cox, Crandall, Greenfield, and Weber, Drs. Dibelius and Düsedau, and Ms. Fitzgerald, 15,092; Mr. Besanko, 5,792; and Ms. Costello, 12,156. No other director nominees have received awards under the 2017 Plan.

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The following table reflects information as of December 31, 2018 and pertains to our 1991 Plan and our current 2017 Plan:

<b>PLAN CATEGORY</b>	<b>NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS (A)</b>	<b>WEIGHTED- AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS (B)</b>	<b>NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE OF UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (A)) (C)</b>
<b>Equity compensation plans approved by security holders</b>			
	2,506,902	\$27.05	N/A
Stock options	1,586,482	N/A	N/A
Restricted stock units	2,958,118	N/A	N/A

Performance shares

91,900	N/A	N/A
--------	-----	-----

Non-employee director deferred shares

815	N/A	N/A
-----	-----	-----

Deferred compensation

7,144,217	\$27.05	3,600,000
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**Total**

In column (A), performance shares are included, and as a result the aggregate reported number may overstate actual dilution. In column (B), the weighted-average exercise price is only applicable to stock options. In column (C), the number of securities remaining available for future issuance for stock options, restricted stock units, performance shares and non-employee director deferred shares is approved in total and not individually.

**VOTE REQUIRED TO APPROVE THE AMENDMENT TO THE 2017 PLAN**

A favorable vote of the majority of votes cast on the matter is necessary for approval of the amendment to the 2017 Plan. Abstentions are considered votes cast on the proposal, and therefore will have the effect of a vote against the proposal. Broker non-votes will not be counted for determining whether the proposal is passed. If the amendment to the 2017 Plan is

not approved by shareholders, the 2017 Plan will continue in effect under its current terms, and we will not have sufficient shares available to issue further grants of our common shares in future years beyond the remaining shares available for grants.

**RECOMMENDATION OF THE BOARD**

The Board recommends a vote **FOR** the approval of the amendment to the Diebold Nixdorf, Incorporated 2017 Equity and Performance Incentive Plan.

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**EXECUTIVE COMPENSATION MATTERS**

**COMPENSATION COMMITTEE REPORT**

The Compensation Committee has reviewed and discussed with management the following *Compensation Discussion and Analysis* section of this Proxy Statement. Based on our review and discussions, we recommended to the Board that the *Compensation Discussion and Analysis* be included (or incorporated by reference as applicable) in our Annual Report on Form 10-K for the year ended December 31, 2018 and this Proxy Statement.

The foregoing report was submitted by the Compensation Committee of the Board and shall not be deemed to be soliciting material or to be filed with the SEC or subject to Regulation 14A promulgated by the SEC or Section 18 of the Exchange Act.

**The Compensation Committee:**

Phillip R. Cox, Chair

Dr. Alexander Dibelius

Gale S. Fitzgerald

Alan J. Weber

**COMPENSATION DISCUSSION AND ANALYSIS**

Our Compensation Committee, or the Committee, has oversight responsibility for the development and administration of our executive compensation policies and programs. This *Compensation Discussion and Analysis* describes the material components of our executive pay program for our named executive officers, or the NEOs, identified below, and explains how and why the Committee arrived at specific compensation policies and decisions for our NEOs in

2018.

Mr. Gerrard B. Schmid joined the Company as President and Chief Executive Officer on February 21, 2018. Mr. Jeffrey Rutherford joined the Company as Interim Chief Financial Officer on October 1, 2018 and was then appointed Senior Vice President and Chief Financial Officer on January 3, 2019. The terms of their employment are summarized on pages 70-71 of this Proxy Statement.

In addition, two of our NEOs departed. Dr. Juergen Wunram retired from his position as Senior Vice President and Chief Operating Officer on May 31, 2018, and Christopher A. Chapman departed from his position as Senior Vice President and Chief Financial Officer on October 1, 2018. Both had served as Interim Co-Presidents and Co-CEOs of the Office of the Chief Executive from December 13, 2017 to February 21, 2018. They received payments in accordance with their respective separation agreements which are summarized on page 78 of this Proxy Statement. Accordingly, certain tables and disclosures in this *Compensation Discussion and Analysis* will exclude Messrs. Wunram and Chapman because their compensation was determined by the terms of their agreements, rather than the Compensation Committee's determination following our year-end performance results.

NAME	TITLE
Gerrard B. Schmid	President and Chief Executive Officer
Jeffrey Rutherford	Senior Vice President and Chief Financial Officer
Dr. Juergen Wunram*	Former Senior Vice President and Chief Operating Officer
Christopher A. Chapman*	Former Senior Vice President and Chief Financial Officer
Dr. Ulrich Näher	Senior Vice President, Products
Olaf Heyden	Senior Vice President, Services

Jonathan B. Leiken

Senior Vice President, Chief Legal Officer and  
Corporate Secretary

\* Dr. Wunram and Mr. Chapman served as Interim Co-Presidents and Co-CEOs until February 21, 2018.  
Mr. Chapman also served as an independent consultant from October 1, 2018 through January 15, 2019.

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To assist shareholders in finding important information, this *Compensation Discussion and Analysis* is organized as follows:

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## EXECUTIVE SUMMARY

### YEAR IN REVIEW

As discussed previously, 2018 was a year of significant change and resetting for Diebold Nixdorf. Over the course of the year, the Company's new Chairman, Board of Directors (including two new independent directors) and new CEO together concluded that our focus should shift to streamlining and simplifying our business operations. The resulting business improvement plan, DN Now, included three primary work streams:

- 1) streamlining management layers and transitioning to a new operating model;
- 2) implementing a globally-consistent approach to services through our Services Modernization Plan; and
- 3) streamlining our product portfolio.

As these plans were being implemented, in the second quarter the Company experienced higher service delivery costs and operational challenges in our supply chain which contributed to lower than expected profit and cash flows. In reaction to our second quarter results and revised outlook, the Company experienced a wave of redemption requests from Diebold Nixdorf AG shareholders and the Company settled these requests, as mandated by German law, by using more than \$300 million in cash. These events placed a strain on the Company's liquidity. Under the leadership of the Board of

Directors, the Company was able to successfully raise \$650 million in debt financing and amend its credit facility. This added liquidity was needed to fund the minority shareholder obligations, support key DN Now transformation initiatives, as well as initiate squeeze-out proceedings of the remaining minority shareholders. The Company then proceeded to onboard a new CFO to align the new focus and initiatives of the Company.

In the fall, additional DN Now initiatives were implemented to enhance the long-term profitability and cash flows of the business. This included further reduction of G&A expenditures including global spend analytics for finance, real estate, information technology, as well as a company-wide program designed to harvest cash from net working capital. These efforts required significant incremental analysis, planning, collaboration and execution among the leadership team. In recognition of this significant increase in workload, the Compensation Committee and Mr. Schmid adjusted the compensation incentives to better align with the transformational turnaround initiatives. This work resulted in the granting of turnaround bonuses for certain executives and the creation of a Quarterly Bonus Program to drive the desired outcomes at an accelerated pace. These actions were important steps to retain and incentivize key leaders of the Company.



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**EXECUTIVE COMPENSATION MATTERS**

By the fourth quarter, due to the hard work and dedication of our leadership team, the Company experienced significant benefits from DN Now as we delivered the strongest profit and cash flow performance since our combination with Wincor Nixdorf. The expected financial benefit of our DN Now initiatives has increased from approximately \$250 million to approximately \$400 million of savings through the year 2021. We expect to realize about \$160 million in savings in 2019, with progressively more savings to be delivered in 2020 and 2021.

Under new leadership, the Company overcame the liquidity squeeze in mid-2018 and achieved significantly better financial results in the second half of the year which demonstrates the strength of the new vision for the Company. Critical to this achievement was a renewed compensation program to properly reward and incentivize leaders for moving the Company through and beyond the crisis. We have retained valued members of our team and have been able to recruit new talent to execute our new CEO's dynamic vision while overcoming the unique challenges that we faced mid-year.

**2018 SAY-ON-PAY VOTE AND SHAREHOLDER ENGAGEMENT**

At our 2018 annual meeting of shareholders, the advisory vote to approve the executive compensation program for our NEOs received solid support (90% of votes cast), representing a continued trend of positive shareholder support for our executive compensation program. We value the input of our shareholders and are committed to maintaining a dialogue with portfolio managers, corporate governance and executive compensation professionals. In 2018, employees from our Human Resources, Investor Relations and Legal departments engaged with institutions owning about 2/3 of shares outstanding and had meaningful dialogue with and feedback from two leading proxy advisory firms, Institutional Shareholder Services Inc. and Glass Lewis & Co. regarding the Company and our corporate governance. Shareholder feedback is aggregated and shared with the full Board for consideration.

Shareholders and the proxy advisory firms provided varying levels of feedback related to pay-for-performance alignment, incentive metrics, and the clarity of our disclosure around our executive compensation structure. We also received feedback regarding interest in diversity statistics, sustainability and director tenure and skillsets. We considered this feedback, as well as the results of last year's Say-on-Pay proposal, as we structured our executive compensation program and drafted the related disclosure. We continue to prioritize our efforts on delivering on our long-term strategic goals and bringing value to our shareholders.

In addition to these outreach efforts, management met with fund managers who collectively held more than 65% of Diebold Nixdorf's actively-managed shares during 2018. Our recurring investor outreach activities are robust, and include non-deal road shows, analyst meetings, investor conference presentations, phone calls and on-site investor meetings at our headquarters in North Canton, Ohio. We also communicate with shareholders and other stakeholders through our annual reports and SEC filings, proxy statements, press releases, news media and our dieboldnixdorf.com website. We hold conference calls and webcasts for our quarterly earnings releases and other major corporate events which are open to all investors. These calls are available live and materials are also archived on our website.

We view an on-going, constructive dialogue with our shareholders as critically important to ensuring that our disclosure provides the necessary transparency for them to make proper investment decisions. Engagement with our shareholders helps us better understand how they view the Company and their expectations for our performance, as well as to identify issues that may affect our strategies, corporate governance, valuation and other aspects of our

operations.

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**EXECUTIVE COMPENSATION MATTERS**

**EXECUTIVE COMPENSATION BEST PRACTICES**

We maintain best practice executive compensation governance standards. Some of our following guidelines and policies are described in more detail below under *Other Compensation Policies* or elsewhere in this *Compensation Discussion and Analysis* :

WHAT WE DO	WHAT WE DON'T DO/DON'T ALLOW
Set stock ownership guidelines for executives and directors.	No hedging or pledging of our stock by executives or directors.
Prescribe an annual limit on equity compensation for our directors.	No dividends paid on unearned performance-based shares.
Review tally sheets for executives.	No change in control severance multiple in excess of two times salary and target cash bonus.
Disclose performance goals for incentive payments.	No excise tax gross-ups upon a change in control.
Set maximum payout caps on our annual and long-term incentives.	No re-pricing or cash buyout of underwater stock options.
Pay for performance with 87% of our Chief Executive Officer's target total pay opportunity being performance-based at risk compensation.	No enhanced retirement formulas.
Provide a minimum vesting period of at least one year for at least 95% of our equity awards.	No market timing with granting of equity awards.
Cap performance share payments if three-year shareholder return is negative, regardless of our	

ranking.

Limit perquisites and other benefits, and do not include income tax gross-ups (except for relocation expenses).

Hire an independent consultant reporting directly to the Committee.

Through the Committee's independent consultant, engage in an ongoing assessment of our compensation practices against the market, our competition, and other applicable metrics.

Incorporate general cash severance and change in control provisions that are consistent with market practice, including double-trigger requirements for certain change in control protection.

Perform an annual compensation risk assessment.

Enforce strict insider trading policies, incentive plan clawback policies, and black-out periods for executives and directors.

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**EXECUTIVE COMPENSATION MATTERS**

**OUR COMPENSATION STRATEGY**

Our executive pay program is specifically designed to:

Focus on performance metrics that align executives with the creation relative of long-term shareholder value through performance-based compensation, including the direct utilization of relative total shareholder return, or rTSR;

Use metrics that are balanced and support our multi-year integration and transformation program;

Encourage decision-making in alignment with our business strategies, with goal-setting based on a philosophy of continuous improvement, commitment to becoming a top tier performer and supporting our longer-term business transformation strategy;

Reflect industry standards, offer globally competitive program design and pay opportunities, and balance our need for talent with our need to maintain reasonable compensation costs; and

Attract, motivate, and retain executive talent willing to commit to building long-term shareholder value. Our 2018 executive compensation structure consists of three primary components: base salary, annual cash bonus, and long-term equity incentives. Within the long-term incentive (LTI) component, we utilize a mix of programs for senior leadership. In 2018, as discussed later in this Proxy Statement, we instituted a Quarterly Bonus Program to align certain senior leaders with the goals established by Mr. Schmid after he joined, and we awarded turnaround bonuses at the end of the year to reward extraordinary effort and accomplishment in the last six months of the year. These awards are described in more detail below under *Quarterly Bonus Program and Turnaround Bonus Awards*. Apart from the Quarterly Bonus Program and any turnaround bonuses, our target compensation structure for senior leadership is as follows:

As provided in more detail below, we generally target total compensation opportunity at or near the size-adjusted 50<sup>th</sup> percentile of our compensation peer group (for more detail on our peer group, see *Role of Peer Companies and Competitive Market Data* below). The NEOs may be above or below the 50<sup>th</sup> percentile based on their experience, performance, potential, and impact on shareholder value. Our compensation structure will continue to evolve in support of our DN Now transformation plan.



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The following table summarizes key elements of our 2018 executive compensation program:

ELEMENT	PRIMARY PURPOSE	KEY CHARACTERISTICS
<b>Base Salary</b>	To compensate the executive fairly and competitively for the responsibility level of the position.	Fixed compensation component.
		<p>Variable compensation component. The 2018 primary performance components are:</p> <p><u>Financial (80%)</u></p> <p>Corporate non-GAAP Operating Profit (50%)</p> <p>Corporate Free Cash Flow (30%)</p>
<b>Annual Cash Bonus Plan</b>	<p>To motivate and reward organizational and individual achievement of annual strategic financial and individual objectives.</p> <p>Our plan is intended to appropriately motivate the behaviors and performance results needed to accomplish our strategic transformation.</p>	<p><u>Individual Performance Metrics (20%)</u></p> <p>Key Business Initiatives</p> <p>For Messrs. Näher and Heyden, the weighting was adjusted in April 2018 to 40% Corporate non-GAAP Operating Profit and 30% Individual Performance Metrics.</p> <p>Performance Gate: A minimum level of corporate non-GAAP Operating Profit performance is required to earn bonus.</p> <p>Variable compensation component.</p>



<b>Long-Term Equity Incentives (LTI)</b>	To align executives and shareholders interests, to reinforce long-term value creation, and to provide a balanced portfolio of long-term incentive opportunity.	Reviewed and granted annually.
<i>Performance-Based Shares</i>	<i>To motivate the appropriate behaviors to provide superior total shareholder return (TSR) and strong operational performance over the long term.</i>	<i>Cumulative three-year TSR relative to S&amp;P 400 Mid-Cap Index companies subject to three-year cliff vesting.</i>
<i>Stock Options</i>	<i>To motivate the appropriate behaviors to increase shareholder value above the exercise price.</i>	<i>Stock price growth above the exercise price. Subject to three-year ratable vesting.</i>
<i>Restricted Stock Units (RSUs)</i>	<i>To motivate the appropriate behaviors to increase shareholder value and promote a base-level of executive retention.</i>	<i>Stock price growth. Subject to three-year ratable vesting.</i>
<b>2017 Performance-Based Synergy Grant</b>	To incentivize the accelerated achievement of cost reductions and scale efficiencies made possible by our business combination with Wincor Nixdorf.	In 2017, one-time variable compensation based on level of achievement of synergy savings, including realized cost reductions and scale efficiencies; implemented in response to comments received during 2016 shareholder outreach campaign. Our CEO was excluded from this one-time grant.
<b>2017 Performance-Based Cash Incentive Awards</b>	To align the legacy Wincor Nixdorf employees with achieving our company-wide goals.	In 2017, one-time variable compensation component based on our stock price; grant was contingent on cancellation of Wincor Nixdorf outstanding options; represents an exchange of existing value to align management incentives for the newly combined business.

Table of Contents**EXECUTIVE COMPENSATION MATTERS**

<b>ELEMENT</b>	<b>PRIMARY PURPOSE</b>	<b>KEY CHARACTERISTICS</b>
<b>Quarterly Bonus Program</b>	Created in fourth quarter 2018 following the liquidity crises and in support of our turnaround efforts. This program is designed to reward achievement of the DN Now initiatives and to incentivize near-term completion on a quarterly basis. The program will continue until otherwise determined by the Compensation Committee.	Variable cash bonus opportunity that can be earned on a quarterly basis in an amount up to 25% of 150% of the participant's base salary. The Compensation Committee reviews performance of each NEO after the quarter is complete and in its discretion awards a bonus based on performance against strategic initiatives.
<b>Turnaround Bonus Awards</b>	Implemented after Mr. Schmid joined the Company to recognize and reward extraordinary performance and effort in connection with our turnaround in the last six months of 2018.	Cash bonus provided at the discretion of the Compensation Committee following performance evaluations and in light of effort in the last six months of the year.
<b>Health/Welfare Plan and Retirement Benefits</b>	To provide competitive benefits promoting employee health and productivity and support financial security.	Fixed compensation component.
<b>Limited Perquisites and Other Benefits</b>	To provide limited business-related benefits, where appropriate.	Fixed compensation component.
<b>Change in Control Protection</b>	To retain executives and provide management continuity in event of actual or threatened change in control and to bridge future employment if terminated following a change in control of the Company.	Fixed compensation component; only paid in the event the executive's employment is terminated following a change in control of the Company.
<b>Severance Protection</b>	To bridge future employment if terminated other than for cause.	Fixed compensation component; only paid in the event the executive's employment is terminated other than for cause.

Table of Contents**EXECUTIVE COMPENSATION MATTERS****2018 NEO COMPENSATION HIGHLIGHTS TARGET COMPENSATION STRUCTURE**

PAY COMPONENT	SUMMARY
<b>Target Total Compensation Opportunity</b>	<p>Based on a review of individual performance and competitive market data, the Committee approved the following annual total compensation structure for 2018. Each element is discussed in detail in <i>2018 Compensation Elements</i>. The mix of pay elements is consistent with similar roles at our peer companies. Base salary increases were made to maintain our competitive posture with peer companies.</p> <p>Mr. Schmid: Hired in February 2018 with a base salary of \$950,000, an annual target bonus opportunity of 140% of base salary, and long-term incentive opportunity of 500% of base salary at target.</p> <p>Mr. Rutherford: Hired on an interim basis in late 2018 with a monthly salary of \$50,000. Transitioned to full-time position in early 2019 with a base salary of \$600,000, an annual target bonus opportunity of 100% of base salary and a long-term incentive opportunity of 200% of base salary at target.</p> <p>Dr. Wunram: Increased base salary from 535,000 to 551,050. No change in target bonus or long-term incentive opportunity. Received \$10,000 stipend per month during service as Co-CEO.</p> <p>Mr. Chapman: Increased base salary from \$575,000 to \$592,250. No change in target bonus or long-term incentive opportunity. Received \$10,000 stipend per month during service as Co-CEO.</p> <p>Dr. Näher: Increased base salary from 470,000 to 484,100. No change in target bonus or long-term incentive opportunity.</p>

Mr. Heyden: Increased base salary from 470,000 to 484,100. No change in target bonus or long-term incentive opportunity.

Mr. Leiken: Increased base salary from \$475,000 to \$489,250 and then to \$510,000 in April 2018. No change in target bonus or long-term incentive opportunity.

Our 2018 long-term incentive value mix was 50% performance-based shares, 15% stock options, and 35% RSUs.

In summary, the NEOs had the following total compensation structure for 2018:

NAME	SALARY	TARGET BONUS	TARGET LTI
		(% OF SALARY)	(% OF SALARY)
Gerrard B. Schmid	\$ 950,000	140%	500%
Jeffrey Rutherford <sup>1</sup>	\$ 50,000 per month	N/A	N/A
Dr. Juergen Wunram	551,050	100%	200%
Christopher A. Chapman	\$ 592,250	100%	200%
Dr. Ulrich Näher	484,100	100%	150%
Olaf Heyden	484,100	100%	150%
Jonathan B. Leiken	\$ 489,250 <sup>2</sup>	100%	150%

<sup>1</sup> Mr. Rutherford served as interim Chief Financial Officer in the fourth quarter of 2018.

<sup>2</sup> Mr. Leiken's base salary was increased to \$510,000 on April 30, 2018.

Table of Contents**EXECUTIVE COMPENSATION MATTERS****REGULAR TOTAL DIRECT COMPENSATION MIX**

The graphics below represent the percentages of fixed and at risk compensation for our NEOs. The **Other NEOs** chart includes Messrs. Näher, Heyden and Leiken. Mr. Rutherford is excluded because he was not hired on a permanent basis until 2019. Dr. Wunram and Mr. Chapman are excluded because they separated from the Company in 2018.

**2018 INCENTIVES**

Our commitment to a pay for performance philosophy continued in 2018, and the NEOs ultimately received well below target total compensation levels during 2018. There was no payout under the Annual Cash Bonus Plan, and the long-term incentive performance-based shares also did not payout. The following decisions were made with respect to 2018 performance, each discussed further in *2018 Compensation Elements* below:

<b>PAY COMPONENT</b>	<b>COMMENTS</b>
<b>Annual Cash Bonus Plan</b>	No payout. The Company had below threshold achievement for the non-GAAP operating profit and free cash flow metrics. In light of this, the Committee did not approve any payout for the individual performance goals.
<b>Performance-Based Shares</b>	No payout. Our three-year TSR ranking for the completed 2016-2018 performance share grant was below the 30 <sup>th</sup> percentile threshold requirement against the S&P 400 Midcap Index companies.
<b>Stock Options</b>	All grants of options are underwater as of December 31, 2018.
<b>RSUs</b>	One-third ratable vest of grants made in 2015, 2016 and 2017.
<b>2017 Performance-Based Synergy Grants</b>	50% acceleration of these awards based on above target level achievement of \$205 million in synergy savings. Target was \$200 million in savings. The remainder of the award will payout, if at all, at the end of the 2019 performance period.
<b>2017 Performance-Based Cash Awards</b>	No payout for the performance period that ended March 26, 2018.

**Turnaround Bonus  
and Quarterly  
Bonus Plan**

Paid out in varying amounts based on assessment of transformational performance requirements. See pages 57 and 59 for the individual amounts.

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**EXECUTIVE COMPENSATION MATTERS**

**COMPENSATION DECISION PROCESS**

**ROLE OF THE COMPENSATION COMMITTEE**

The Committee is responsible to our Board for oversight of our executive compensation program. The Committee consists of independent directors and is responsible for the review and approval of all aspects of our program. Among its duties, the Committee is responsible for:

Reviewing and assessing competitive market data from the independent compensation consultant, discussed below;

Reviewing and approving incentive metrics, objectives and compensation recommendations for the NEOs;

Evaluating the competitiveness of each executive's total compensation package; and

Approving any changes to the total compensation package for the NEOs including, but not limited to, base salary, annual cash bonus, LTI award opportunities and payouts, and retention programs.

Following review and discussion, the Committee submits recommendations to the Board for ratification. The Committee is supported in its work by the Chief People Officer and staff and an independent compensation consultant, discussed in *Role of the Independent Compensation Consultant* below. For additional information regarding the Committee's duties and responsibilities, see *Compensation Committee* above.

**ROLE OF THE INDEPENDENT COMPENSATION CONSULTANT**

The Committee retains an independent compensation consultant, Aon, in accordance with the Committee's charter. The consultant reports directly to the Committee. The Committee retains sole authority to hire or terminate Aon, approve its compensation, determine the nature and scope of services, and evaluate performance. A representative of Aon attends Committee meetings, as requested, and communicates with the Committee Chair between meetings. The Committee makes all final decisions.

Aon's specific compensation consultation roles include, but are not limited to, the following:

Advising the Committee on executive compensation trends and regulatory developments;

Providing a total compensation study for executives against the companies in our peer group and recommendations for executive pay;

Providing advice to the Committee on governance best practices, as well as any other areas of concern or risk;  
Serving as a resource to the Committee Chair for meeting agendas and supporting materials in advance of each meeting;

Reviewing and commenting on proxy disclosure items, including the *Compensation Discussion and Analysis* ;

Performs an annual compensation risk assessment;

Advising the Committee on management's pay recommendations; and

From time to time, reviewing and providing compensation recommendations for non-employee directors to the Board Governance Committee.

In 2018, the professional fees for the executive compensation services were approximately \$154,000. In addition to Aon's executive compensation services for the Committee, management retained Aon for unrelated services, including brokerage services for insurance products. Professional fees for these unrelated services were approximately \$665,000 in 2018. The Board and the Committee considered and approved these additional brokerage services, which were awarded following a competitive process. We have separate relationships with each of the service teams, and the executive compensation service team does not perform any other services on behalf of the Company. Following consideration and review, the Committee determined that these unrelated services did not impact the independence of Aon.

The Committee assessed the independence of Aon, as required under NYSE listing rules. The Committee also considered and assessed all relevant factors, including but not limited to those set forth in Section 240.10C-1(b)(4)(i) through (vi) under the Exchange Act, that could give rise to a potential conflict of interest with respect to Aon. Based on this review, the Committee determined there are no conflicts of interest raised by the work performed by Aon.

## **ROLE OF MANAGEMENT**

Our Chief People Officer serves as management's primary contact with the Committee and attends all Committee meetings. For executives other than the CEO position, our CEO and Chief People Officer make pay recommendations to the Committee based on market pay comparisons and an analysis of each executive's individual performance. No member of our management team, including the CEO, has a role in making pay recommendations to the Committee for his or her own position.



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**EXECUTIVE COMPENSATION MATTERS**

**ROLE OF PEER COMPANIES AND COMPETITIVE MARKET DATA**

Annually, the Committee reviews competitive total compensation market data provided by Aon. To assess competitive pay levels, the Committee approves our peer group composition. The following criteria are considered:

Company size: Approximately 0.4 to 2.5 times Diebold Nixdorf's annual revenues, with a secondary reference being market capitalization of approximately 0.2 to 5 times Diebold Nixdorf's market capitalization, with exceptions reviewed as needed;

Direct competitors for business and management talent;

Companies covered by the investment analysts that track Diebold Nixdorf;

Companies that include Diebold Nixdorf in their compensation peer group; and

Global companies that emphasize integrated service solutions and focus on manufacturing and hardware/software design and development.

In the fall of 2017, the Committee approved the following 17 peer companies to be used in Aon's pay study to assist with 2018 compensation decisions.

Alliance Data Systems Corp.

Logitech International SA

Total System Services\*

Benchmark Electronics Inc.

Motorola Solutions, Inc.

Unisys Corp.

Convergys Corp.

NCR Corp.

Verifone Systems\*

Global Payments Inc.

Netapp Inc.

Western Union Company (The)

Harris Corporation

Pitney-Bowes Inc.

Zebra Technologies Corp.

Juniper Networks, Inc.

Sabre Corporation

Note 1: (\*) Denotes new peer for 2018 compensation decisions.

Note 2: The following companies were removed from the peer group for 2018 compensation decisions: (a) Computer Sciences Corporation due to a merger with HPE Enterprise Services, (b) Lexmark which is no longer publicly traded, and (c) DST which no longer fits our size criteria.

Note 3: Compensation market values were stress tested to determine the impact, if any, of companies with larger market capitalization. The impact was immaterial.

The average / median annual revenues for the peer companies were \$4.3B and \$3.8B, respectively, when the Committee approved the peer group. Size-adjusted market values were developed using our projected annual revenues. The size-adjusted 50th percentile for total compensation is a key reference point for the Committee. For executive positions where peer company proxy data is not available, Aon utilized published and private compensation survey sources.

Our over-arching goal is to form a consistent set of peer companies to annually develop competitive market data. Periodic adjustments are made to account for changes or shifts in our business. For example, in response to a decline in our market capitalization in the fall of 2018, our Committee closely reviewed potential peer companies to ensure relevance for the fall 2018 pay study to assist with 2019 pay decisions. The Committee will continue to closely monitor peer group composition in future years as it relates to our market capitalization.

### **TIMING OF COMPENSATION DECISIONS**

Pay recommendations for our executives, including the NEOs, are typically made by the Committee at its first scheduled meeting of the year, normally held in late January or early

February. This meeting is normally held around the same time we report our fourth quarter and year-end financial results for the preceding fiscal year and provide our financial guidance for the upcoming year. This timing allows the Committee to have a complete financial performance picture prior to making compensation decisions.

Decisions with respect to prior year performance, performance for other relevant periods and any resulting award payouts, as well as annual equity awards, base salary increases and target performance levels for the current year and beyond, are also typically made at this meeting. Equity awards approved by the Committee at this meeting are generally dated as of the date of the Board meeting held the following day. As such, the Committee does not time the grants of options or any other equity incentives to the release of material non-public information.

The exceptions to this timing are awards to executives who are promoted or hired from outside the Company during the year. These executives may receive base salary increases or equity awards effective or dated, as applicable, as of the date of their promotion or hire.



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**EXECUTIVE COMPENSATION MATTERS**

**DETERMINATION OF CEO COMPENSATION**

At the first Committee meeting of the year, in executive session without management present, the Committee reviews and evaluates CEO performance and determines achievement level for the prior fiscal year. The Committee also reviews competitive compensation data for the peer companies. Normally, the Committee presents pay recommendations for the CEO to the independent members of the Board. During executive session, the Board conducts its own review and evaluation of the CEO's performance taking into consideration the recommendations of the Committee. This year, because Mr. Schmid was hired after the meeting, his 2018 compensation was negotiated and approved by the Committee and Board at his time of hire.

In light of Mr. Chapman's and Dr. Wunram's service as Interim Co-Presidents and Co-CEOs, the Board reviewed the performance of these NEOs in executive session and made determinations as to compensation for the interim service at that time. Each of Mr. Chapman and Dr. Wunram received a stipend of \$10,000 per month for each month (or portion thereof) that they served as Interim Co-Presidents and Co-CEOs. The Committee approved this compensation structure with the assistance of Aon's research of competitive market practice for similar situations and management's assessment of the proper internal alignment.

**2018 COMPENSATION ELEMENTS**

**BASE SALARY**

Base salary compensates the executive fairly and competitively for the responsibility level of the position. The Committee reviews the salaries of our executive officers annually against competitive market data. Salary adjustments result primarily from a combination of competitive market data, individual and company performance, internal equity considerations, promotions, and the executive's specific responsibilities.

For 2018, the Committee reviewed competitive market data and individual performance assessments for the NEOs and approved approximately 3% increases to base salary to maintain competitive posture with peer companies.

NAME	2017 SALARY	2018 SALARY
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Gerrard Schmid	N/A	\$	950,000
Dr. Juergen Wunram	535,000		551,050
Christopher A. Chapman	\$ 575,000	\$	592,500
Dr. Ulrich Näher	470,000		484,100
Olaf Heyden	470,000		484,100
Jonathan B. Leiken <sup>1</sup>	\$ 475,000	\$	489,250

<sup>1</sup>Mr. Leiken's base salary was increased to \$510,000 on April 30, 2018, representing an approximate 7% aggregate increase from 2017 in order to maintain a competitive base salary for his position.

The rationale for approved 2018 compensation actions is summarized in the table *2018 NEO Compensation Highlights Target Compensation Structure* above.

## ANNUAL CASH BONUS PLAN

The NEOs were eligible to earn cash incentives for 2018 under our Annual Cash Bonus Plan, which was approved by shareholders in 2015. Performance measures include corporate, business unit and individual performance against pre-determined financial and individual performance metrics approved by the Committee at the beginning of the fiscal year.

Target opportunities: Individual NEO targets (as a percent of base salary) are approved by the Committee at the beginning of the fiscal year. Actual cash bonuses may range from 0% to 200% of target (generally 40% of target is earned at threshold performance, 100% of target is earned at target performance, and 200% of target is earned at maximum performance).

Table of Contents**EXECUTIVE COMPENSATION MATTERS**

For 2018, the Committee reviewed competitive market data and individual performance assessments for the following NEOs and approved the following target bonus levels:

NAME	TARGET INCENTIVE (% OF SALARY)	THRESHOLD INCENTIVE	TARGET INCENTIVE	MAXIMUM INCENTIVE	TARGET INCENTIVE AS % OF TARGET TOTAL COMP OPPORTUNITY
Gerrard Schmid	140%	\$532,000	\$ 1,330,000	\$ 2,660,000	19%
Dr. Juergen Wunram	100%	220,420	551,050	1,102,100	25%
Christopher A. Chapman	100%	\$236,900	\$ 592,250	\$ 1,184,500	25%
Dr. Ulrich Näher	100%	193,640	484,100	968,200	29%
Olaf Heyden	100%	193,640	484,100	968,200	29%
Jonathan B. Leiken <sup>1</sup>	100%	\$195,700	\$ 489,250	\$ 978,500	29%

<sup>1</sup> Following Mr. Leiken's salary increase in April 2018, the threshold incentive is \$204,000, target incentive is \$510,000, and maximum incentive is \$1,020,000.

**Financial performance metrics:** For 2018, the Committee approved Corporate non-GAAP Operating Profit (OP) and Corporate Free Cash Flow excluding certain transaction-related expenses (FCF) as the financial performance metrics and Key Business Initiatives specific to each NEO as the individual performance metrics. The Committee also approved a minimum performance level requirement for OP of \$150 million, below which no bonuses would be paid, regardless of the performance level attained for FCF, Corporate OP or individual Key Business Initiatives. The Company did achieve \$162 million in OP, exceeding the minimum performance requirement. However, there was no payout for this portion of the award because neither non-GAAP OP nor FCF was achieved at or above threshold.

**ACTUAL CASH BONUS PLAN FOR NEOs**

PERFORMANCE MEASURE	ORGANIZATIONAL LEVEL	WEIGHTING <sup>1</sup>	THRESHOLD <sup>1</sup> PAYOUT (40%)	TARGET <sup>1</sup> PAYOUT (100%)	MAX <sup>1</sup> PAYOUT (200%)	ACTUAL ACHIEVED	PAYOUT AS % OF TARGET
OP	Corporate	50%	\$180M	\$ 220M	\$ 260M	\$ 162M	0%
FCF	Corporate	30%	\$ 60M	\$ 100M	\$ 140M	\$ (163M)	0%
Key Business Initiatives	Individual	20%	varies	varies	varies	varies	0%

<sup>1</sup> For Dr. Näher and Mr. Heyden, the weighting was adjusted in April 2018 to 40% OP and 30% Key Business Initiatives.

<sup>2</sup> Payment opportunities are extrapolated between threshold, target, and maximum performance 0% payout below threshold. Dollars are shown in millions.

Key Business Initiative performance metrics: Although the Company achieved approximately \$162 million in OP, exceeding the minimum performance level of \$150 million in OP required to make a payment under the Annual Cash Bonus Plan, the Committee exercised its negative discretion and determined that the portion of the Annual Cash Bonus Plan allocated to Key Business Initiatives would not be paid to the NEOs. As explained in more detail below, upon Mr. Schmid's appointment as Chief Executive Officer, he undertook a strategic review of the Company to define the business critical initiatives that his leadership team needed to achieve over the remaining months of 2018. The Board, in consultation with Mr. Schmid, then established the Quarterly Bonus Program to drive performance of those critical initiatives.

2018 Actual Bonuses Earned: The NEOs did not receive any bonuses under this Plan for 2018.

Table of Contents**EXECUTIVE COMPENSATION MATTERS****LONG-TERM INCENTIVES 2018 REGULAR ANNUAL GRANTS**

Our regular annual LTI grants to NEOs include a value mix of performance-based shares (50%), stock options (15%), and RSUs (35%), as discussed above in *2018 NEO Compensation Highlights Target Compensation Structure*. These awards are subject to our other compensation policies generally, such as our Clawback Policy, as discussed in *Other Compensation Policies* below.

To determine annual grant levels for our NEOs, the Committee considers competitive market data, individual performance, potential future contributions to our business, internal equity, and management's recommendations. The Committee approves long-term incentive grants at its first regular meeting of the year, and actual grants are generally made effective the day following that meeting.

The following table summarizes 2018 targeted LTI values for our NEOs in accordance with our regular annual LTI grant program.

NAME	TARGET LTI		APPROXIMATE
	SALARY	(% OF SALARY)	TARGET LTI VALUE <sup>1</sup>
Gerrard Schmid	\$ 950,000	500%	\$4,750,000
Dr. Juergen Wunram	551,050	200%	1,102,100
Christopher A. Chapman	\$ 592,250	200%	\$1,184,500
Dr. Ulrich Näher	484,100	150%	726,150
Olaf Heyden	484,100	150%	726,150
Jonathan B. Leiken	\$ 489,250	150%	\$ 733,875

<sup>1</sup>The target award values shown here generally vary from the award values listed in the Grant of Plan-Based Awards Table (GPBAT). To mitigate the potential impact of stock price swings on our equity grants, we use the 20-day average closing stock price immediately preceding the grant date to determine the grant size, rather than the closing stock price on the actual grant date as shown in the GPBAT and used for accounting purposes. The GPBAT uses the Monte Carlo valuation (the method used to determine accounting expense) which often generates a value higher than target on the grant date,



which we believe is inappropriate for purposes of setting compensation opportunity.

Performance-based shares (50%): Provide value based on a combination of three-year (2018-2020) TSR ranking versus the S&P 400 Midcap Index companies and our stock price performance. The Committee approved the following performance/payout schedule for the 2018 grant based on TSR ranking for the 2018-2020 performance period:

Threshold: 30<sup>th</sup> percentile ranking earns 50% of target payout.

Target: 50<sup>th</sup> percentile ranking earns 100% payout.

Maximum: 75<sup>th</sup> percentile ranking earns 200% payout; max of 125% if rTSR is negative.

Stock options (15%): Provide value based solely on stock price appreciation. Grants of stock options have a ten-year term and vest ratably over a three-year period. The exercise price is based on the closing price of our common stock on the grant date and is valued using the Black-Scholes stock option valuation method.

RSUs (35%): Provide a base level of retention value in our executive compensation program, and incentive for building shareholder value. RSUs provide additional value if our stock

price appreciates. RSUs vest ratably over three years. Dividend equivalents are paid on time-vested RSU grants.

## **TURNAROUND BONUS AWARDS AND QUARTERLY BONUS PROGRAM**

As discussed throughout this Proxy Statement, our compensation decisions with respect to 2018 were decided in late January while we conducted a search for our next CEO. After Mr. Schmid joined us, and following his assessment of the Company and the strategic initiatives and decisions that needed to be accomplished in order to improve performance and increase value to our shareholders, the Board and Mr. Schmid agreed that different incentives and goals were required to retain our key leaders, propel our turnaround and reward in line with transformational performance requirements. The turnaround bonuses and Quarterly Bonus Program (which was instituted in the fourth quarter) resulted from this realignment of goals and strategic initiatives. And by the end of the year, despite unexpected challenges including the liquidity crisis, these initiatives began to show results, and we finished the year with fourth quarter profit and cash flow performance that was the strongest since the combination with Wincor Nixdorf.

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**Turnaround Bonus:** In the Committee's 2018 year-end review at the January 2019 meeting, the Committee reviewed and thoroughly assessed the turnaround performance criteria deemed critical by Mr. Schmid over the course of the year. Based on that assessment, the Committee approved turnaround cash bonuses for certain executives based on the evaluation criteria summarized below. As noted earlier, Mr. Rutherford joined the Company in the fourth quarter of 2018 and led the finance team in relation to the critical business criteria summarized below during that time. Due to the date that Mr. Rutherford joined the Company and the fact that the finance team's performance in 2018 had been led by the prior CFO for the majority of the year, the Committee determined that providing Mr. Rutherford with a bonus through the Quarterly Bonus Program was the appropriate recognition for his performance and did not consider him for a turnaround bonus.

<b>NAME</b>	<b>TURNAROUND BONUS</b>
Gerrard B. Schmid	\$798,000
Dr. Ulrich Näher	290,460
Olaf Heyden	290,460
Jonathan B. Leiken	\$306,000

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Each NEO's performance was measured against business goals that were identified as critical to the Company and its shareholders. These goals served as the primary data point in assessing potential turnaround bonuses and were also considered, particularly with respect to Mr. Rutherford, in connection with the Quarterly Bonus Program, to the extent a goal or initiative was achieved in the fourth quarter 2018. These were not, however, the only measures of performance for purposes of the above bonuses. All NEOs were expected to realize net target savings related to the operating model for their respective area. Mr. Schmid's performance was assessed against achievement and progress towards all identified goals, among other measures.

NAME	CRITICAL BUSINESS CRITERIA
Gerrard B. Schmid	Identify and create strategy to turnaround performance
	Company-wide responsibility for substantial execution progress of target operating model cost savings
	Company-wide responsibility to deliver results of all identified criteria for team
Jeffrey Rutherford	Create and implement a finance modernization plan
	Deploy capital structure changes
	Improve ongoing management of financial metrics
	Deliver new working capital improvements from a FCF perspective in excess of a set amount for the second half of 2018
Dr. Ulrich Näher	Improve cost financial reporting that is provided to leadership Meet updated forecast

Minimize inventory to metric by end of 2018

Meet segment and customer demand for product based on forecast

Harmonize integrated solutions value proposition and pricing

Olaf Heyden

Meet updated forecast

Execute key actions under the Services Modernization plan and improve gross service margin by certain % by year-end while maintaining customer SLAs

Create multi-year financial plan underpinning set amount of services improvement

Jonathan B. Leiken

Update commercial agreements to reflect new pricing and updated solutions and portfolio

Launch cybersecurity portal

Materially engage with customers on cyber issues

**Quarterly Bonus Program:** In the fourth quarter of 2018 following the successful refinancing, the Committee adopted the Quarterly Bonus Program to enhance focus on critical elements of the DN Now initiative and to incentivize near-term completion of key elements. Under that program, the NEOs (as well as certain other participants) were eligible to receive, on a quarterly basis, up to 25% of 150% of their annual base salary.

At the end of each quarter, the Compensation Committee assesses the NEO's role in and contribution to the transformation and strategy and determines whether any bonus is earned. The NEO must be employed by the Company at the end of the quarter to potentially qualify. This program will continue until the Committee decides to discontinue it, and is re-evaluated quarterly.

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**Table of Contents****EXECUTIVE COMPENSATION MATTERS**

The Quarterly Bonus Plan monitors achievement of transformation performance requirements, as outlined in the DN Now initiative, and underpins the intense turnaround activity taking place at the Company. The Committee assess progress against these key actions, including the following:

Implementing a new, customer-centric operating model with expected savings of around \$100 million in 2019;

Divesting non-core businesses amounting to approximately 5 to 10 percent of total revenue, with the expectation of using proceeds to reduce debt;

Further reducing G&A expenses by driving greater efficiency in finance, IT and real estate;

Streamlining our solutions to improve delivery cycles and supply chain performance;

Harvesting net working capital;

Enacting a comprehensive Services Modernization Plan designed to improve services delivery, efficiency and profitability;

Investing on a targeted basis in next-generation solutions to enhance competitiveness; and

Executing on a multi-program DN Now program to deliver \$400 million of cost reductions by 2021.

The NEOs earned the following bonuses under the Quarterly Bonus Program:

<b>NAME</b>	<b>FOURTH QUARTER 2018 BONUS</b>	
Gerrard B. Schmid	\$	356,250
Jeffrey Rutherford	\$	225,000
Dr. Ulrich Näher		181,538
Olaf Heyden		181,538

Jonathan B. Leiken	\$	191,250
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Despite execution on these key initiatives and goals, each NEO finished 2018 with total compensation levels well below targeted amounts.

### **LONG-TERM INCENTIVES 2017 PERFORMANCE-BASED SYNERGY GRANT**

In February 2017, the Committee granted one-time cost synergy performance-based share awards (the Synergy Grants) to certain of the NEOs. The Synergy Grants were made under our 1991 Equity and Performance Incentive Plan, as amended, and were implemented in direct response to comments received during our 2016 shareholder outreach campaign that our shareholders wanted an increased focus on cost reduction and acquisition-related synergies.

The Synergy Grants are intended to incentivize the accelerated achievement of cost reductions and scale efficiencies made possible by our business combination with Wincor Nixdorf. Performance under the awards is based on the achievement of certain levels of synergy savings, defined as the realized cost reductions resulting from streamlined processes, the elimination of redundant/overlapping cost (including reductions in our workforce and facilities/overhead), and scale efficiencies gained due to the business combination. In 2017, the Committee approved the following metrics and payout schedule for the Synergy Grants based on synergy savings for the three-year performance period ending December 31, 2019.

	<b>THRESHOLD</b>	<b>TARGET</b>	<b>MAXIMUM</b>
	<b>(50% PAYOUT)</b>	<b>(100% PAYOUT)</b>	<b>(200% PAYOUT)</b>
Synergy Savings (millions)	\$ 160	\$ 200	\$ 240

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To incentivize the achievement of savings as quickly as possible, the Committee assessed performance at two interim measurement dates (December 31, 2017 and December 31, 2018). If the synergy savings achieved at an interim

measurement date are at or above target, then 50% of the performance shares at target are deemed earned as of that measurement date. As of December 31, 2017, the synergy savings were not achieved at target.

As of December 31, 2018, the synergy savings were achieved above target, with achievement of \$205 million in synergy savings. Therefore, 50% of the performance shares were earned on an accelerated basis, as indicated in the following table. The table also includes the 2017 Synergy Grant values at target for the NEOs, which were derived from a percentage of salary ranging between 70% and 100%. The final payout will be determined by the level of cumulative synergy savings for the three-year performance period with amounts between threshold, target, and maximum calculated on a straight-line basis. The payout at the end of the performance period will be reduced by the number of performance shares already earned by the recipient as of the December 31, 2018 interim measurement date.

NAME	TARGET INCENTIVE	PERFORMANCE
		SHARES EARNED IN 2018 / VALUE AT 12/31/18 <sup>1</sup>
Christopher A. Chapman	\$ 437,676	8,227 / \$ 20,485
Dr. Ulrich Näher	\$ 357,451	6,719 / \$ 16,730
Olaf Heyden	\$ 357,451	6,719 / \$ 16,730
Jonathan B. Leiken	\$ 337,448	6,343 / \$ 15,794

<sup>1</sup>Based on our stock price as of December 31, 2018 of \$2.49.

**LONG-TERM INCENTIVES 2017 PERFORMANCE-BASED CASH INCENTIVE AWARDS**

In 2017, following our acquisition of Wincor Nixdorf, legacy Wincor Nixdorf employees continued to hold a portion of their incentive compensation in Wincor Nixdorf stock options. In order to incentivize these employees around the combined Company's performance, in 2017 we made an offer to certain employees to replace their outstanding Wincor Nixdorf stock options with performance-based cash incentive awards (the DN Performance Awards).



The objective of this program was to simply convert existing Wincor Nixdorf stock options into a performance-based cash incentive for the newly-combined Company. It was not additional value. Without the employee's agreement to cancel the outstanding Wincor Nixdorf stock options, they would remain in place and be payable based on the Wincor Nixdorf stock price until the stock options expire or lapse or stop trading.

The grant of the DN Performance Awards was contingent on the employee's agreement to cancel his or her outstanding Wincor Nixdorf options. These awards were granted by the Compensation Committee under our shareholder-approved Annual Cash Bonus Plan and were effective May 1, 2017. Drs. Wunram and Näher and Mr. Heyden participated in this offer.

The DN Performance Awards replaced the Wincor Nixdorf stock options vesting in March of 2018, 2019 and 2020, respectively. Each tranche of stock options had a different vest date and a different in-the-money value, and so each tranche was replaced with a DN Performance Award that had the same measurement date (of 2018, 2019 or 2020). Each award is structured to approximate the original in-the-money value of the cancelled options at target, the option under-water line at threshold, and a maximum at approximately 155% of our stock price. If the threshold price is not met, there will be no payment of the award. Any cash amount earned between threshold, target, and maximum will be calculated on a straight-line basis. The measurement of the share price for purposes of the DN Performance Awards will be based upon the average share price of our stock for the 20-day trading period prior to the end of the applicable performance period.

Table of Contents**EXECUTIVE COMPENSATION MATTERS**

See below for the threshold, target, and cash incentive that each participating NEO may earn under the DN Performance Awards at target.

<b>NAME</b>	<b>OPTIONS CANCELLED</b>	<b>PERFORMANCE PERIOD ENDING</b>	<b>CONVERTED TARGET VALUE</b>
Dr. Juergen Wunram	62,403	3/26/2018	\$ 549,146
	79,852	3/25/2019	\$ 2,035,427
	66,016	3/30/2020	\$ 1,126,893
Olaf Heyden	43,682	3/26/2018	\$ 384,402
	55,897	3/25/2019	\$ 1,424,815
	56,774	3/30/2020	\$ 969,132
Dr. Ulrich Näher	55,897	3/25/2019	\$ 1,424,815
	56,774	3/30/2020	\$ 969,132

The following table summarizes the performance measures for each DN Performance Award. Because the threshold share price for the portion of the award vesting in 2018 was not met, that award did not pay out.

<b>PERFORMANCE PERIOD ENDING</b>	<b>THRESHOLD SHARE PRICE</b>	<b>TARGET SHARE PRICE</b>	<b>MAXIMUM SHARE PRICE</b>	<b>ACHIEVEMENT</b>
3/26/2018	\$ 17.37	\$ 26.18	\$ 40.76	Below threshold; no payout
3/25/2019	\$ 0.68	\$ 26.18	\$ 40.76	Pending end of performance period
3/30/2020	\$ 9.10	\$ 26.18	\$ 40.76	Pending end of performance period

**LONG-TERM INCENTIVES COMPLETED PERFORMANCE CYCLES**

The 2016-2018 performance-based grants were completed on December 31, 2018. At the January 2019 Committee meeting, the Committee reviewed the performance achievement and, because our three-year TSR performance was below the 30<sup>th</sup> percentile threshold requirement against the S&P 400 Midcap Index companies, the Committee approved no payout for this grant.

## **BENEFITS AND PERQUISITES**

We provide our North America-based executives with medical, dental, and life insurance under the same programs used to provide benefits to all North America-based associates within their applicable country of residence. Our executives may buy additional life insurance coverage at their own expense. The maximum life insurance coverage that may be purchased by an executive is \$1 million. Our North America-based executives' personal benefits are not tied to individual or Company performance and changes to these benefits reflect the changes to the benefits of all North America-based associates within their country of residence. Drs. Wunram and Näher and Mr. Heyden receive certain fringe benefits pursuant to their service agreements with Diebold Nixdorf AG, which are not tied to individual or Company performance.

## **DEFERRED COMPENSATION**

Our executives, including the NEOs, may elect to defer receipt of compensation from the Annual Cash Bonus Plan and performance-based shares pursuant to our Deferred Incentive Compensation Plan No. 2 (as discussed below under *Non-Qualified Deferred Compensation Plans*). Current investment choices under the plan for cash deferrals (cash bonuses and dividends on deferred performance shares) mirror those in our 401(k) plan. Our deferred compensation plan does not provide participants with additional pay, but merely provides a tax deferred investment vehicle. Moreover, we do not guarantee any specific rate of return and do not contribute to the return that may be earned.

## **RETIREMENT**

We maintain qualified and non-qualified retirement programs for our U.S. executives. Our U.S. executives, including the NEOs, participate in our qualified defined benefit (pension) and defined contribution (401(k)) plans on the same terms as all U.S.-based associates. In 2013, we amended the pension plan to cease future benefit accruals for all participants after December 31, 2013. Similarly, we also maintain broad-based defined contribution plans qualified in Canada for the benefit of our Canadian employees. Mr. Schmid participates in these deferred profit sharing and retirement savings plans on the same terms as all Canadian-based associates.

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**EXECUTIVE COMPENSATION MATTERS**

We also have two non-qualified supplemental retirement plans in which certain NEOs participate: (1) the Pension Restoration Supplemental Executive Retirement Plan, or Pension Restoration SERP, and (2) the 401(k) Restoration Supplemental Executive Retirement Plan, or 401(k) Restoration SERP. These plans are described in detail below under *2017 Pension and Retirement Benefits*. Participation in the 401(k) Restoration SERP is based on the annual IRS compensation limits. Participation in the Pension Restoration SERP is limited to executive officers in positions that help develop, implement and modify our long-term strategic plan, as nominated by the CEO and approved by the Committee; however, we closed the Pension Restoration SERP to any new participants effective July 1, 2013 and also amended the plan to cease future benefit accruals after December 31, 2013. Mr. Chapman participates in the Pension Restoration SERP and Mr. Leiken participates in the 401(k) Restoration SERP.

Mr. Heyden and Drs. Wunram and Näher participate in the Wincor Nixdorf AG Pension Scheme (the Wincor Pension Plan) pursuant to their service agreements. The Wincor Pension Plan is a contribution-defined pension system based on a one-time payout or installment payments and governed by the rules outlined in the Wincor Nixdorf International GmbH Pension Scheme. Their service agreements in effect for 2018 provided for certain annual contribution commitments as follows: 50,000 to each of Dr. Näher and Mr. Heyden, and 100,000 for Dr. Wunram in accordance with the agreement that the Company entered into with him upon retirement.

PERQUISITES AND FRINGE BENEFITS

We provide our executives with limited perquisites. The Committee believes that these benefits are set at a reasonable level, are highly valued by recipients, have limited cost to the Company, are part of a competitive reward system, and help in attracting and retaining top management talent. The Committee periodically reviews our practices in this area and makes any necessary adjustments based on market trends and the cost to provide these benefits.

Perquisites received by North America-based executives include the following, the values of which differ based on an executive's reporting level:

Reimbursement for financial planning services up to \$25,000 for Mr. Schmid, up to \$14,000 for Mr. Chapman and up to \$10,000 for Mr. Leiken;

The option to receive a complete annual physical exam, which helps protect in small measure the investment we make in these key individuals; and

Payment of annual premiums for supplemental executive disability insurance.

Contractual fringe benefits paid to Drs. Wunram and Näher and Mr. Heyden under their service agreements include accident and liability insurance, health insurance, and subsidy pension insurance premiums paid by the Company and lease payments on a company car. Drs. Wunram and Näher and Mr. Heyden also receive reimbursement for financial planning services up to \$14,000 for Dr. Wunram and \$10,000 for Mr. Heyden and Dr. Näher. Mr. Heyden will also be reimbursed for up to an additional \$70,000 in connection with tax advisory fees arising from his employment situation

following our business combination.

### CHANGE IN CONTROL PROTECTION

We maintain change in control agreements for certain executive officers, including Messrs. Schmid, Rutherford and Leiken, which provide our executives with the potential for continued employment (or benefits) for three years following a change in control. The other NEOs do not currently have change in control agreements.

The benefits available under the agreements are subject to a double trigger, so that benefits are paid only following both (i) a change in control (as defined in the agreement) and (ii) a termination of the executive's employment without cause by us or with good reason by the executive (as such terms are defined in the agreement) in the three-year period following a change in control.

The agreements include the following items:

A change in control definition that is the same as the change in control definition in our shareholder-approved 2017 Plan and its equity award agreements;

A lump sum payment equal to two times base salary and target cash bonus;

Two years of continued participation in our health and welfare benefit plans;

A lump sum payment in an amount equal to the additional benefits the executive would have accrued under each qualified or nonqualified pension, profit sharing, deferred compensation or supplemental plan for one additional year of service, provided the executive was fully vested prior to termination;

A one-year post-termination noncompete and nonsolicit period;

An initial term of two years with automatic one-year extensions each January unless either party provides three-months notice that the agreement should not extend;

An automatic three-year extension following a change in control; and

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**EXECUTIVE COMPENSATION MATTERS**

Forfeiture of severance (in whole or in part) to eliminate excise tax but only if it results in a better net-of-tax result for the executive.

The Committee periodically reviews our policy with respect to these change in control agreements, and engages its independent compensation consultant to provide a competitive analysis of our practices. The Committee has determined that this type of agreement is still a valued component of overall compensation for purposes of attracting and retaining quality executive officers and, as such, the Committee approved the continued award of these agreements to new executives.

SEVERANCE PROTECTION

Our Senior Leadership Severance Plan provides coverage to executives who are involuntarily terminated without cause or who terminate their employment for good reason, in each case separate from a change in control and subject to a general release of claims and acknowledgement of the executive's confidentiality, non-competition and other applicable obligations.

A lump sum payment equal to two times (for Messrs. Schmid and Rutherford) and one and one-half times (for the other NEOs) base salary in effect on the date of termination and target bonus opportunity under our Annual Cash Bonus Plan in the year of termination;

A lump sum pro-rata payment of the bonus under our Annual Cash Bonus Plan, based upon the time employed in the year of termination and actual full-year performance results;

Continued participation in all of our employee health and welfare benefit plans for the shorter of (i) two years (for Messrs. Schmid and Rutherford) or one and one-half years (for the other NEOs), and (ii) the date such NEO receives equivalent coverage from a subsequent employer;

All outstanding unvested options immediately vest and generally remain exercisable for a period of twelve months (or the earlier scheduled expiration) following the date of termination;

All outstanding RSUs vest pro-rata based upon the time employed in the year of termination relative to the vesting period of the RSUs;

Pro-rata performance-based share amounts, based upon the time employed in the year of termination relative to the performance period, to the extent such awards are earned, payable when such awards are generally paid to others; and

Professional outplacement services for up to two years.

## EMPLOYMENT AGREEMENTS

Historically, in order to attract high-quality candidates, we have entered into formal employment agreements with our CEO. On February 21, 2018, we entered into an offer letter with our new President and CEO, Gerrard Schmid. That offer letter is discussed in more detail under *Mr. Schmid Offer Letter* on page 70.

Dr. Näher and Mr. Heyden had service agreements in place with Wincor Nixdorf prior to the acquisition. As part of our business combination, they received offer letters in February 2017, and their service agreements will continue in effect until February 28, 2022 and August 31, 2022, respectively. These agreements are discussed in more detail under *Service Agreements with Dr. Näher and Mr. Heyden* and in the *Potential Payments Upon Termination or Change in Control Potential Termination Payments under Service Agreements Dr. Näher and Mr. Heyden* sections.

None of Messrs. Rutherford, Leiken or Chapman had or have employment agreements. On January 31, 2018, we entered into an agreement with Mr. Chapman related to the potential accelerated vesting of his performance based shares, RSUs, options and other types of equity that may be granted in the near future. If Mr. Chapman's employment were terminated other than for cause or if he left our employ for good reason during the two years after we hire a new chief executive officer, then he would be deemed to have met certain age and continuous service requirements necessary for the continued or accelerated vesting for the performance shares, RSUs, options and other equity awards in accordance with the terms of the applicable award agreements. Awards granted prior to 2017 would not be subject to such treatment.

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**EXECUTIVE COMPENSATION MATTERS**

**OTHER COMPENSATION POLICIES**

**CLAWBACK POLICY**

In addition to any other rights or remedies legally available to us, all of our equity plans include provisions that allow us to cancel awards or claw back any shares received pursuant to awards or the exercise of stock options for certain specified conduct that is deemed detrimental to the Company. To the extent that an executive has already received value for such awards, these provisions also allow us to seek reimbursement of such value directly from the executive or through the garnishment of salary or cash bonus. Examples of such detrimental conduct include:

Engaging, directly or indirectly, in any activity in competition with us, in any product, service or business activity for which the executive had any direct responsibility or direct involvement during the two previous years.

Soliciting one of our employees to terminate his or her employment with us.

Unauthorized disclosure of confidential, proprietary or trade secret information obtained during employment with us.

Failure to promptly disclose and assign any interest in any invention or idea conceived during the executive's employment and related to any of our actual or anticipated business, research or development work.

Any activity that results in a termination for cause, including gross neglect and any act of dishonesty constituting a felony.

In addition, the Committee has a separate and independent Clawback Policy which provides an additional avenue to recover excessive performance-based incentive compensation (whether equity or cash) paid during a three-year look-back period in the event of a willful act of misconduct resulting in an obligation on the Company to prepare a financial accounting restatement due to a material noncompliance with any reporting requirement under the U.S. federal securities laws. This policy will be updated as necessary when the claw back requirements under Dodd Frank are fully effective.

**INSIDER TRADING POLICY**



Under our Insider Trading Policy, each employee, officer and director of the Company is prohibited from buying or selling our securities when he or she is aware of material, non-public information about the Company, or information about other public companies which he or she learns as our employee or director. These individuals are also prohibited from providing such information to others. In addition, this policy prohibits employees, officers and directors from pledging Diebold Nixdorf stock, engaging in short sales of Diebold Nixdorf stock, and from buying or selling any derivative securities related to Diebold Nixdorf stock.

### **COMPANY-IMPOSED BLACK-OUT PERIODS**

As noted above, if an executive is in possession of material non-public information, he or she is prohibited from trading in our stock. Apart from these trading restrictions, we also impose routine black-out periods that prohibit executives, including the NEOs, from trading during the period that begins two weeks prior to the end of each quarter and extends through the second business day following our next scheduled quarterly earnings release. These self-imposed black-out periods are an example of good corporate governance and help to protect both us and the individual from allegations of insider trading violations.

However, our black-out policy was not intended to penalize employees for this type of positive corporate behavior and, in the past, the Committee has approved a cash distribution to employees, including NEOs, who were barred from exercising stock options prior to their expiration due to extended company-imposed black-out periods. No such exceptions were made during 2018.

### **STOCK OWNERSHIP GUIDELINES**

The Committee believes that stock ownership guidelines reinforce executive and shareholder alignment. Our executive stock ownership guidelines are:

CEO: 5x salary

Other NEOs: 3x salary

The Committee monitors progress towards achievement for the stated guidelines annually. In determining an executive's stock holdings, we count the shares beneficially owned, including the after-tax value of unvested RSUs, shares deferred pursuant to our deferred compensation program, and shares owned through our 401(k) savings plan. Outstanding stock options and unearned performance shares do not count towards the executives' stock ownership guidelines. Our executives are not allowed to sell shares until they meet the guidelines.

### **TAX REFORM AND LIMITATIONS ON DEDUCTIBILITY OF COMPENSATION**

Prior to December 22, 2017, when the Tax Cuts and Jobs Act of 2017 (TCJA) was signed into law, Section 162(m) of the Internal Revenue Code generally limited the deductibility of executive compensation paid by publicly-held corporations to \$1 million per year for the CEO and the next three most highly compensated executive officers, excluding the CFO. The \$1 million limitation did not apply to compensation that qualifies as performance-based.

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**EXECUTIVE COMPENSATION MATTERS**

Under the TCJA, the performance-based exception has been repealed and the \$1 million deduction limit now applies to anyone serving as the chief executive officer or the chief financial officer at any time during the taxable year and the top three other highest compensated executive officers serving at fiscal year-end. The new rules generally apply to taxable years beginning after December 31, 2017, but do not apply to remuneration provided pursuant to a written binding contract in effect on November 2, 2017 that is not modified in any material respect after that date.

To the extent possible and consistent with the goals and philosophy of compensation stated throughout, the Committee endeavors to limit the impact of Section 162(m) of the Code. The Committee also believes that the tax deduction is only one of several relevant considerations in setting compensation and that the tax deduction limitation should not be permitted to compromise the Company's ability to design and maintain executive compensation arrangements that will attract and retain the executive talent to compete successfully. Accordingly, achieving the desired flexibility in the design and delivery of compensation may result in compensation that in certain cases is not deductible for federal income tax purposes.

Table of Contents**EXECUTIVE COMPENSATION MATTERS****EXECUTIVE COMPENSATION TABLES**

The table below summarizes the total compensation earned by each of our NEOs for the fiscal years ended December 31, 2018, 2017 and 2016, as applicable. The amounts shown include compensation for services in all capacities that were provided to us.

**2018 SUMMARY COMPENSATION TABLE**

NAME AND PRINCIPAL POSITION	YEAR	SALARY <sup>1</sup> (\$)	BONUS <sup>2</sup> (\$)	AWARDS <sup>3</sup> (\$)	AWARDS <sup>4</sup> (\$)	INCENTIVE PLAN <sup>5</sup> (\$)	NON-EQUITY DEFERRED COMPENSATION <sup>6</sup> (\$)	CHANGE IN PENSION VALUE AND NON- QUALIFIED DEFERRED INCENTIVE STOCK OPTION PLAN <sup>7</sup> COMPENSATION <sup>8</sup>	ALL OTHER COMPENSATION <sup>9</sup> (\$)	TOTAL (\$)
<b>GERRARD B. SCHMID</b>	2018	817,260	1,154,250	4,135,246	712,502				80,574	6,899,832
President and Chief Executive										
Officer <b>JEFFREY RUTHERFORD</b>	2018	150,000	225,000							375,000

Senior Vice  
President and  
Chief Financial  
Officer

<b>DR. JUERGEN WUNRAM</b>	2018	287,734		1,428,020	206,329		261,185	400,995	2,584,263
	2017	598,446		1,583,750	342,116	267,089	105,588	154,204	3,051,193

Former Senior  
Vice President,

Chief Operating  
Officer and  
Co-CEO

	2016	230,553				925,357		116,133	1,272,043
<b>CHRISTOPHER A. CHAPMAN</b>	2018	494,082		1,229,721	177,678			2,703,123	4,604,604
	2017	574,178		1,710,187	343,487	230,000	80,875	39,491	2,978,218

Former Senior  
Vice President,

Chief Financial  
Officer and

	2016	500,000		700,757	300,000	331,500	47,575	39,797	1,919,629
<b>DR. ULRICH NÄHER</b>	2018	570,549	557,665	940,877	135,948		59,569	109,693	2,374,301
	2017	460,411		1,017,990	225,411	234,639	68,392	104,992	2,111,835

Senior Vice  
President,  
Products

<b>OLAF HEYDEN</b>	2018	570,549	557,665	940,877	135,948		60,714	129,193	2,394,946
	2017	460,411		1,017,990	225,411	234,639	71,992	129,237	2,139,680

Senior Vice  
President,  
Services

<b>JONATHAN B. LEIKEN</b>	2018	502,025	497,250	761,880	110,081			29,764	1,901,000
	2017	472,849		1,227,054	212,813	190,000		36,818	2,139,534

Senior Vice  
President, Chief  
Legal Officer and  
Corporate  
Secretary

	2016	440,000		538,448	132,000	324,720		37,210	1,472,378
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<sup>1</sup> Earned salary amounts reported for Drs. Wunram and Näher and Mr. Heyden are included in the table in U.S. dollars, but these executives receive their salaries in Euros. To convert their 2018 Euro salary amounts to U.S. dollars for the table, we used the average Euro to U.S. dollar foreign currency exchange rate for 2018 of 1.1815. For Dr. Wunram and Mr. Chapman, this amount also reflects the Co-CEO-stipend for January and February 2018. For Mr. Chapman, this amount reflects salary earned for 2018 and cash paid to Mr. Chapman in lieu of vacation in connection with his departure.

- <sup>2</sup> 2018 amounts in this column reflect amounts earned under the Company's Quarterly Bonus Program, as well as the turnaround cash bonus awards.
- <sup>3</sup> 2018 amounts in this column represent the aggregate grant date fair value, computed in accordance with FASB ASC Topic 718 (ASC 718), for RSUs and performance-based LTI shares awarded to the NEOs in 2018. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. The grant date values in the table and this footnote do not necessarily correspond to the actual value that will be realized by the NEOs. The grant date fair values for the RSUs are determined using the closing price of our common shares on the grant date. The grant date fair values included in the table for the annual performance-based LTI shares are calculated based on the probable outcome of the relevant performance conditions as of the grant date, which we calculate using a Monte Carlo simulation model. See the *2018 Grants of Plan-Based Awards Table* below for the threshold, target and maximum numbers of shares that each NEO may earn under these performance-based LTI awards and Footnote 5 to that table for additional information on assumptions used in calculating the grant date valuations. The ASC 718 grant date fair values for each NEO's 2018 performance-based LTI awards assuming the achievement of the maximum level of performance would be: for Mr. Schmid, \$5,023,930; for Dr. Wunram, \$1,854,153; for Mr. Chapman, \$1,596,679; for Dr. Näher, \$1,221,641; for Mr. Heyden, \$1,221,641; and for Mr. Leiken, \$989,235.

The specific terms of each of these awards are discussed in more detail in *Compensation Discussion and Analysis* above.

Mr. Rutherford did not receive any stock awards in 2018.

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<sup>4</sup> This column represents the aggregate grant date fair value, computed in accordance with ASC 718, for options awarded to the NEOs in 2018. For more information regarding 2018 grants, see the *2018 Grants of Plan-Based Awards Table* below. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. The assumptions used in calculating the fair value of these stock options can be found under Note 3 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2018. The specific terms of the stock options are discussed in more detail above under *Compensation Discussion and Analysis*. These amounts reflect the grant date fair value for these awards, and do not necessarily correspond to the actual value that will be realized by the NEOs.

Mr. Rutherford did not receive any option awards in 2018.

<sup>5</sup> There were no amounts paid to any NEO under our Annual Cash Bonus Plan for the 2018 fiscal year.

<sup>6</sup> The amount shown for Messrs. Chapman and Heyden and Drs. Wunram and Näher is the difference (to the extent positive) between the actuarial present value of pension benefits as of December 31, 2018 and the actuarial present value of pension benefits as of December 31, 2017 under the pension plans in which they participate. For Mr. Chapman, this amount was \$(64,490) and therefore this decrease is not included in the column above. For Mr. Chapman, the actuarial present value as of December 31, 2018 is calculated based on a 4.34% discount rate and the RP-2014 mortality tables, including the MP-2018 generational projection scales. The actuarial present value of pension benefits as of December 31, 2017 is based on a 3.71% discount rate and the RP-2014 Mortality Table including the MP-2017 generational projection scales. The values were determined assuming the probability is nil that Mr. Chapman will terminate, retire, die or become disabled before his normal retirement date (unless already known). The decrease in pension value is attributable to the increase in the discount rate and the mortality assumption change. For Mr. Heyden and Drs. Wunram and Näher, the actuarial present value is calculated based on a 1.5% discount rate and assuming that the probability is nil of termination, death, disability or retirement before normal retirement age. The increase in pension values are attributable to the additional accrued benefits.

There was no above-market or preferential interest earned by any NEO in 2018 on non-qualified deferred compensation.

<sup>7</sup> The amounts reported as *All Other Compensation* for 2018 are outlined in the table below, with respect to: (a) for Mr. Schmid, amounts contributed for the executive by us under our broad-based Canadian Deferred Profit Sharing and Retirement Savings Plans, for Messrs. Chapman and Leiken, amounts contributed for the executive by us under our 401(k) plan and any non-qualified defined contribution plan, including taxes attributable to such non-qualified defined contribution plan, for which the executive is a participant, and for Drs. Wunram and Näher and Mr. Heyden, annual pension benefit contributions for the executives under the Wincor Pension Plan and the

executive's service agreement, which are reflected in the tables in U.S. dollars and were converted from their Euro amounts to U.S. dollars using the exchange rate of 1.14555 at December 31, 2018 for Dr. Näher and Mr. Heyden and the exchange rate of 1.16748 at May 31, 2018 for Dr. Wunram, (b) financial planning services/tax preparation assistance, (c) dividend equivalents paid on unvested RSUs, and (d) other. The amount in column (d) reflects, as applicable: the value of life insurance and AD&D premiums paid for Mr. Schmid \$10,194; Mr. Chapman \$1,244; and Mr. Leiken \$1,057; the value of subsidy pension insurance premiums paid for Dr. Wunram \$3,571; Mr. Heyden \$8,571; Dr. Näher \$8,571; the value of supplemental executive disability insurance premiums paid for Mr. Schmid \$6,156; Mr. Chapman \$2,308; and Mr. Leiken \$940; accident liability insurance premiums for Mr. Heyden \$688; and Dr. Näher \$645; and the approximate value of an annual physical exam provided to the NEOs (Mr. Schmid \$1,829; Mr. Chapman \$1,251; and Mr. Leiken \$1,606). For Drs. Wunram and Näher and Mr. Heyden, column (d) also reflects the value of health insurance premiums paid for the NEOs (Dr. Wunram \$2,242; Mr. Heyden \$4,944; and Dr. Näher \$4,800) and the amounts provided to the NEOs related to use of a company car (Dr. Wunram \$6,984; Mr. Heyden \$20,655; and Dr. Näher \$26,016). Unless otherwise noted, for Drs. Wunram and Näher and Mr. Heyden, amounts included in column (d) in the table below are in U.S. dollars, but were received in Euros, and we used the average Euro to U.S. dollar foreign currency exchange rate for 2018 of 1.1815 for these amounts.

**Table of Contents****EXECUTIVE COMPENSATION MATTERS**

The amounts reported as *All Other Compensation* for 2018 for Dr. Wunram and Mr. Chapman, with respect to column (d) also include the following payments and benefits accrued in relation to their termination. For Dr. Wunram: annual cash bonus, granted pro-rata and based on 100% achievement of all relevant targets, \$268,059. These amounts were paid to Dr. Wunram in Euros under the terms of his separation agreement and were converted to U.S. dollars using the exchange rate of 1.16748 at May 31, 2018. Dr. Wunram may be entitled to certain other future payments under his DN Performance Awards which have not been included in his 2018 *All Other Compensation* amount. Those potential payments and benefits are described in detail in the *Payments and Benefits in Connection with Dr. Wunram's Retirement* section under *Potential Payments Upon Termination or Change in Control*. For Mr. Chapman: cash severance \$2,369,000, the amount negotiated in connection with his departure and in lieu of any bonus eligibility for 2018 \$300,000, and the aggregate value as of the separation date of the RSUs that vested upon his separation \$8,451. Mr. Chapman is also entitled to certain other payments and benefits under his separation, which may be incurred in the future that are subject to the non-competition, non-solicitation, and confidentiality provisions under his separation and which have not been included in his 2018 *All Other Compensation* amount. Those potential payments and benefits are described in detail in the *Payments and Benefits in Connection with Mr. Chapman's Separation* section under *Potential Payments Upon Termination or Change in Control*.

NAMED EXECUTIVE OFFICER	ALL OTHER COMPENSATION			
	(A)	(B)	(C)	(D)
Gerrard B. Schmid	26,500	25,000	10,895	18,179
Jeffrey Rutherford				
Dr. Juergen Wunram	116,748		3,391	280,856
Christopher A. Chapman	9,720	7,343	3,806	2,682,254
Dr. Ulrich Näher	57,278	10,149	2,234	40,032
Olaf Heyden	57,278	34,823	2,234	34,858
Jonathan B. Leiken	13,262	10,000	2,899	3,603

**CEO PAY-RATIO DISCLOSURE**

Under Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K, we are required to disclose the median of the annual total compensation of our employees, the annual total compensation of our principal executive officer, and the ratio of these two amounts. In calculating this ratio, we are required to identify our median employee once every three years and calculate total compensation for that employee each year.

We identified our median employee on December 1, 2017, and there has been no change in our employee population or employee compensation arrangements during 2018 that we reasonably believe would impact the pay ratio disclosures for 2018.



After identifying the median employee based on annualized base salaries, we calculated annual total compensation for such employee for 2018 using the same methodology we used for our NEOs as set forth in the above 2018 Summary Compensation Table. We have estimated the annual total compensation of our median employee, excluding our CEO, to be \$35,383. As reported in the 2018 Summary Compensation Table, the total compensation of Mr. Schmid, our President and CEO, was \$6,899,832. Since Mr. Schmid was appointed to this position effective February 21, 2018, we annualized his salary (in the amount of \$950,000), and the value of life insurance and AD&D premiums and supplemental executive

disability insurance included in the All Other Compensation column of the Summary Compensation Table (in the total amount of \$19,057) to reflect a total annualized compensation in the amount of \$7,035,279. We did not annualize the bonus, stock awards, non-equity incentive awards and option awards columns of the Summary Compensation Table, as these items consisted of one-time inducement grants, reflected full year awards or were awarded under compensation programs not in effect on the date of his hire. For 2018, the ratio of the total compensation of our President and CEO to the estimated median of the annual total compensation of our employees was approximately 199 to 1. We believe this pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules.

Because the SEC rules for identifying the median of the annual total compensation of our employees and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their employee populations and compensation practices, the pay ratio reported by other companies may not be comparable to the pay ratio for our Company, as other companies have offices in different countries, have different employee populations and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their pay ratios.

Table of Contents**EXECUTIVE COMPENSATION MATTERS****2018 GRANTS OF PLAN-BASED AWARDS TABLE**

NAME	DATE	ESTIMATED POSSIBLE PAYOUTS UNDER NON-EQUITY INCENTIVE PLAN AWARDS <sup>1</sup>			ESTIMATED FUTURE PAYOUTS UNDER EQUITY INCENTIVE PLAN AWARDS <sup>2</sup>			ALL OTHER STOCK AWARDS <sup>3</sup>	ALL OTHER OPTION AWARDS <sup>4</sup>	GRANT DATE	EXERCISE OR STOCK OPTION PRICE	FAIR VALUE OF STOCK AND UNDERLYING STOCK
		THRESHOLD	TARGET	MAX.	THRESHOLD	TARGET	MAX.	UNITS	OPTIONS	AWARDS	AWARDS	(\$/SH)
Gerrard B. Schmid	2/20/2018											
	2/21/2018											
	2/21/2018				77,818	155,636	311,272					
		532,000	1,330,000	2,660,000								
Jeffrey Rutherford												
	2/1/2018											
	2/1/2018											
	2/1/2018				19,084	38,167	76,334					
Dr. Juergen Wunram												
	2/1/2018											
	2/1/2018											
	2/1/2018	275,102	687,754	1,375,508								
Christopher A. Chapman												
	2/1/2018											
	2/1/2018											
	2/1/2018				16,434	32,867	65,734					
Dr. Ulrich Näher												
	2/1/2018											
	2/1/2018											
	2/1/2018	241,678	604,196	1,208,392								
Olaf Heyden												
	2/1/2018											
	2/1/2018											
	2/1/2018				12,574	25,147	50,294					

		241,678	604,196	1,208,392						
<b>Jonathan B.</b>	2/1/2018							24,517	18.75	110,081
<b>Leiken</b>	2/1/2018						14,254			267,263
	2/1/2018				10,182	20,363	40,726			494,617
		204,000	510,000	1,020,000						

- <sup>1</sup> These columns present information about the potential payouts under our Annual Cash Bonus Plan for fiscal year 2018. The actual amount paid for each NEO is reflected above in the *2018 Summary Compensation Table* under the Non-Equity Incentive Plan Compensation column. For Drs. Wunram and Näher and Mr. Heyden, these amounts were converted from Euros to U.S. dollars using the exchange rate on February 1, 2018 of 1.24808, which was the grant date. Mr. Rutherford did not receive an award under our Annual Cash Bonus Plan for fiscal year 2018. For a more detailed description of the related performance measures for all of these cash incentive awards see above under *Compensation Discussion and Analysis*.
- <sup>2</sup> These columns present information about performance-based LTI shares awarded during 2018 pursuant to the 2017 Plan. The payout of the performance-based LTI shares will be determined based on the achievement of specific relative TSR goals calculated over the three-year period beginning on January 1, 2018 and ending on December 31, 2020. The maximum award amount for the performance-based LTI awards is 200% of the target amount, which will be earned only if we achieve maximum performance pursuant to the grant's specific performance measures, and no amount is payable unless the threshold performance is met. For a more detailed description of these awards and the related performance measures, see the related descriptions above in the *Compensation Discussion and Analysis*.
- <sup>3</sup> This column presents information about RSUs awarded during 2018 pursuant to the 2017 Plan. For a more detailed description of the RSUs, see above under *Compensation Discussion and Analysis*.

**Table of Contents****EXECUTIVE COMPENSATION MATTERS**

- <sup>4</sup> All stock option grants in this table were new and not granted in connection with an option re-pricing transaction, and the terms of the stock options were not materially modified in 2018. For a more detailed description of the stock options, see above under *Compensation Discussion and Analysis*.
- <sup>5</sup> For the annual performance-based LTI shares, the grant date fair value of \$24.29 (\$16.14 for Mr. Schmid) per share as of the grant date was calculated using a Monte Carlo simulation model that considers the likelihood of our TSR ending at various percentile levels and expected stock price at those levels and which reflects the probable outcome of the performance conditions at target as of the grant date, excluding the effect of estimated forfeitures, in accordance with ASC 718. The assumptions used in calculating the fair value of the performance-based LTI shares were as follows: (a) an expected performance period of three years; (b) a risk-free interest rate of 2.32% (2.41% for Mr. Schmid), which is an estimated interest rate for a zero-coupon U.S. government bond with a term commensurate with the remaining term of the performance period as of the grant date (2.91 years (2.86 years for Mr. Schmid)), calculated by linear interpolation of the interest rates on the grant date for zero coupon U.S. government bonds with maturities of 2.50 and 3.0 years; (c) historical volatilities of the Company and peer group, calculated using the adjusted daily stock prices for the 2.91 year period (2.86 year period for Mr. Schmid) prior to the grant date; and (d) a dividend yield for the Company and any of the peer group companies in the period from January 1, 2018 to February 1, 2018.

For RSUs, the fair value is calculated using the closing market price of the shares on the applicable grant date (\$18.75 (\$14.90 for Mr. Schmid)), and such value reflects the total amount that we would expect to expense in our financial statements over the awards' three-year vesting period. For stock options, the fair value was calculated using the Black-Scholes value on the grant date of \$4.49 (\$3.71 for Mr. Schmid), calculated in accordance with ASC 718. The assumptions used in calculating the fair value of these stock options can be found under Note 3 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2018.

**MR. SCHMID OFFER LETTER**

In connection with Mr. Schmid's appointment as our President and CEO on February 21, 2018, we entered into an offer letter pursuant to which Mr. Schmid will receive an annual base salary of at least \$950,000 and will be eligible for annual incentive awards and long-term incentive plan awards as determined by the Company. For 2018, the Board set his initial annual cash incentive award target at \$1,330,000, which represents 140% of his base salary. Any payout under this incentive award shall be determined by the Board based on the achievement of certain performance goals.

The Board also granted Mr. Schmid options, performance share units and RSUs as a material inducement to his hiring. Pursuant to the terms of the CEO Inducement Award Agreement, dated February 21, 2018 (the CEO Award Agreement), Mr. Schmid received (i) 192,049 options with an exercise price of \$15.35 per share and which will vest in three equal installments on the first, second, and third anniversary of the grant date; (ii) 155,636 performance share units, which will be earned, if at all, based on the target level of achievement of established performance metrics

during the performance period, which begins on his date of hire and ends on December 31, 2020; and (iii) 108,945 RSUs, which will vest in three equal installments on the first, second, and third anniversaries of the grant date. This inducement award was approved by all of the Company's independent directors and was made outside of the terms of the 2017 Plan. Once vested, equity grants will not be subject to forfeiture unless Mr. Schmid is terminated for certain activities constituting cause (as defined in the CEO Award Agreement). In the event Mr. Schmid's employment is terminated by us without cause or he resigns for good reason (as defined in the CEO Award Agreement) within three years after a change in control, he will be entitled to 100% accelerated vesting of all such outstanding equity interests, with performance awards earned at the greater of target or actual performance as of the date of termination.

Mr. Schmid's severance benefits will be governed by our current Senior Leadership Severance Plan, which provides coverage to executives who are involuntarily terminated without cause or who terminate their employment for good reason, in each case separate from a change in control and subject to a general release of claims and acknowledgement of the executive's confidentiality, non-competition and other applicable obligations. With respect to Mr. Schmid, "good reason" as defined in the Senior Leadership Severance Plan shall also include a change in title, authority, duties or responsibilities or the assignment of any duties that are inconsistent with his position.

We also entered into a Change in Control Agreement with Mr. Schmid consistent with our existing program. Any benefits under the Change in Control Agreement are paid only following both (1) a change in control (as defined in the Change in Control Agreement) and (2) a termination of Mr. Schmid's employment without cause by the Company, or by him with good reason (as such terms are defined in the Change in Control Agreement) in the three-year period following a change in control. Under such circumstances, Mr. Schmid may be eligible for (i) a lump sum payment equal to two times base salary and target cash bonus, (ii) the acceleration of outstanding equity awards, (iii) payment of outstanding performance awards at the greater of target or actual performance, (iv) two years of continued participation in our health and welfare benefit plans, and (v) a lump sum payment in an amount equal to the additional benefits Mr. Schmid would have accrued under each qualified or nonqualified pension, profit sharing, deferred compensation or supplemental plan for one additional year of service, provided he was fully vested prior to termination, including pro rata payment of his annual incentive award at the greater of target or actual performance.

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**EXECUTIVE COMPENSATION MATTERS**

**MR. RUTHERFORD S INDEPENDENT CONTRACTOR AGREEMENT; 2019 OFFER LETTER**

Mr. Rutherford was appointed as our interim Chief Financial Officer on October 1, 2018. Pursuant to the terms of the independent contractor agreement between him and the Company, Mr. Rutherford received a monthly salary of \$50,000 per month. The agreement had no set term, but Mr. Rutherford was entitled to receive a minimum of three months salary, unless he resigned earlier.

On January 4, 2019, we appointed Mr. Rutherford as Chief Financial Officer. Pursuant to the terms of his offer letter, Mr. Rutherford will receive an annual base salary of \$600,000 and an initial annual cash incentive award target at \$600,000 (which represents 100% of his base salary), and he will be eligible for long-term incentive plan awards as determined by the Company. Mr. Rutherford s severance benefits will be governed by our Senior Leadership Severance Plan, which provides coverage to executives who are involuntarily terminated without cause or who terminate their employment for good reason, in each case separate from a change in control and subject to a general release of claims and acknowledgement of the executive s confidentiality, non-competition and other applicable obligations.

We also entered into a Change in Control Agreement with Mr. Rutherford that is consistent with our existing program. Mr. Rutherford would be entitled to receive benefits in the same manner as described immediately above for Mr. Schmid.

**SERVICE AGREEMENTS WITH DR. NÄHER AND MR. HEYDEN**

Dr. Näher and Mr. Heyden are compensated pursuant to their respective service agreements with Diebold Nixdorf AG and certain offer letters from us entered into in 2017 in connection with the continued integration following our business combination with Wincor Nixdorf. Pursuant to recent amendments extending their terms, their service agreements expire on February 28, 2022, and August 31, 2022, respectively.

The service agreements and offer letters provide the following annual compensation:

a fixed base salary;

a short-term cash incentive opportunity under our Annual Cash Bonus Plan and long-term equity incentive opportunity;

certain pension benefits pursuant to their service agreements and the Wincor Nixdorf International GmbH pension directive (with yearly pension benefit contribution commitments of 50,000); and

certain non-performance-based fringe benefits, which include accident and liability insurance, health insurance, subsidy pension insurance and directors and officers

insurance premiums paid by the Company, financial planning services, and lease payments on a company car.

The short-term cash incentive award under our Annual Cash Bonus Plan is dependent on the attainment of specific targets set by us at the beginning of each fiscal year, and adopted by the Supervisory Board of Diebold Nixdorf AG (the Supervisory Board). If performance is achieved at target, Dr. Näher and Mr. Heyden receive 100% of their fixed base salary as a cash bonus. A more detailed discussion of their short-term cash incentive component is included above under the *Annual Cash Bonus Plan* section of the *Compensation Discussion and Analysis*.

Dr. Näher and Mr. Heyden are also eligible for long-term equity incentive awards based on 150% of annual base salary. A more detailed discussion of these long-term equity incentive awards is included under the *Long Term Incentives 2018 Regular Annual Grants* section.

Dr. Näher and Mr. Heyden are eligible to receive indemnification payments from us if the tax liability resulting from their service to us exceeds the tax liability that they would otherwise be subject to if their compensation were solely taxable in Germany as income of a management board member in Germany.

Dr. Näher and Mr. Heyden are also subject to the non-competition obligations provided under German law and may not, without the prior written approval of the chairman of the Supervisory Board, work for a company or a third party which is a competitor. The service agreements and offer letters also provide for certain payments and benefits in the event of qualifying terminations of employment, which are described in detail below under *Potential Payments Upon Termination or Change in Control Potential Termination Payments under Service Agreements Dr. Näher and Mr. Heyden*. Additional information regarding the Wincor Pension Plan is provided under the *German Pension Benefits* section that follows the *2018 Pension and Retirement Benefits* table below.

## **MESSRS. WUNRAM AND CHAPMAN SEPARATION AND OTHER AGREEMENTS**

As disclosed above, Dr. Wunram retired from his position as Senior Vice President and Chief Operating Officer on May 31, 2018, and Mr. Chapman departed from his position as Senior Vice President and Chief Financial Officer on October 1, 2018. The amounts payable and other obligations pursuant to the agreements entered into with each of them at the time of separation are described below in the *Potential Payments Upon Termination or Change in Control* section. The *All Other Compensation* amount in the Summary Compensation Table includes payments and benefits accrued to them in connection with their departures.

Table of Contents**EXECUTIVE COMPENSATION MATTERS****OUTSTANDING EQUITY AWARDS AT 2018 FISCAL YEAR-END**

The following table provides information relating to exercisable and unexercisable stock options as of December 31, 2018 for the NEOs. In addition, the following table provides information relating to grants of RSUs and performance-based awards to the NEOs that had not yet vested as of December 31, 2018. No stock appreciation rights were outstanding as of December 31, 2018. Mr. Rutherford did not hold any outstanding equity awards at 2018 fiscal year-end.

NAME	OPTION AWARDS <sup>1</sup>					STOCK AWARDS				
	GRANT DATE AWARD	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	EQUITY INCENTIVE PLAN AWARDS: NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	MARKET PRICE	OPTION EXPIRATION DATE	NUMBER OF SHARES OR UNITS THAT HAVE VESTED <sup>2</sup>	MARKET VALUE OF SHARES OR UNITS THAT HAVE VESTED <sup>3</sup>	EQUITY INCENTIVE PLAN AWARDS: NUMBER OF SHARES OR UNITS THAT HAVE VESTED <sup>4</sup>	MARKET VALUE OF SHARES OR UNITS THAT HAVE VESTED <sup>5</sup>	
<b>Gerrard B. Schmid</b>	2/20/2018	192,049	15.35	2/20/2028						
	2/21/2018				108,945	271,273				
	2/21/2018						77,818	193,767		
<b>Jeffrey Rutherford</b>										
<b>Dr. Juergen Wunram</b>	2/8/2017	25,118	50,238	26.60	2/8/2027					
	2/1/2018		45,953	18.75	2/1/2028					



	2/8/2017			5,827	14,509		
	2/1/2018			26,717	66,525		
	2/8/2017					10,926	27,206
	2/1/2018					19,084	47,519
<b>Christopher</b>	2/11/2009	1,250	24.79				
	2/11/2010	2,500	27.88				
<b>A. Chapman</b>	2/10/2011	7,000	32.67				
	2/8/2012	9,500	34.89				
	2/6/2013	7,540	29.87				
	2/11/2014	10,166	34.13				
	2/5/2015	37,445	32.33				
	2/3/2016	55,866 <sup>6</sup>	27.39				
	2/8/2017	25,219	50,439 <sup>7</sup>	26.60			
	2/1/2018		39,572 <sup>7</sup>	18.75			
	2/8/2017				12,517	31,167	
	2/1/2018				23,007	57,287	
	2/3/2016 <sup>5</sup>					8,621	21,466
	2/8/2017					10,969	27,313
	2/8/2017			8,227	20,485	24,681	61,456
	2/1/2018					16,434	40,921

Table of Contents**EXECUTIVE COMPENSATION MATTERS**

NAME	OPTION AWARDS <sup>1</sup>					STOCK AWARDS				
	GRANT DATE	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	EQUITY INCENTIVE PLAN AWARDS: NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	EXERCISE PRICE	EXPIRATION DATE	NUMBER OF SHARES OR UNITS OF STOCK THAT HAVE NOT YET VESTED	MARKET VALUE OF SHARES OR UNITS OF STOCK THAT HAVE NOT YET VESTED	NUMBER OF SHARES OR UNITS OF STOCK THAT HAVE NOT YET VESTED	EQUITY INCENTIVE PLAN AWARDS: MARKET VALUE OF SHARES OR UNITS OF STOCK THAT HAVE NOT YET VESTED
	AWARD	(#)	(#)	(#)	(\$)	DATE	(#)	(\$)	(#)	(\$) <sup>3</sup>
<b>Dr. Ulrich Näher</b>	2/8/2017	16,550	33,100		26.60	2/8/2027				
	2/1/2018		30,278		18.75	2/1/2028				
	2/8/2017						3,840	9,562		
	2/1/2018						17,603	43,832		
	2/8/2017								7,199	17,926
	2/8/2017						6,719	16,730	20,157	50,191
	2/1/2018								12,574	31,309
<b>Olaf Heyden</b>	2/8/2017	16,550	33,100		26.60	2/8/2027				
	2/1/2018		30,278		18.75	2/1/2028				
	2/8/2017						3,840	9,562		
	2/1/2018						17,603	43,832		
	2/8/2017								7,199	17,926
	2/8/2017						6,719	16,730	20,157	50,191
	2/1/2018								12,574	31,309
<b>Jonathan B. Leiken</b>	2/5/2015	21,397			32.33	2/5/2025				
	2/3/2016	16,387	8,194		27.39	2/3/2026				
	2/8/2017	15,625	31,250		26.60	2/8/2027				

2/1/2018	24,517	18.75	2/1/2028				
2/3/2016				1,114	2,774		
2/11/2016				3,334	8,302		
2/8/2017				10,292	25,627		
2/3/2016 <sup>5</sup>						4,017	10,002
2/1/2018				14,254	35,492		
2/8/2017						6,796	16,922
2/8/2017				6,343	15,794	19,029	47,382
2/1/2018						10,182	25,353

- <sup>1</sup> All stock option grants outstanding at the 2018 fiscal year-end vest ratably over a three-year period beginning on the first anniversary of the date of grant.
- <sup>2</sup> This column reflects unvested RSUs granted to the NEOs as of December 31, 2018. The RSUs included in this column vest ratably over a three-year period. This column also reports the portion of performance-based Synergy Grant shares granted to the NEO for a 2017-2019 performance period that are subject to accelerated vesting based on performance as of the December 31, 2018 interim measurement date.
- <sup>3</sup> The market value was calculated using the closing price of our common shares of \$2.49 as of December 31, 2018.
- <sup>4</sup> This column reports the performance-based LTI shares granted to the NEOs for the 2017-2019 and 2018-2020 performance periods, as applicable. For both 2017-2019 and 2018-2020 performance periods, relative TSR was below the applicable threshold as of December 31, 2018, and we have included the awards at threshold. The 2017-2019 and 2018-2020 performance-based LTI awards are scheduled to vest and be paid in February 2020 and February 2021, respectively.

Table of Contents**EXECUTIVE COMPENSATION MATTERS**

This column also reports the Synergy Grant shares that are not yet subject to accelerated vesting. Synergy savings was above the applicable target as of December 31, 2018, and we have included the remaining awards at maximum. The remainder of the Synergy Grant is scheduled to vest and be paid in February 2020.

- <sup>5</sup> Amounts represent 2016-2018 performance-based LTI awards and are reflected at threshold level. The threshold performance goals for these awards were not met, and the award opportunities with respect to these 2016-2018 awards were forfeited, as determined by the Compensation Committee following the end of the performance period.
- <sup>6</sup> The number of options reported include an aggregate amount of 18,622 options that immediately vested upon Mr. Chapman's separation from the Company. Such accelerated options remain exercisable for the twelve month period following his termination.
- <sup>7</sup> These options are unexercisable as of December 31, 2018, but continue to vest over the remaining vesting schedule of the award.

**2018 OPTION EXERCISES AND STOCK VESTED**

NAME	OPTION AWARDS		STOCK AWARDS	
	NUMBER OF		NUMBER OF	
	SHARES	VALUE	SHARES	VALUE
	ACQUIRED ON EXERCISE	REALIZED ON EXERCISE	ACQUIRED ON VESTING	REALIZED ON VESTING <sup>1</sup>
(#)	(\$)	(#)	(\$)	
Gerrard B. Schmid				
Jeffrey Rutherford				
Dr. Juergen Wunram			2,913	46,171
Christopher A. Chapman			19,583	288,832
Dr. Ulrich Näher			1,919	30,416
Olaf Heyden			1,919	30,416
Jonathan B. Leiken			14,675	228,267

- <sup>1</sup> The value realized is calculated by multiplying the number of shares of stock by the market value of the underlying securities on the vesting date. The number of shares actually received upon vesting may be less than the number shown, due to shares being withheld for the payment of applicable taxes. The value realized for Mr. Chapman's accelerated RSUs (1,899 of the reported shares) is calculated by multiplying the shares of stock by the close price on his separation date (\$4.45). As settlement of Mr. Chapman's RSUs was delayed until 2019 in accordance with 409(A) and his release, the value of the shares provided to Mr. Chapman on the payment dates may differ from that in the table.

### 2018 PENSION AND RETIREMENT BENEFITS

NAME	PLAN NAME	PRESENT VALUE OF PAYMENTS		
		NUMBER OF YEARS ACCUMULATED CREDITED SERVICE (#)	BENEFIT (\$)	DURING LAST FISCAL YEAR (\$)
<b>Gerrard B. Schmid</b>				
<b>Jeffrey Rutherford</b>				
<b>Dr. Juergen Wunram</b>	Wincor Nixdorf AG			
	Pension Scheme	11.83	1,816,842 <sup>1</sup>	
<b>Christopher A. Chapman</b>	Qualified Retirement Plan	22.0833	263,344 <sup>2</sup>	
	Pension Restoration SERP	22.0833	124,995 <sup>2</sup>	
<b>Dr. Ulrich Näher</b>	Wincor Nixdorf AG			
	Pension Scheme	4.00	254,312 <sup>1</sup>	
<b>Olaf Heyden</b>	Wincor Nixdorf AG			
	Pension Scheme	5.67	365,430 <sup>1</sup>	
<b>Jonathan B. Leiken</b>				

- <sup>1</sup> For Drs. Wunram and Näher and Mr. Heyden, the present value of accumulated benefit is based on projected benefits earned through age 60 and assuming a discount rate of 1.5% and that there is no probability of termination, retirement, death, or disability before normal retirement age. The present value of accumulated benefit for Drs. Wunram and Näher and Mr. Heyden is 1,586,000, 222,000, and 319,000, respectively. The dollar amounts reflected in the table were calculated using the Euro to U.S. dollar foreign currency exchange rate on December 31, 2018 of 1.14555.

- <sup>2</sup> For Mr. Chapman, the values are determined based on a 4.34% discount rate and the RP-2014 mortality tables, including the MP-2018 generational projection scales and are calculated assuming that the probability is nil that a NEO terminates, dies, retires or becomes disabled before normal retirement date (unless already known).

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**Table of Contents****EXECUTIVE COMPENSATION MATTERS**

Mr. Chapman participates in the Diebold Nixdorf, Incorporated Retirement Plan for Salaried Employees, or Qualified Retirement Plan, which provides funded, tax-qualified benefits under the Internal Revenue Code to all salaried and non-union hourly U.S.-based employees who were hired before July 1, 2003. This plan provides benefits that are limited by Internal Revenue Code requirements applicable to all tax-qualified pension plans. As noted above, we also maintain defined benefit Supplemental Executive Retirement Plans, or SERPs, which provide unfunded, non-qualified benefits to select executives. The purpose of the SERPs is to provide additional benefits above those provided under the Qualified Retirement Plan. Accruals in the Qualified Retirement Plan and the defined benefit SERPs were frozen as of December 31, 2013.

**QUALIFIED RETIREMENT PLAN**

The benefit provided under the Qualified Retirement Plan is payable as a life annuity beginning at normal retirement age (age 65). The benefit is determined based on the following formula:

0.8% of final average compensation up to the Covered Compensation level; plus

1.25% of final average compensation in excess of the Covered Compensation level;

which sum is multiplied by years of service (subject to a maximum of 30 years).

In addition, a benefit equal to \$50.40 times the number of years of service (subject to a maximum of 30 years) is added to the amount determined above.

Final average compensation is an average of the five highest consecutive full calendar years of salary and bonus out of the last ten full calendar years, with each year's compensation held to a maximum of the IRS compensation limit for that year. The participant's individual Covered Compensation is as defined under the Internal Revenue Code. The benefit is payable for the lifetime of the participant, with alternative forms of payment available to the participant with an actuarial reduction.

Participants may retire early if they are at least age 50 and the sum of their age plus service is at least 70, or at any age with 30 years of service. Benefits may begin upon retirement on an actuarially-reduced basis. Participants with at least 15 years of service who become disabled while employed are eligible for an immediate unreduced benefit. Participants terminating with at least five years of service are entitled to a deferred vested benefit at age 65, or may commence the benefit on an actuarially-reduced basis, if they are at least age 50 and the sum of their age plus service is at least 70.

**PENSION RESTORATION SERP**

Benefits under the Pension Restoration SERP are determined using the same formula as stated above for the Qualified

Retirement Plan except the IRS compensation limit is ignored. Net benefits payable from the Pension Restoration SERP at age 65 equal the difference between the benefit determined using total pensionable pay, ignoring qualified plan compensation limits, and the benefit payable from the Qualified Retirement Plan. All other provisions of the Pension Restoration SERP are identical to the Qualified Retirement Plan with the exception of the actuarial reduction factors for retirement before age 65. The Pension Restoration SERP was amended in 2013 to freeze all future benefit accruals after December 31, 2013.

### **GERMAN PENSION BENEFITS**

Drs. Wunram and Näher and Mr. Heyden participate in the Wincor Pension Plan pursuant to their service agreements. The Wincor Pension Plan is a contribution-defined pension system, and is based on a one-time payout or up to ten annual installment payments. They are entitled to the pension payments when reaching the age of sixty. However, if they remain on the Wincor Nixdorf management board in an active capacity beyond this period, the receipt of retirement benefits will be deferred until the end of their service agreement. In the event that the executive continues to hold a position on the Wincor Nixdorf management board, the actual pensions and/or one-time payout benefits will be higher than those presented in the table, particularly as a result of future financing contributions. The amounts credited to the pension accounts bear interest at 3.5% per year.

### **PRESENT VALUE OF ACCUMULATED BENEFITS**

The Present Value of Accumulated Benefits is the single-sum value as of December 31, 2018 of the annual pension benefit that was earned through that date payable under a plan beginning at the NEO's normal retirement age.

The normal retirement age is defined as age 65 for the Qualified Retirement Plan and Pension Restoration SERP. We used certain assumptions to determine the single-sum value of the annual benefit that is payable beginning at normal retirement age. The key assumptions are as follows:

An interest rate of 4.34%, the ASC 715 discount rate as of December 31, 2018;

The RP-2014 mortality tables with MP-2018 generational projection scales; and

No probability of termination, retirement, death, or disability before normal retirement age. The normal retirement age for Drs. Wunram and Näher and Mr. Heyden under the Wincor Nixdorf AG Pension Scheme is 60. The key assumptions are as follows:

A discount rate of 1.5%; and

No probability of termination, retirement, death or disability before normal retirement age.



Table of Contents**EXECUTIVE COMPENSATION MATTERS****2018 NON-QUALIFIED DEFERRED COMPENSATION**

NAME	EXECUTIVE CONTRIBUTIONS	REGISTRANT CONTRIBUTIONS	AGGREGATE EARNINGS (LOSSES)	AGGREGATE WITHDRAWALS	AGGREGATE BALANCE AS OF DECEMBER 31, 2018 <sup>4</sup>
	IN 2018 <sup>1</sup>	IN 2018 <sup>2</sup>	IN 2018 <sup>3</sup>	DISTRIBUTIONS	2018 <sup>4</sup>
	(\$)	(\$)	(\$)	(\$)	(\$)
Gerrard B. Schmid					
Jeffrey Rutherford					
Dr. Juergen Wunram					
Christopher A. Chapman					
Dr. Ulrich Näher					
Olaf Heyden					
Jonathan B. Leiken	4,190	2,514	(8,618)		67,531

<sup>1</sup> This amount is included in the Salary column of the 2018 Summary Compensation Table.

<sup>2</sup> This amount is included in the All Other Compensation column of the 2018 Summary Compensation Table and includes amounts contributed in 2018 for the 2018 plan year under the 401(k) Restoration SERP.

<sup>3</sup> This amount represents aggregate earnings on executive and registrant contributions. This amount is not reflected in the 2018 Summary Compensation Table, as it is not considered preferential or above-market earnings on deferred compensation.

<sup>4</sup> This column reflects the balance of all contributions and the aggregate earnings (or losses) on such contributions. No portion of this amount is reflected in the All Other Compensation column or the Salary column of the 2018 Summary Compensation Table except current-year Registrant Contributions and Executive Contributions, respectively. Of these balances, \$12,707 was reported for Mr. Leiken as executive and registrant contributions in summary compensation tables in prior year proxy statements.

**NON-QUALIFIED DEFERRED COMPENSATION PLANS**

## **DEFERRED INCENTIVE COMPENSATION PLAN NO. 2**

Pursuant to our 1992 Deferred Incentive Compensation Plan, certain executives, including the NEOs, were able to defer cash bonuses received under our Annual Cash Bonus Plan and performance-based share awards earned under the 1991 Plan; however, none of the NEOs were participants in this Deferred Incentive Compensation Plan in 2018. Effective December 31, 2004, as a result of the passage by Congress of the American Jobs Creation Act of 2004, we elected to freeze the 1992 Deferred Incentive Compensation Plan and closed the plan to future deferrals. Effective January 1, 2005, the Board approved the Deferred Incentive Compensation Plan No. 2, which is substantially similar to the 1992 Deferred Incentive Compensation Plan in all material respects, but was designed to be administered in accordance with Section 409A of the Internal Revenue Code.

Under the Deferred Incentive Compensation Plan No. 2, an executive may defer all or a portion of his or her annual cash bonus or performance-based share amount. Deferral

elections for cash bonuses must be made prior to the end of the year preceding the year in which such bonuses would be earned (and payable in the following year). Deferral elections for performance-based shares must be made at least six months prior to the end of the three-year performance period specified in the grant.

Deferrals of performance-based shares are treated as a line-item in the executive's deferred account with us; however, the earnings on the performance shares (dividends and interest) are invested in the same manner as deferrals of cash compensation. Executives may invest such cash deferrals in any funds available under our 401(k) plan, except the Northern Trust, Invesco Stable Value Fund and Diebold Inc. Stock Fund. The table below shows the funds available under the deferred compensation plans and their annual rate of return for the year ended December 31, 2018, as reported by Merrill Lynch.

Table of Contents**EXECUTIVE COMPENSATION MATTERS****MERRILL LYNCH FUNDS**

<b>NAME OF FUND</b>	<b>RATE OF RETURN</b>	<b>NAME OF FUND</b>	<b>RATE OF RETURN</b>
FEDERATED INTERNATIONAL CL IS	-20.66%	VANGUARD 2015 INSTL TARGET RET	-2.91%
INVESCO DIVERSIFIED DIV CL R5	-7.54%	VANGUARD 2020 INSTL TARGET RET	-4.21%
JANUS HENDERSON TRITON FUND I	-5.13%	VANGUARD 2025 INSTL TARGET RET	-5.02%
JOHN HANCOCK DISCIPLINED	-14.74%	VANGUARD 2030 INSTL TARGET RET	-5.82%
LOOMIS SAYLES SMALL CAP VALUE	-16.52%	VANGUARD 2035 INSTL TARGET RET	-6.56%
OPPENHEIMER DEVELOPING MARKETS	-11.95%	VANGUARD 2040 INSTL TARGET RET	-7.31%
T ROWE PRICE BLUE CHP GRTH INV	2.01%	VANGUARD 2045 INSTL TARGET RET	-7.87%
VANGUARD INSTITUTIONAL INDEX	-4.42%	VANGUARD 2050 INSTL TARGET RET	-7.87%
VANGUARD MID-CAP INDEX FD	-9.34%	VANGUARD 2055 INSTL TARGET RET	-7.84%
VANGUARD PRIMECAP FD-ADM CL	-1.95%	VANGUARD 2060 INSTL TARGET RET	-7.88%
LOOMIS SAYLES BOND FD	-2.87%	VANGUARD 2065 INSTL TARGET RET	-7.84%
VANGUARD TOTAL BOND MKT	-0.01%	VANGUARD INCM INSTL TARGET RET	-1.98%
AMERICAN BALANCED FUND R5	-2.47%	BLACKROCK LIQUIDITY FD T INSTL	1.72%

Executives deferring under the Deferred Incentive Compensation Plan No. 2 select their period of deferral and method of payment at the time of making their deferral elections. Executives may elect to defer their payments until a specified date or until the date they cease to be an associate of the Company. Further, the executives may elect to receive their distribution either as a lump sum or in approximately equal quarterly installments, not to exceed 40 installments.

**401(K) RESTORATION SERP**

The 401(k) Restoration SERP is designed to replace lost retirement benefits due solely to IRS compensation limits. Benefits under this plan are determined exactly as in our 401(k) Plan except that compensation limits are ignored.

NEOs are permitted to elect to defer compensation above the annual IRS limit and we provide a matching contribution at the same rate as under the 401(k) Plan. Both the salary deferrals and our matching contributions may be invested in any funds available under our Deferred Incentive Compensation Plan No. 2. Mr. Leiken participates in the 401(k) Restoration SERP.

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

The amount of compensation payable to each NEO upon voluntary or involuntary termination (with and without cause), retirement, death, disability or in the event of a change in control (with and without termination) is described qualitatively in the following narrative and is shown quantitatively in the tables below. The amounts shown assume that such termination or change in control was effective as of December 31, 2018, include amounts earned through such date, and are estimates of the amounts that would be paid out to the executives upon his termination or change in control. As Dr. Wunram and Mr. Chapman's separations from the Company occurred prior to December 31, 2018, they are not included in the tables below. Further, as Mr. Rutherford was an independent contractor of the Company as of December 31, 2018, he was not entitled to any such payments upon termination or change in control at that time. Beginning in 2019, Mr. Rutherford will be treated similar to Messrs. Schmid

and Leiken in terms of his participation in and rights to benefits and payments in the event of termination or change in control.

The actual amounts to be paid out can only be determined at the time of each NEO's separation. Messrs. Schmid and Leiken participate in our Senior Leadership Severance Policy. Dr. Näher and Mr. Heyden have employment agreements, and their rights upon termination are set forth in those agreements. The employment agreements for Dr. Näher and Mr. Heyden are structured in a different manner from the other NEOs with respect to termination payments, and so we have summarized their rights to payments separately, immediately following the discussion of the other NEOs that follows. Our stock price as of December 31, 2018 was \$2.49.

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**EXECUTIVE COMPENSATION MATTERS**

**PAYMENTS AND BENEFITS IN CONNECTION WITH DR. WUNRAM S RETIREMENT**

Dr. Wunram retired from his position as Senior Vice President and Chief Operating Officer on May 31, 2018. In connection with his retirement, the Company and Dr. Wunram agreed that he would receive the following:

Pro-rata portion of his 2018 Annual Cash Bonus Plan award (based on target achievement) in the amount of 229,605; and

The annual contribution to his Wincor Nixdorf Pension Scheme in the amount of 100,000. In addition, all of Dr. Wunram s outstanding stock options and RSUs vest in accordance with the terms of their agreements, and Dr. Wunram remains eligible to receive his performance-based share awards and his performance-based cash incentive awards as if his employment had not terminated and pursuant to the terms of those awards.

**PAYMENTS AND BENEFITS IN CONNECTION WITH MR. CHAPMAN S SEPARATION**

Mr. Chapman left the Company on October 1, 2018, to pursue other opportunities. In connection with his departure and subject to compliance with non-competition and non-solicitation obligations, Mr. Chapman was entitled to receive compensation (i) under the Company s Senior Leadership Severance Plan with respect to termination of his employment without cause and (ii) pursuant to an agreement between the Company and Mr. Chapman dated January 31, 2018, as follows:

Lump sum amount of \$2,369,000, which represents two times his base salary (\$592,250) and 2018 annual target bonus (\$592,250);

A payment of \$300,000, which amount was negotiated in connection with Mr. Chapman s departure and in lieu of any bonus eligibility for 2018;

Unvested stock options granted in 2017 and thereafter continue to vest and expire in accordance with the applicable award agreement as if Mr. Chapman had not terminated; all other unvested stock options vest and remain exercisable for a period of twelve months;

Unvested RSUs granted in 2017 and thereafter continue to vest in accordance with their terms as if no termination had occurred. All other unvested RSUs vest pro-rata based on the number of months Mr. Chapman was employed during the restricted period for each award;

Unearned performance-based shares and performance-based units granted in 2017 and thereafter will pay out to the extent earned based on actual performance at the end of the performance-based period and as if Mr. Chapman had been employed for the duration of the period. Unearned performance-based shares and performance-based units granted prior to 2017 paid out to the extent earned based on actual performance and pro-rated based on the number of months Mr. Chapman was employed during the performance period; and

104 weeks of continued participation in the medical, dental, and vision benefits and group life insurance benefits. Mr. Chapman and the Company also entered into a consulting agreement whereby Mr. Chapman agreed to assist in the transition of his responsibilities through January 15, 2019 in exchange for a one-time payment in the amount of \$300,000 and continued eligibility under his performance-based synergy award granted in 2017.

## **PAYMENTS MADE UPON TERMINATION MESSRS. SCHMID AND LEIKEN**

### **VOLUNTARY WITHOUT GOOD REASON OR INVOLUNTARY WITH CAUSE**

Whether a NEO's employment terminates voluntarily without good reason or terminates involuntarily with cause (as those terms may be defined in various agreements), he is generally only entitled to base salary earned through the date of termination, along with any deferred compensation earnings payable upon separation from service and any benefits that have accrued under our Qualified Retirement Plan and any SERP or 401(k) plan (except that no employer-paid SERP benefits are payable in the event of involuntary termination with cause). The Qualified Retirement Plan benefit, under both termination scenarios, and the SERP benefit, if termination is voluntary, is determined as described in *2018 Pension and Retirement Benefits* above. If termination is involuntary with

cause, only the portion of the 401(k) Restoration Plan benefit derived from employee contributions and qualified defined benefit plan vested benefit are payable to the NEO. The 401(k) Restoration SERP balances are not payable until the NEO attains age 55.

### **INVOLUNTARY WITHOUT CAUSE OR VOLUNTARY WITH GOOD REASON**

If a NEO is involuntarily terminated without cause, he is entitled to the following (subject to a general release of claims and acknowledgment of the executive's confidentiality, non-competition and other applicable obligations):

A lump sum payment equal to two times (for Mr. Schmid) and one and one-half times (for Mr. Leiken) base salary in effect on the date of termination and target bonus

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**EXECUTIVE COMPENSATION MATTERS**

opportunity under our Annual Cash Bonus Plan in the year of termination;

A lump sum pro-rata payment of the bonus under our Annual Cash Bonus Plan, based upon the time employed in the year of termination and actual full-year performance results;

Continued participation in all of our employee health and welfare benefit plans for the shorter of (i) two years (for Mr. Schmid) or one and one-half years (for Mr. Leiken), and (ii) the date such NEO receives equivalent coverage from a subsequent employer;

All outstanding unvested options immediately vest and remain exercisable for a period of twelve months (or the earlier scheduled expiration) following the date of termination;

All outstanding RSUs vest pro-rata based upon the time employed in the year of termination relative to the vesting period of the RSUs;

Pro-rata performance-based share amounts, based upon the time employed in the year of termination relative to the performance period, to the extent such awards are earned, payable when such awards are generally paid to others;

A Qualified Retirement Plan benefit using the plan provisions as described in *2018 Pension and Retirement Benefits* above; and

Professional outplacement services for up to two years.

The Pension Restoration SERP and 401(k) Restoration SERP do not provide any additional benefits upon an involuntary termination. The NEO is only entitled to a SERP benefit if he otherwise qualifies for a normal, early or deferred vested SERP benefit at termination.

For Mr. Leiken, the nonqualified defined contribution plan values shown reflect the vested balances in the 401(k) Restoration SERP.

For all applicable NEOs, we have included the value of their vested nonqualified defined contribution balances, footnoting that these amounts are not payable until the NEO attains age 55.

Pursuant to the Senior Leadership Severance Plan, if a NEO terminates his employment due to the occurrence of any of the following events without his consent and following our right to cure, each of which constitute the basis for good reason, he will be entitled to receive the payments and benefits discussed immediately above:



A material reduction in the amount of the executive's then current base salary or target annual bonus;  
A requirement that the executive change his principal location of work to a location which is in excess of 50 miles from his current location of work;

Our failure to obtain in writing the obligation to perform or be bound by the terms of the Senior Leadership Severance Plan by any successor company or any purchaser of all or substantially all of our assets; or

Any material breach by us of the terms and conditions of the Senior Leadership Severance Plan.

#### **PAYMENTS MADE UPON RETIREMENT**

Generally, in the event of the retirement of a NEO at or after the earliest voluntary retirement age, in addition to the benefits identified above under *Voluntary Without Good Reason or Involuntary With Cause*, he is entitled to the following:

All outstanding unvested options and RSUs issued prior to 2017 immediately vest if the NEO had attained the age of 65 and completed five or more years of continuous employment;

All outstanding unvested options and RSUs granted in and after 2017 will continue to vest in the normal course if the NEO had attained the age of 55 and completed five or more years of continuous employment;

All outstanding RSUs vest pro-rata based upon the time employed in the year of termination relative to the vesting period of the RSUs, if the sum of the NEO's age and years of continuous employment equals or exceeds 70;

Pro-rata performance-based share amounts for awards prior to 2017 if the NEO had attained the age of 65 and completed five or more years of continuous employment or if the sum of the NEO's age and years of continuous employment equal or exceed 70; and

Performance-based share amounts for awards in or after 2017 if the NEO has attained the age of 55 and has completed five or more years of continuous employment with the corporation, with the extent to which such awards are earned determined as if the NEO's employment had not terminated.

The amount shown for Mr. Leiken also includes the value of his vested nonqualified defined contribution balance in the 401(k) Restoration SERP. Retirement eligibility is age 55 under the 401(k) Restoration SERP.

#### **PAYMENTS MADE UPON DEATH OR DISABILITY**

In the event of the death of a NEO, the NEO or his estate or beneficiaries receives:

A lump sum pro-rata payment of the bonus under our Annual Cash Bonus Plan, based upon the time employed in the year of termination and (i) target performance for Mr. Schmid or (ii) actual full-year performance results for

Mr. Leiken;

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All outstanding unvested options vest and remain exercisable for a period of twelve months (or the earlier scheduled expiration);

All outstanding RSUs vest;

Pro-rata performance-based share amounts, based upon the time employed in the year of termination relative to the performance period, to the extent such awards are earned, payable when such awards are generally paid to others; and

Benefits under our group term life insurance plan or any supplemental life insurance plan, as applicable.

If a NEO has a termination from employment for disability that is a separation from service, as that term is defined in Section 409A of the Internal Revenue Code, the NEO has the right to receive the same benefits as if he were terminated without cause, as listed above.

NEOs who die while actively employed are eligible for surviving spouse benefits from the Qualified Retirement Plan payable at the NEO's normal retirement date (or on an actuarially-reduced basis at an early retirement date) if the NEO had at least five years of service. The benefit is equal to 50% of the benefit payable if the NEO terminated employment on the date of his death, survived to the payment date as elected by his spouse, and elected to begin receiving the 50% joint and survivor form of payment. Benefits payable to the surviving spouse upon death of the NEO from the Pension Restoration SERP are payable at the later of the executive's early retirement date or date of death. For the Pension Restoration SERP, the death benefit is equal to 50% of the benefit, actuarially adjusted for the difference in age between the NEO and spouse, that would have been payable to the executive if he terminated employment on the date of death and survived to his first payment date. NEOs must have five years of service at the time of death for death benefits to be payable under the Pension Restoration SERP. The 401(k) Restoration SERP pays a death benefit equal to the executive's plan account if the executive had ten years of service and three years of service, respectively.

Disability benefits are payable immediately on an unreduced basis from the Qualified Retirement Plan based on service at the date of disability if the NEO had at least 15 years of service and was determined to be totally and permanently disabled.

Disability benefits under the Pension Restoration SERP are payable immediately on an unreduced basis for disability after the NEO has at least 15 years of service. Disability benefits under the 401(k) Restoration SERP are payable immediately on an unreduced basis.

For the defined benefit plans, we have shown the present value of the death benefits payable to the NEO's spouse in case of

the NEO's death as of December 31, 2018. For the Qualified Retirement Plan and Pension Restoration SERP, the values shown reflect the present value of the early retirement benefits.

Under the disability scenario for the defined benefit plans, we have reflected the present value of the immediately payable benefit if the NEO is eligible for disability as of the measurement date. In determining the value of the disability benefits, we used the RP-2014 Disabled Retirees mortality table with fully generational projection using MP-2018 and the assumptions noted under *Present Value of Accumulated Benefits* above.

For both the death and disability scenarios, for all NEOs, we have included the value of their vested nonqualified defined contribution balances which are payable immediately.

### **PAYMENTS UPON A TERMINATION FOLLOWING A CHANGE IN CONTROL**

Pursuant to the change in control agreements described previously, following a change in control, the term of employment for each NEO will extend until at least the third anniversary of the change in control. If, within that time period, an NEO's employment is terminated without cause or if the NEO terminates his employment for good reason, the NEO is entitled to the following benefits:

Unpaid base salary and accrued vacation pay and unreimbursed business expenses;

A lump sum payment equal to two times base salary and target cash bonus;

A lump sum pro-rata payment of the bonus under our Annual Cash Bonus Plan, based upon the time employed in the year of termination and actual full-year performance results;

Two years of continued participation in our employee health and welfare benefit plans; and

A lump sum payment in an amount equal to the additional benefits the NEO would have accrued under each qualified or nonqualified pension, profit sharing, deferred compensation or supplemental plan for one additional year of service, provided the NEO was fully vested prior to termination.

Pursuant to the terms of the applicable equity compensation agreements, if following the change in control the NEO is terminated without cause or he terminates employment for good reason, the NEO is entitled to the following benefits:

All outstanding unvested options immediately vest;

All outstanding RSUs immediately vest and become nonforfeitable; and

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**EXECUTIVE COMPENSATION MATTERS**

Unearned and nonforfeited performance-based shares become nonforfeitable at 100% of target (or the greater of 100% of target or actual level of achievement for Mr. Schmid).

For all of these agreements, a change in control is deemed to occur upon any of the following events (subject to limited exceptions described in such agreements):

Acquisition by any individual, group or entity of beneficial ownership of thirty percent or more of our outstanding shares;

The incumbent board ceases, for any reason other than death or disability, to constitute at least a majority of the Board, with any individual whose nomination and election was approved by at least a majority vote of the incumbent directors considered as though a member of the incumbent board, and excluding for these purposes any individual whose initial assumption of office occurs as a result of an actual or threatened election contest;

A reorganization, merger, consolidation or sale of all or substantially all of our assets; or

Approval by our shareholders of a complete liquidation or dissolution.

Further, for purposes of the equity compensation agreements and the change in control agreements, a voluntary termination by a NEO upon a change in control will be deemed for good reason upon the occurrence of any of the following events:

Failure to elect, re-elect or otherwise maintain the NEO in the offices or positions held prior to the change in control;

A material reduction in the nature or scope of the authorities, powers, functions, responsibilities or duties attached to the position held by the NEO, or a reduction in aggregate compensation or employee benefit plans;

We liquidate, dissolve, merge, consolidate or reorganize or transfer all or a significant portion of our business or assets, unless the successor has assumed all duties and obligations of the change in control agreements;

We relocate and require the NEO to change his principal location of work to any location which is in excess of 50 miles from his previous location of work, or requires the NEO to travel significantly more than was previously required; or

Any material breach of the Agreement.

For purposes of calculating the retirement benefits payable when a change in control occurs with termination, each NEO actively employed as of December 31, 2018 may be entitled to the following:

If participating in the Qualified Pension Retirement Plan and/or Pension Restoration SERP, the benefits are determined using the plan provisions as described in the *2018 Pension and Retirement Benefits* above;

If participating in the 401(k) Restoration Plan, a benefit equal to one additional year of employer match, the amount of which is contributed to the 401(k) Restoration SERP; and

401(k) Restoration which includes immediate vesting under the 401(k) Restoration Plan.

For the Qualified Retirement Plan, the Pension SERP and the Pension Restoration SERP, we have reflected, in the Post-Termination Payments Tables below the present value of the accrued benefit payable at normal retirement. Under the terms of the defined benefit SERPs, these benefits are payable at the later of the executive's early retirement date or the date of a change in control with termination.

For the 401(k) Restoration SERP, the change in control trigger provides for the immediate vesting of all defined contribution balances, as well as an additional year of employer match. These balances are not payable to the NEO until he has attained at least age 55 under the terms of the nonqualified defined contribution plans.

#### **EFFECT OF SECTION 409A ON TIMING OF PAYMENTS**

With respect to any severance amounts payable to our executives, any amounts that are not exempt from Section 409A of the Internal Revenue Code will be subject to the required six-month delay in payment after termination of service, provided that the executive is deemed a specified employee for purposes of Section 409A at the time of termination of service.

#### **POTENTIAL TERMINATION PAYMENTS UNDER SERVICE AGREEMENTS DR. NÄHER AND MR. HEYDEN**

Dr. Näher's and Mr. Heyden's existing service agreements and offer letters govern payments made upon death, disability, retirement, or termination. They are also eligible for certain benefits under the Wincor Nixdorf pension plan should their service terminate.

#### **VOLUNTARY WITHOUT GOOD REASON OR INVOLUNTARY WITH CAUSE**

If the service agreement is terminated by the Company for cause, Dr. Näher and Mr. Heyden are generally entitled to base salary earned through the date of termination, along with



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any amounts provided under the Wincor Pension Plan, and shall forfeit any outstanding DN Performance Awards in their entirety. If Dr. Näher and Mr. Heyden voluntarily resign without good reason, they are generally entitled to base salary through the date of termination, along with amounts provided under the Wincor Pension Plan, and do not forfeit any outstanding DN Performance Awards.

**INVOLUNTARY WITHOUT CAUSE OR VOLUNTARY WITH GOOD REASON**

Pursuant to their offer letters, Dr. Näher and Mr. Heyden participate in our Senior Leadership Severance Plan. If Dr. Näher or Mr. Heyden is involuntarily terminated without cause or he voluntarily terminates his employment for cause or for good reason (as defined in the applicable service and award agreements), he is entitled to the following, in addition to payments under his pension (subject to a general release of claims and acknowledgment of the executive's confidentiality, non-competition and other applicable obligations):

A lump sum payment equal to one and one-half times base salary in effect on the date of termination and target bonus opportunity under our Annual Cash Bonus Plan in the year of termination;

A lump sum pro-rata payment of the bonus under our Annual Cash Bonus Plan, based upon the time employed in the year of termination and actual full-year performance results;

Continued participation in all of our employee health and welfare benefit plans for the shorter of (i) one and one-half years, and (ii) the date such NEO receives equivalent coverage from a subsequent employer;

All outstanding unvested options immediately vest and remain exercisable for a period of twelve months (or the earlier scheduled expiration) following the date of termination;

All outstanding RSUs vest pro-rata based upon the time employed in the year of termination relative to the vesting period of the RSUs;

Pro-rata performance-based share amounts based upon the time employed in the year of termination relative to the performance period, to the extent such awards are earned, payable when such awards are generally paid to others;

Payment under their DN Performance Awards to the extent such awards are earned, payable when such awards are generally paid to others; and



Professional outplacement services for up to two years.

#### **PAYMENTS MADE UPON RETIREMENT**

Upon retirement, Dr. Näher and Mr. Heyden will receive certain benefits under the Wincor Pension Plan pursuant to their service agreements as discussed above in the *Benefits and Prerequisites* section. Dr. Näher and Mr. Heyden are entitled to the pension payments upon reaching the age of 60. However, if Dr. Näher or Mr. Heyden remain on the Diebold Nixdorf AG management board in an active capacity beyond this period, the receipt of retirement benefits will be deferred until the end of his service agreement. In the event of retirement, Dr. Näher and Mr. Heyden are also entitled to the following:

All outstanding unvested options and RSUs granted under the 2017 Plan continue to vest in the normal course if they have attained the age of 55 and have completed five or more years of continuous employment with the Company;

All outstanding RSUs vest pro-rata based upon the time employed in the year of termination, relative to the vesting period of the RSUs, if the sum of his age and years of continuous employment with the Company equals or exceeds 70;

Payment under their DN Performance Awards to the extent such awards are earned, payable when such awards are generally paid to others;

Pro-rata performance-based share amounts based upon the time employed in the year of termination relative to the performance period, to the extent such awards are earned, payable when such awards are payable to others if the sum of his age plus years of continuous employment with the Company equal or exceed 70; and

Performance-based share amounts for awards in or after 2017 if the NEO has attained the age of 55 and has completed five or more years of continuous employment with the Company, with the extent to which such awards are earned determined as if the NEO's employment had not terminated.

#### **PAYMENTS MADE UPON DEATH**

In the event of death, certain beneficiaries of Dr. Näher or Mr. Heyden are entitled to continued payment of his base salary for six months and certain payments under the Wincor Pension Scheme. They are also entitled to the following:

A lump sum pro-rata payment of the bonus under our Annual Cash Bonus Plan, based upon the time employed in the year of termination and actual full-year performance results;

All outstanding unvested options vest and remain exercisable for a period of twelve months (or the earlier scheduled expiration);

All outstanding RSUs vest;

Pro-rata performance-based share amounts, based upon the time employed in the year of termination relative to the performance period, to the extent such awards are earned, payable when such awards are generally paid to others; and

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**EXECUTIVE COMPENSATION MATTERS**

A lump sum pro-rata payment under their DN Performance Awards based upon the time employed in the year of termination relative to the performance period, to the extent such awards are earned, payable when such awards are generally paid to others.

**PAYMENTS MADE UPON DISABILITY**

Should Dr. Näher or Mr. Heyden become unable to work due to disability, he is entitled to receive his base salary for a period of up to eighteen months or when he leaves the Company. After eighteen months, the Company may terminate his service agreement and he will receive pension benefits, even if he has not reached the age of 60. Dr. Näher and Mr. Heyden are also entitled to the following:

A lump sum pro-rata payment of the bonus under our Annual Cash Bonus Plan, based upon the time employed in the year of termination and actual full-year performance results;

All outstanding unvested options vest and remain exercisable for a period of twelve months (or the earlier scheduled expiration);

All outstanding RSUs vest;

Pro-rata performance-based share amounts, based upon the time employed in the year of termination relative to the performance period, to the extent such awards are earned, payable when such awards are generally paid to others; and

A lump sum pro-rata payment under their DN Performance Awards based upon the time employed in the year of termination relative to the performance period, to the extent such awards are earned, payable when such awards are generally paid to others.

**POST-TERMINATION PAYMENTS TABLES**

Because Dr. Wunram and Mr. Chapman's separations from the Company occurred prior to December 31, 2018, they are not included in the tables below. Mr. Rutherford was an independent contractor of the Company as of December 31, 2018, so he was not entitled to any payments upon termination or change in control at that time.

NAME	VOLUNTARY		INVOLUNTARY			CHANGE IN CONTROL	
	W/O GOOD REASON		W/O CAUSE OR VOLUNTARY W/ GOOD REASON			W/ GOOD REASON	
	W/O CAUSE		RETIREMENT			TERMINATION	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Gerrard B. Schmid</b>							
Salary/Bonus			4,560,000		1,330,000	1,330,000	4,560,000
Stock options							
Performance-based shares <sup>1</sup>			129,178		129,178	129,178	387,534
RSUs			74,996		271,273	271,273	271,273
Pension Plans and SERP Benefits <sup>2</sup>							
Other Benefits <sup>3</sup>			47,826				32,826
<b>Total:</b>			<b>4,812,000</b>		<b>1,730,451</b>	<b>1,730,451</b>	<b>5,251,633<sup>4</sup></b>
<b>Jonathan B. Leiken</b>							
Salary/Bonus			1,530,000				2,040,000
Stock options							
Performance-based shares <sup>1</sup>			80,525		80,525	80,525	136,138
RSUs			37,639		72,195	72,195	72,195
Pension Plans and SERP Benefits <sup>2</sup>	67,531	45,819	67,531	67,531	67,531	67,531	72,427
Other Benefits <sup>3</sup>			32,948				23,931
<b>Total:</b>	<b>67,531</b>	<b>45,819</b>	<b>1,748,643</b>	<b>67,531</b>	<b>220,251</b>	<b>220,251</b>	<b>2,344,691<sup>4</sup></b>

<sup>1</sup> For all outstanding performance-based awards, we have assumed that the payouts of the awards will be made at target levels. In reality, the payouts may be lower or higher depending upon the actual level of performance achieved in the future.

<sup>2</sup> The Pension Plans and SERP Benefits amount represents the total value to the NEO under our defined benefit and defined contribution plans, excluding the Qualified 401(k) Plan and our broad-based Canadian RRSP and DPSP Plans. For Mr. Leiken, the values include the vested balance in the 401(k) Restoration SERP. This balance is payable when the participant turns age 55 or their current age if older than 55.



Table of Contents**EXECUTIVE COMPENSATION MATTERS**

<sup>3</sup> Other Benefits includes, as applicable, the total value of any other contributions by us on behalf of the NEO for health and welfare benefit plans and outplacement services, which the NEO was eligible to receive as of December 31, 2018.

<sup>4</sup> These payments would be subject (in whole or in part) to an excise tax imposed by Section 280G of the Code. In accordance with the NEO's change in control or employment agreement, we will reduce certain of these payments to the extent necessary so that no portion of the total payment is subject to the excise tax, but only if this results in a better net-of-tax result for the NEO. The calculations in this table do not reflect any such reduction or adjustment.

As discussed above, Dr. Näher's and Mr. Heyden's respective service agreements govern their severance payments. These agreements do not provide change in control protection. Amounts presented in the table below assume a hypothetical termination event as of December 31, 2018. All amounts were converted from Euros to U.S. dollars using the exchange rate on December 31, 2018, which was 1.14555.

NAME	VOLUNTARY W/O GOOD REASON		INVOLUNTARY W/O CAUSE OR VOLUNTARY INVOLUNTARY W/GOOD REASON			
	REASON	W/CAUSE	REASON	RETIREMENT	DEATH	DISABILITY
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Dr. Ulrich Näher</b>						
Severance			1,738,135		277,280	831,841
Stock options						
Performance-based Shares <sup>1</sup>			67,078		67,078	67,078
RSUs			19,351		53,393	53,393
DN Performance Awards <sup>2</sup>	2,393,947		2,393,947	2,393,947	2,011,848	2,011,848
Pension Plan Benefits <sup>3</sup>	254,312	254,312	254,312	254,312	254,312	254,312
Other Benefits <sup>4</sup>			35,056			
<b>Total:</b>	<b>2,648,259</b>	<b>254,312</b>	<b>4,507,879</b>	<b>2,648,259</b>	<b>2,663,911</b>	<b>3,218,472</b>
<b>Olaf Heyden</b>						
Severance			1,738,135		277,280	831,841
Stock options						
Performance-based Shares <sup>1</sup>	62,616 <sup>5</sup>		108,822 <sup>5</sup>	62,616 <sup>5</sup>	108,822 <sup>5</sup>	108,822 <sup>5</sup>

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RSUs	43,831 <sup>5</sup>		49,865 <sup>5</sup>	43,831 <sup>5</sup>	53,393	53,393
DN Performance Awards <sup>2</sup>	2,393,947		2,393,947	2,393,947	2,011,848	2,011,848
Pension Plan Benefits <sup>3</sup>	365,430	365,430	365,430	365,430	365,430	365,430
Other Benefits <sup>4</sup>			35,272			
<b>Total:</b>	<b>2,865,824</b>	<b>365,430</b>	<b>4,691,471</b>	<b>2,865,824</b>	<b>2,816,773</b>	<b>3,371,334</b>

- <sup>1</sup> For all outstanding performance-based awards, we have assumed that the payouts of the awards will be made at target levels. In reality, the payouts may be lower or higher depending upon the actual level of performance achieved in the future.
- <sup>2</sup> For all outstanding DN Performance Awards, we have assumed that the payouts of the awards will be made at target levels.
- <sup>3</sup> The pension plan benefits amount represents the total value to Dr. Näher and Mr. Heyden under the Wincor Nixdorf AG Pension Scheme. The assumptions used to calculate the value are consistent with those described above under *2018 Pension and Retirement Benefits*.
- <sup>4</sup> Other Benefits includes, as applicable, the total value of any other contributions by us on behalf of the NEO for health and welfare benefit plans and outplacement services, which the NEO was eligible to receive as of December 31, 2018.
- <sup>5</sup> Includes awards granted under the 2017 Plan that continue to vest as if Mr. Heyden had remained employed during the applicable vesting performance period given Mr. Heyden's attainment of age 55 and 5 years of continued service with the Company.

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**REPORT OF AUDIT COMMITTEE**

The Audit Committee is currently comprised of Patrick W. Allender (Chair), Bruce H. Besanko, Ellen Costello, and Dr. Dieter W. Düsedau. Each member of the committee is independent as defined in the NYSE Listed Company Manual and SEC rules. The primary duties and responsibilities of the committee are (1) to monitor the adequacy of our financial reporting process and systems of internal controls regarding finance, accounting and legal compliance, (2) to monitor the independence and performance of our outside auditors and internal audit department, and (3) to provide an avenue of communication among the outside auditors, management, the internal audit department and the Board. The Board has adopted an Audit Committee Charter, which is available on our website at <http://www.dieboldnixdorf.com>.

The Audit Committee has reviewed and discussed with our management and KPMG LLP, our independent registered public accounting firm, the audited financial statements contained in our Annual Report to Shareholders for the year ended December 31, 2018. The Audit Committee has also discussed with our independent registered public accounting firm the matters required to be discussed pursuant to AS No. 1301 Communications with Audit Committees, issued by the Public Company Accounting Oversight Board (United States) (PCAOB).

The Audit Committee has received and reviewed the written disclosures and the letter from KPMG LLP required by applicable requirements of the PCAOB regarding KPMG LLP's communications with the Audit Committee concerning independence, and has discussed with KPMG LLP its independence. The Audit Committee has also considered whether the provision of non-audit services to us by KPMG LLP is compatible with maintaining its independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the SEC.

The foregoing report was submitted by the Audit Committee and shall not be deemed to be soliciting material or to be filed with the SEC or subject to Regulation 14A promulgated by the SEC or Section 18 of the Exchange Act.

**The Audit Committee:**

Patrick W. Allender, Chair

Bruce H. Besanko

Ellen M. Costello

Dieter W. Düsedau





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**SHAREHOLDERS SHARING THE SAME ADDRESS**

Some banks, brokers and other intermediaries engage in the practice of householding our proxy statements, annual reports and Notice of Internet Availability of Proxy Materials. This means that, if shareholders within the same household request a physical copy of our proxy statement, annual report or Notice of Internet Availability of Proxy Materials, only one copy may be sent to that household unless the shareholders specifically request to receive multiple copies. We will promptly deliver a separate copy of our Annual Report on Form 10-K for the year ended December 31, 2018, this Proxy Statement or Notice of Internet Availability of Proxy Materials to you if you share an address subject to householding. Please

contact our Corporate Secretary at 5995 Mayfair Road, P.O. Box 3077, North Canton, Ohio 44720-8077 or (330) 490-4000 if you wish to receive a separate copy.

Please contact your bank, broker or other intermediary if you wish to receive individual copies of our proxy materials in the future. Please contact your bank, broker or other intermediary, or our Corporate Secretary as provided above if members of your household are currently receiving individual copies and you would like to receive a single household copy for future meetings.

**EXPENSES OF SOLICITATION**

The cost of soliciting the proxies will be paid by us. In addition to solicitation by mail, some of our directors, officers and employees, without extra compensation, may conduct additional solicitations by telephone, facsimile and personal interviews. We may also enlist, at our own cost, the assistance of banks, bankers and brokerage houses in additional solicitations of proxies and proxy authorizations, particularly from those of their clients or customers whose shares are not

registered in the clients or customers own names. Brokers, bankers, etc., will be reimbursed for out-of-pocket and reasonable clerical expenses incurred in obtaining instructions from beneficial owners of the common shares. It is estimated that the expense of such special solicitation will be nominal. In addition, Innisfree has been retained to assist in the solicitation of proxies for an estimated fee of \$20,000.

**SHAREHOLDER PROPOSALS**

We must receive by November 16, 2019 any proposal of a shareholder intended to be presented at our 2020 Annual Meeting of Shareholders and to be included in our proxy, notice of meeting and proxy statement related to the 2020 Annual Meeting pursuant to Rule 14a-8 under the Exchange Act. Such proposals should be submitted to our Corporate Secretary at our principal executive office by certified mail, return receipt requested.

Notice of proposals of shareholders submitted outside the processes of Rule 14a-8 under the Exchange Act regarding the nominations of directors, which a shareholder intends to present at our 2020 Annual Meeting must be received by us at our principal executive office on or between October 17, 2019 and November 16, 2019 (or, if the 2020 Annual Meeting is held more than 30 days prior to or after April 25, 2020, not later than the close of business on the later of the 180<sup>th</sup> day prior to the 2020 Annual Meeting or the 10<sup>th</sup> day following the day on which public announcement of the date of the 2020 Annual

Meeting is first made), or such proposals will be considered untimely under the advance notice provisions of our Code of Regulations. Other non-Rule 14a-8 proposals must be received by us at our principal executive office on or between December 16, 2019 and January 15, 2020 (or, if the 2020 Annual Meeting is held more than 30 days prior to or after April 25, 2020, not later than the close of business on the later of the 90<sup>th</sup> day prior to the 2020 Annual Meeting or the 10<sup>th</sup> day following the day on which public announcement of the date of the 2020 Annual Meeting is first made), or such proposals will be considered untimely under the advance notice provisions of our Code of Regulations.

Non-Rule 14a-8 proposals must comply with certain provisions of our Code of Regulations. Our proxy related to the 2020 Annual Meeting will give discretionary authority to the Proxy Committee to vote with respect to all non-Rule 14a-8 proposals properly brought before the 2020 Annual Meeting.

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**OTHER MATTERS**

We are not aware of any matters to be presented at the 2019 Annual Meeting other than the matters set forth herein. Should any other matters be presented for a vote of the shareholders, the proxy in the enclosed form confers discretionary voting authority upon the Proxy Committee. In accordance with the provisions of the Ohio Revised Code, the Board has appointed inspectors of elections to act at the 2019 Annual Meeting.

For information on how to obtain directions to be able to attend the 2019 Annual Meeting and vote in person, please see the directions at the end of this Proxy Statement or contact our Corporate Secretary at 5995 Mayfair Road, P.O. Box 3077, North Canton, Ohio 44720-8077 or (330) 490-4000.

By Order of the Board of Directors

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

Canton, Ohio

March 15, 2019

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APPENDIX A

**DIEBOLD NIXDORF, INCORPORATED**  
**2017 EQUITY AND PERFORMANCE INCENTIVE PLAN**  
**AMENDED , 2019**

ARTICLE I

ESTABLISHMENT AND PURPOSE

1.1 Purpose. The purpose of this Equity and Performance Incentive Plan (this Plan ) is to attract and retain directors, officers and employees for Diebold Nixdorf, Incorporated (the Company ) and its Subsidiaries and to provide to such persons incentives and rewards for performance.

1.2 Participation. Persons eligible to participate in this Plan include Employees and Directors. Subject to the provisions of this Plan, the Committee may from time to time select those Employees and Directors to whom Awards shall be granted and shall determine the nature and amount of those Awards. No Employee or Director shall have the right to be granted an Award.

1.3 Duration of the Plan. This Plan shall become effective on the date that it is approved by the Company s shareholders (the Effective Date ) and shall remain in effect, subject to the right of the Board to terminate this Plan at any time pursuant to Section 15.1, until all Shares subject to it have been purchased or acquired. However, in no event shall any Award be granted under this Plan on or after the tenth (10<sup>th</sup>) anniversary of the Effective Date.

ARTICLE II

DEFINITIONS

As used in this Plan,

2.1 Annual Meeting means the annual meeting of shareholders of the Company.

2.2 Award means any right granted under this Plan, including an Option, a Stock Appreciation Right, a Restricted Share award, a Restricted Stock Unit award, a Performance Share or a Performance Unit award, or an Other Share-Based award.

2.3 Award Agreement means an agreement, certificate, resolution or other type or form of writing or other evidence approved by the Committee which sets forth the terms and conditions of an individual Award granted under this Plan which may, in the discretion of the Company, be transmitted electronically to the Participant. Each Award Agreement shall be subject to the terms and conditions of this Plan.

2.4 Board means the Board of Directors of the Company.

2.5 Business Combination has the meaning provided in Section 2.6(c) of this Plan.

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2.6 Change in Control means the occurrence of any of the following:

- (a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a Person ) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of thirty percent (30%) or more of either: (A) the then-outstanding shares of common stock of the Company (the Company Common Stock ) or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of Directors ( Voting Stock ); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (1) any acquisition directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, or (4) any acquisition by any Person pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (c) of this Section 2.6; or
- (b) Individuals who, as of the date hereof, constitute the Board (as modified by this subsection (b), the Incumbent Board ), cease for any reason (other than death or disability) to constitute at least a majority of the Board; provided, however, that any individual becoming a Director subsequent to the date hereof whose election, or nomination for election by the Company s shareholders, was approved by a vote of at least a majority of the Directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for Director, without objection to such nomination) shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or
- (c) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a Business Combination ), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Company Common Stock and Voting Stock immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company s assets either directly or through one or more subsidiaries) in substantially the same proportions relative to each other as their ownership, immediately prior to such Business Combination, of the Company Common Stock and Voting Stock, as the case may be, (B) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) sponsored or maintained by the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, thirty percent (30%) or more of, respectively, the then-outstanding shares of common stock of the entity resulting from such Business Combination, or the combined voting power of the then-outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board providing for such Business Combination; or

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

A **Change in Control** will be deemed to occur (i) with respect to a Change in Control pursuant to subsection (a) above, on the date that any Person becomes the beneficial owner of thirty percent (30%) or more of either the Company Common Stock or Voting Stock, (ii) with respect to a Change in Control pursuant to subsection (b) above, on the date the members of the Incumbent Board first cease for any reason (other than death or disability) to constitute at least a majority of the Board, (iii) with respect to a Change in Control pursuant to subsection (c) above, on the date the applicable transaction closes and (iv) with respect to a Change in Control pursuant to subsection (d) above, on the date of the shareholder approval. Notwithstanding the foregoing provisions, a **Change in Control** shall not be deemed to have occurred for purposes of this Plan solely because of a change in control of any Subsidiary by which the Participant may be employed.

2.7 **Code** means the Internal Revenue Code of 1986, as amended from time to time.

2.8 **Committee** has the meaning provided in Section 14.1 of this Plan.

2.9 **Common Shares** means shares of common stock, \$1.25 par value per share, of the Company or any security into which such Common Shares may be changed by reason of any transaction or event of the type referred to in Article XI of this Plan.

2.10 **Company Common Stock** has the meaning provided in Section 2.6(a) of this Plan.

2.11 **Date of Grant** means the date on which the Committee adopts a resolution, or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such later date as is set forth therein.

2.12 **Designated Subsidiary** means a Subsidiary that is (i) not a corporation or (ii) a corporation in which at the time the Company owns or controls, directly or indirectly, less than eighty percent (80%) of the total combined voting power represented by all classes of stock issued by such corporation.

2.13 **Detrimental Activity** means any of the following:

(a) Engaging in any activity, as an employee, principal, agent or consultant for another entity, and in a capacity, that directly competes with the Company or any Subsidiary in any actual product, service, or business activity (or in any product, service, or business activity which was under active development while the Participant was employed by the Company if such development is being actively pursued by the Company during the one (1) year period following the termination of the Participant's employment by the Company or a Subsidiary) for which the Participant has had any direct responsibility and direct involvement during the last two (2) years of his or her employment with the Company or a Subsidiary, in any territory in which the Company or a Subsidiary manufactures, sells, markets, services, or installs such product or service or engages in such business activity.

(b) Soliciting any Employee to terminate his or her employment with the Company or a Subsidiary.



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(c) The disclosure to anyone outside of the Company or a Subsidiary, or the use in other than the Company or a Subsidiary's business, without prior written authorization from the Company, of any confidential, proprietary or trade secret information or material relating to the business of the Company and its Subsidiaries, acquired by the Participant during his or her employment with the Company or its Subsidiaries or while acting as a consultant for the Company or its Subsidiaries thereafter; provided, however, that nothing in this Plan limits a Participant's ability to file a charge or complaint or to communicate, including by providing documents or other information without notice to the Company, with the Securities and Exchange Commission or any other governmental agency or commission ( Government Agency ) or limits a Participant's right to receive an award for information provided to any Government Agency.

(d) The failure or refusal to disclose promptly and to assign to the Company upon request all right, title and interest in any invention or idea, patentable or not, made or conceived by the Participant during the Participant's employment by the Company or any Subsidiary, relating in any manner to the actual or anticipated business, research or development work of the Company or any Subsidiary or the failure or refusal to do anything reasonably necessary to enable the Company or any Subsidiary to secure a patent where appropriate in the United States and in other countries.

(e) Activity that results in termination for cause, as such term is defined in the applicable Award Agreement.

2.14 Director means a director of the Company.

2.15 Disability means totally and permanently disabled as from time to time defined under the long-term disability plan of the Company or a Subsidiary applicable to the Participant, or, in the case where there is no applicable plan, permanent and total disability as defined in Section 22(e)(3) of the Code (or any successor provision); provided, however, that to the extent an amount payable under this Plan which constitutes deferred compensation subject to Section 409A of the Code would become payable upon Disability, Disability for purposes of such payment shall not be deemed to have occurred unless the disability also satisfies the requirements of treasury regulation 1.409A-3.

2.16 EBIT has the meaning provided in Section 2.24(c) of this Plan.

2.17 EBITDA has the meaning provided in Section 2.24(c) of this Plan.

2.18 Effective Date has the meaning provided in Section 1.3 of this Plan.

2.19 Employee means an employee of the Company or any of its Subsidiaries, including an employee who is an officer or a Director.

2.20 Exchange Act means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, as such law, rules and regulations may be amended from time to time.

2.21 Exercise Price means, with respect to an Option or Stock Appreciation Right, the price at which a Common Share may be purchased upon exercise thereof.

2.22 Fair Market Value means, as of any particular date, the closing price of a Common Share as reported for that date on the New York Stock Exchange or, if the Common Shares are not then listed on



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the New York Stock Exchange, on any other national securities exchange on which the Common Shares are listed, or if there are no sales on such date, on the next preceding trading day during which a sale occurred. If there is no regular public trading market for the Common Shares, then the Fair Market Value shall be the fair market value as determined in good faith by the Board.

2.23 Free Standing Rights has the meaning provided in Section 5.1 of this Plan.

2.24 Government Agency has the meaning provided in Section 2.13(c) of this Plan.

2.25 Incentive Stock Option means an Option intended to qualify as an incentive stock option under Section 422 of the Code or any successor provision.

2.26 Incumbent Board has the meaning provided in Section 2.6(b) of this Plan.

2.27 Management Goals means, for a Performance Period, the one or more goals established by the Committee, which, for any Award shall be based only upon the Management Objectives.

(a) The Committee may provide that any evaluation of Management Goals shall include or exclude any of the following items: (i) asset write-downs; (ii) litigation or claim judgments or settlements; (iii) the effect of changes in tax laws, accounting principles, regulations, or other laws or regulations affecting reported results; (iv) any reorganization and restructuring programs; (v) acquisitions or divestitures; (vi) unusual, nonrecurring or extraordinary items identified in the Company's audited financial statements, including footnotes, or in management's discussion and analysis in the Company's annual report; (vii) foreign exchange gains and losses; (viii) change in the Company's fiscal year; and (ix) any other specific unusual or nonrecurring events, or objectively determinable category thereof.

(b) If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances render the Management Goals unsuitable, the Committee may in its discretion modify such Management Goals or the related minimum acceptable level of achievement, in whole or in part, as the Committee deems appropriate and equitable.

2.28 Management Objectives means the measurable performance objective or objectives selected by the Committee for purposes of establishing the Management Goal(s) for a Performance Period with respect to any Award under this Plan. The Management Objectives that will be used to establish the Management Goals shall be based on the attainment of specific levels of performance of the Company, a Subsidiary, division, business unit, operational unit, department, region or function within the Company or Subsidiary in which the Participant is employed. The Management Objectives applicable to any Award shall be limited to one or more, or a combination, of the following:

(a) Sales, including (i) net sales, (ii) unit sales volume, and (iii) aggregate product price;

(b) Share price, including (i) market price per share, and (ii) share price appreciation;

(c) Earnings, including (i) earnings per share, reflecting dilution of shares, (ii) gross or pre-tax profits, (iii) post-tax profits, (iv) operating profit, (v) earnings net of or including dividends, (vi) earnings net of or including the after-tax cost of capital, (vii) earnings before (or after) interest and taxes



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( EBIT ), (viii) earnings per share from continuing operations, diluted or basic, (ix) earnings before (or after) interest, taxes, depreciation and amortization ( EBITDA ), (x) pre-tax operating earnings after interest and before incentives, service fees and extraordinary or special items, (xi) operating earnings, (xii) growth in earnings or growth in earnings per share, and (xiii) total earnings;

(d) Return on equity, including (i) return on equity, (ii) return on invested capital, (iii) return or net return on assets, (iv) return on net assets, (v) return on gross sales, (vi) return on investment, (vii) return on capital, (viii) return on invested capital, (ix) return on committed capital, (x) financial return ratios, (xi) value of assets, and (xii) change in assets;

(e) Cash flow(s), including (i) operating cash flow, (ii) net cash flow, (iii) free cash flow, and (iv) cash flow on investment;

(f) Revenue, including (i) gross or net revenue, and (ii) changes in annual revenues;

(g) Margins, including (i) adjusted pre-tax margin, and (ii) operating margins;

(h) Income, including (i) net income, and (ii) consolidated net income;

(i) Economic value added;

(j) Costs, including (i) operating or administrative expenses, (ii) operating expenses as a percentage of revenue, (iii) expense or cost levels, (iv) reduction of losses, loss ratios or expense ratios, (v) reduction in fixed costs, (vi) expense reduction levels, (vii) operating cost management, and (viii) cost of capital;

(k) Financial ratings, including (i) credit rating, (ii) capital expenditures, (iii) debt, (iv) debt reduction, (v) working capital, (vi) average invested capital, and (vii) attainment of balance sheet or income statement objectives;

(l) Market or category share, including (i) market share, (ii) volume, (iii) unit sales volume, and (iv) market share or market penetration with respect to specific designated products or product groups and/or specific geographic areas;

(m) Shareholder return, including (i) total shareholder return, (ii) shareholder return based on growth measures or the attainment of a specified share price for a specified period of time, and (iii) dividends; and

(n) Objective nonfinancial performance criteria measuring either (i) regulatory compliance, (ii) productivity and productivity improvements, (iii) inventory turnover, average inventory turnover or inventory controls, (iv) net asset turnover, (v) customer satisfaction based on specified objective goals or company-sponsored customer surveys, (vi) employee satisfaction based on specified objective goals or company-sponsored employee surveys, (vii) objective employee diversity goals, (viii) employee turnover, (ix) specified objective environmental goals, (x) specified objective social goals, (xi) specified objective goals in corporate ethics and integrity, (xii) specified objective safety goals, (xiii) specified objective business expansion goals or goals relating to acquisitions or divestitures, (xiv) day sales outstanding, and (xv) succession plan development and implementation.

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Any one or more of the Management Objectives may be used on an absolute, relative or comparative basis to measure the performance, as the Committee may deem appropriate, or as compared to the performance of another company or a group of comparable companies, or published or special index that the Committee, in its sole discretion, deems appropriate, including various stock market indices.

2.29 Non-Employee Director means a Director who is a non-employee director within the meaning of Rule 16b-3.

2.30 Non-qualified Stock Option means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

2.31 Option means an Incentive Stock Option or a Non-qualified Stock Option granted pursuant to Article IV of this Plan.

2.32 Other Share-Based Award means an Award granted pursuant to Article IX, which is payable in, valued in whole or in part by reference to, or otherwise based on or related to Common Shares, excluding any Option, Stock Appreciation Right, Restricted Share, Restricted Stock Unit, Performance Share or Performance Unit.

2.33 Participant means an Employee or Director who has been granted an Award under this Plan.

2.34 Performance Period means the one (1) or more periods of time (which shall not be less than one fiscal quarter in duration) as the Committee may select, over which the attainment of one or more Management Goals will be measured for purposes of determining a Participant's right to and the payment of an Award subject to such Performance Period.

2.35 Performance Share means a bookkeeping entry that records the equivalent of one (1) Common Share awarded pursuant to Article VIII of this Plan.

2.36 Performance Unit means a bookkeeping entry that records a unit equivalent to \$1.25 awarded pursuant to Article VIII of this Plan.

2.37 Person has the meaning provided in Section 2.6(a) of this Plan.

2.38 Related Rights has the meaning provided in Section 5.1 of this Plan.

2.39 Restricted Period has the meaning provided in Section 6.1 of this Plan.

2.40 Restricted Shares means Common Shares granted or sold pursuant to Article VI of this Plan.

2.41 Restricted Stock Unit means a bookkeeping entry that records the equivalent of one Common Share awarded pursuant to Article VII of this Plan.

2.42 Rule 16b-3 means Rule 16b-3 promulgated under the Exchange Act (or any successor rule to Rule 16b-3) as is in effect and may be amended from time to time.



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2.43 Securities Act means the Securities Act of 1933, as amended, and the rules and regulations thereunder, as such law, rules and regulations may be amended from time to time.

2.44 Stock Appreciation Right means a right granted pursuant to Article V of this Plan.

2.45 Subsidiary means a corporation, company or other entity (i) more than fifty percent (50%) of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are, or (ii) which does not have outstanding shares or securities (as may be the case in a partnership, joint venture or unincorporated association), but more than fifty percent (50%) of whose ownership interests representing the right generally to make decisions for such other entity is, now or hereafter, owned or controlled, directly or indirectly, by the Company except that for purposes of determining whether any person may be a Participant for purposes of a grant of Incentive Stock Options, Subsidiary means any corporation which is a subsidiary corporation, whether now or hereafter existing, as defined in Section 424(f) of the Code.

2.46 Ten Percent Shareholder means an employee of the Company, or of a parent or subsidiary corporation within the meaning of Section 424 of the Code, who owns (or is deemed to own pursuant to Section 424(d) of the Code) more than ten percent (10%) of the total combined voting power of all classes of voting stock of the Company, the Company's parent (if any) or any Subsidiary.

2.47 Voting Stock means at any time, the then-outstanding securities entitled to vote generally in the election of Directors.

ARTICLE III

SHARES SUBJECT TO THE PLAN

3.1 Number of Shares. Subject to adjustment as provided in Article XI of this Plan, the number of Common Shares that may be issued or transferred under this Plan shall not exceed in the aggregate 9,091,117 shares. Such shares may be shares of original issuance or treasury shares or a combination of the foregoing.

(a) Common Shares covered by an Award granted under this Plan will not be counted as used unless and until they are actually issued or transferred.

(b) If any Award is forfeited, expires, terminates, otherwise lapses or is settled for cash, in whole or in part, without the delivery of Common Shares, then the Common Shares covered by such forfeited, expired, terminated, lapsed or cash-settled Award shall again be available for grant under this Plan. In the event that withholding tax liabilities arising from an Award other than an Option or Stock Appreciation Right are satisfied by the tendering of Common Shares (either actually or by attestation) or by the withholding of Common Shares by the Company, the Common Shares so tendered or withheld shall be added to the Common Shares available for Awards under this Plan. For the avoidance of doubt, the following will not again become available for issuance under this Plan: (i) any Common Shares withheld in respect of taxes upon settlement of an Option or Stock Appreciation Right, (ii) any Common Shares tendered or withheld to pay an Exercise Price, (iii) any Common Shares subject to a Stock Appreciation Right that are not issued in connection with its stock settlement on exercise thereof, and (iv) any Common Shares reacquired by the Company on the open market or otherwise using cash proceeds.





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3.2 **Share Limits.** Notwithstanding anything in this Article III or elsewhere in this Plan to the contrary, and subject to adjustments as provided in Article XI of this Plan, the limits specified below shall apply to any grants of the following types of Awards:

(a) **Incentive Stock Options.** Notwithstanding any designation of an Option as an Incentive Stock Option in an Award Agreement, to the extent the aggregate Fair Market Value of the Common Shares with respect to which the Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans) exceeds one hundred thousand dollars (\$100,000), the portion of the Options falling within such limit shall be Incentive Stock Options and the excess Options shall be treated as Non-qualified Stock Options. For these purposes, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Common Shares shall be determined as of the time the Option was granted. Incentive Stock Options covering no more than 9,091,117 Common Shares may be granted under this Plan.

(b) **Non-Employee Director Limit.** The aggregate dollar value of Awards granted to any non-Employee Director in any calendar year shall not exceed Seven Hundred and Fifty Thousand Dollars (\$750,000). The value of the Awards shall be determined based on the Fair Market Value of each Award on the Date of Grant.

3.3 **Minimum Vesting Requirements.** Notwithstanding any provision of this Plan to the contrary, on and after the Effective Date, the Committee shall not award more than five percent (5%) of the aggregate number of Common Shares that become available for grant under this Plan as of the Effective Date pursuant to Awards that are solely subject to vesting conditions or performance periods that are less than one (1) year following the Date of Grant of the applicable Award, subject, in each case, to the Committee's authority under this Plan to vest Awards earlier, as the Committee deems appropriate, upon the occurrence of a Change in Control, in the event of a Participant's termination of employment or service or otherwise as permitted by this Plan.

ARTICLE IV

OPTIONS

4.1 **Grant of Options.** Subject to the limits of Sections 3.2 and 3.3 and the other terms and conditions of this Plan, the Committee may, from time to time and upon such terms and conditions as it may determine, grant Options to purchase Common Shares to Participants. Options granted under this Plan may be (i) Incentive Stock Options, (ii) Non-qualified Stock Options, or (iii) combinations of the foregoing. Incentive Stock Options may only be granted to Participants who meet the definition of employees under Section 3401(c) of the Code. Options granted under this Plan may not provide for any dividends or dividend equivalents thereon. Each such grant may utilize any or all of the authorizations, and shall be subject to all of the requirements, contained in the following provisions.

4.2 **Award Agreement.** Each Option shall be evidenced by an Award Agreement that shall specify the number of Common Shares covered by the Option, the Exercise Price of the Option, the term of the Option, whether the Option is intended to be an Incentive Stock Option, any conditions to the exercise of the Option, and such other terms and conditions as the Committee, in its discretion, determines and as are consistent with this Plan.

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4.3 **Exercise Price.** Each grant shall specify an Exercise Price per share, which shall not be less than one hundred percent (100%) of the Fair Market Value on the Date of Grant; provided, however, that a Ten Percent Shareholder shall not be granted an Incentive Stock Option unless the Exercise Price per share is at least one hundred ten percent (110%) of the Fair Market Value on the Date of Grant and the Incentive Stock Option is not exercisable after expiration of five (5) years from the Date of Grant.

4.4 **Exercise and Form of Consideration.** To the extent exercisable, Options granted under this Plan shall be exercised by delivery of a written notice to the Company setting forth the number of Common Shares with respect to which the Option is being exercised, accompanied by full payment of the applicable Exercise Price. The Committee shall determine the acceptable form of consideration for the Exercise Price, including the method of payment, and for an Incentive Stock Option that determination shall be made at the time of grant. Consideration may consist of: (a) cash; (b) checks; (c) Common Shares, provided that such Common Shares have a Fair Market Value on the date of surrender equal to the aggregate Exercise Price and provided that accepting the Common Shares does not result in any adverse accounting consequences to the Company; (d) consideration received by the Company under a broker-assisted (or other) cashless exercise program implemented by the Company in connection with this Plan; (e) by net exercise; (f) other consideration and method of payment to the extent permitted by applicable law and approved by the Committee; or (g) any combination of the foregoing methods.

4.5 **Related Rights.** The exercise of an Option shall result in the cancellation on a share-for-share basis of any Related Rights authorized under Article V of this Plan.

4.6 **Minimum Vesting Requirements.** Subject to the exceptions stated in Section 3.3, no Award under this Article IV shall vest sooner than twelve (12) months from the Date of Grant.

4.7 **Maximum Term.** No Option shall be exercisable more than 10 years from the Date of Grant.

ARTICLE V

STOCK APPRECIATION RIGHTS

5.1 **Grant of Stock Appreciation Rights.** Subject to the limits of Sections 3.2 and 3.3 and the other terms and conditions of this Plan, the Committee may, from time to time and upon such terms and conditions as it may determine, grant Stock Appreciation Rights alone ( Free Standing Rights ) or in tandem with an Option granted under this Plan ( Related Rights ). Any Related Right that relates to a Non-qualified Stock Option may be granted at the same time the Option is granted or at any time thereafter but before the exercise or expiration of the Option. Any Related Right that relates to an Incentive Stock Option must be granted at the same time the Incentive Stock Option is granted. Stock Appreciation Rights granted under this Plan may not provide for any dividends or dividend equivalents thereon. Each such grant may utilize any or all of the authorizations, and shall be subject to all of the requirements, contained in the following provisions.

5.2 **Award Agreement.** Each Stock Appreciation Right shall be evidenced by an Award Agreement that shall describe such Stock Appreciation Right, the Exercise Price of the Stock Appreciation Right, the term of the Stock Appreciation Right, any conditions to the exercise of such Stock Appreciation Right, identify any related Option, and such other terms and conditions as the Committee, in its discretion, determines and as are consistent with this Plan.



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5.3 **Exercise Price.** Each grant shall specify an Exercise Price for a Free Standing Right, which shall not be less than one hundred percent (100%) of the Fair Market Value on the Date of Grant. A Related Right shall have the same Exercise Price as the related Option, and shall be exercisable only to the same extent as the related Option.

5.4 **Exercise and Form of Consideration.** To the extent exercisable, Stock Appreciate Rights granted under this Plan shall be exercised by delivery of a written notice to the Company setting forth the number of Common Shares with respect to which the Stock Appreciation Right is being exercised, accompanied by full payment of the applicable Exercise Price. The Committee shall determine the acceptable form of consideration for the Exercise Price, including the method of payment. Consideration may consist of: (a) cash; (b) checks; (c) Common Shares, provided that such Common Shares have a Fair Market Value on the date of surrender equal to the aggregate Exercise Price and provided that accepting the Common Shares does not result in any adverse accounting consequences to the Company; (d) consideration received by the Company under a broker-assisted (or other) cashless exercise program implemented by the Company in connection with this Plan; (e) by net exercise; (f) other consideration and method of payment to the extent permitted by applicable law and approved by the Committee; or (g) any combination of the foregoing methods.

5.5 **Payment.** Upon exercise of a Stock Appreciation Right, the Participant shall be entitled to receive from the Company an amount equal to the number of Common Shares subject to the Stock Appreciation Right that is being exercised multiplied by the excess of the (i) Fair Market Value of a Common Share on the date the Award is exercised, over (ii) the Exercise Price specified in the Stock Appreciation Right or related Option. The grant shall specify whether the amount payable by the Company on exercise of the Stock Appreciation Right shall be paid in cash, in Common Shares or in any combination thereof and may either grant to the Participant or retain in the Committee the right to elect among those alternatives. Any grant may specify that the amount payable on exercise of a Stock Appreciation Right may not exceed a maximum specified by the Committee at the Date of Grant.

5.6 **Minimum Vesting Requirements.** Subject to the exceptions stated in Section 3.3, no Award under this Article V shall vest sooner than twelve (12) months from the Date of Grant.

5.7 **Maximum Term.** No Stock Appreciation Right shall be exercisable more than ten (10) years from the Date of Grant.

ARTICLE VI

RESTRICTED SHARES

6.1 **Grant of Restricted Shares.** Subject to the limits of Sections 3.2 and 3.3 and the other terms and conditions of this Plan, the Committee may, from time to time and upon such terms and conditions as it may determine, grant Restricted Shares to Participants. Each such grant shall provide that during the period for which substantial risk of forfeiture is to continue (the Restricted Period ), the transferability of the Restricted Shares shall be prohibited or restricted in the manner and to the extent prescribed by the Committee at the Date of Grant (which restrictions may include, without limitation, rights of repurchase or first refusal in the Company or provisions subjecting the Restricted Shares to continuing substantial risk of forfeiture in the hands of any transferee). Each such grant may utilize any or all of the authorizations, and shall be subject to all of the requirements, contained in the following provisions.



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6.2 **Award Agreement.** Each grant of Restricted Shares shall be evidenced by an Award Agreement that shall specify the number of Restricted Shares subject to the Award, the Restricted Period, any other conditions or restrictions on the Award, and such other terms and conditions as the Committee, in its discretion, determines and as are consistent with this Plan.

6.3 **Rights.** Each such grant shall constitute an immediate transfer of the ownership of Common Shares to the Participant in consideration of the performance of services, and unless otherwise determined by the Committee, entitling such Participant to voting, dividend and other ownership rights, subject to the substantial risk of forfeiture and the Restricted Period.

6.4 **Certificates.** Unless otherwise directed by the Committee, all certificates representing Restricted Shares shall be held in custody by the Company until all restrictions thereon shall have lapsed, together with a stock power executed by the Participant in whose name such certificates are registered, endorsed in blank and covering such Restricted Shares.

6.5 **Minimum Vesting Requirements.** Subject to the exceptions stated in Section 3.3, no Award under this Article VI shall vest sooner than twelve (12) months from the Date of Grant.

ARTICLE VII

RESTRICTED STOCK UNITS

7.1 **Grant of Restricted Stock Units.** Subject to the limits of Sections 3.2 and 3.3 and the other terms and conditions of this Plan, the Committee may, from time to time and upon such terms and conditions as it may determine, grant Restricted Stock Units to Participants. Each Restricted Stock Unit represents one (1) Common Share. Each such grant may utilize any or all of the authorizations, and shall be subject to all of the requirements, contained in the following provisions.

7.2 **Award Agreement.** Each grant of Restricted Stock Units shall be evidenced by an Award Agreement that shall specify the number of Restricted Stock Units subject to the Award, the Restricted Period, any other conditions or restrictions on the Award, and such other terms and conditions as the Committee, in its discretion, determines and as are consistent with this Plan.

7.3 **Rights.** No Common Shares shall be issued at the time a Restricted Stock Unit is granted, and a Participant shall have no voting rights with respect thereto. Restricted Stock Units shall be subject to forfeiture until the expiration of the Restricted Period and satisfaction of any applicable conditions, including vesting time periods or performance requirements, to the extent provided in the applicable Award Agreement.

7.4 **Dividend Equivalents.** At the discretion of the Committee, each Restricted Stock Unit may be credited with dividend equivalents or other equivalent distributions. Dividend equivalents or other equivalent distributions shall be paid on a current basis unless the Award Agreement requires otherwise; provided, however dividend equivalents or other equivalent distributions on Restricted Stock Units that are subject to performance requirements, including Management Goals, shall be deferred until and paid contingent upon the level of achievement of the applicable performance or Management Goals at the end of the related Performance Period.

7.5 **Payment.** Each grant shall specify the time and manner of payment of Restricted Stock Units. Any grant may specify that the amount payable with respect thereto may be paid by the Company in cash, in

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Common Shares or in any combination thereof and may either grant to the Participant or retain in the Committee the right to elect among those alternatives.

7.6 **Minimum Vesting Requirements.** Subject to the exceptions stated in Section 3.3, no Award under this Article VII shall vest sooner than twelve (12) months from the Date of Grant.

ARTICLE VIII

PERFORMANCE UNITS AND PERFORMANCE SHARES

8.1 **Grant of Performance Shares and Performance Units.** Subject to the limits of Sections 3.2 and 3.3 and the other terms and conditions of this Plan, the Committee may, from time to time and upon such terms and conditions as it may determine, grant Performance Shares and Performance Units to Participants that will become payable upon achievement of specified performance goals, which may include Management Goals. Each such grant may utilize any or all of the authorizations, and shall be subject to all of the requirements, contained in the following provisions.

8.2 **Award Agreement.** Each grant of Performance Shares or Performance Units shall be evidenced by an Award Agreement that shall specify the number of Performance Shares or Performance Units subject to the Award, the performance objectives (which may include Management Goals), the Performance Period applicable to the Award, any other conditions or restrictions on the Award, and such other terms and conditions as the Committee, in its discretion, determines and as are consistent with this Plan.

8.3 **Performance Objectives.** Any grant of Performance Shares or Performance Units shall specify the performance objectives, which may include Management Goals, which, if achieved, will result in payment or early payment of the Award. Each grant may specify a minimum acceptable level of achievement of the performance objectives and shall set forth a formula for determining the number of Performance Shares or Performance Units that will be earned if performance is at or above the minimum level, but falls short of full achievement of the specified performance objectives. Before the Performance Shares or Performance Units shall be earned and paid, the Committee must determine the level of achievement of the performance objectives.

8.4 **Dividends and Dividend Equivalents.** The Committee may, at the Date of Grant of Performance Shares or Performance Units, provide for the payment of dividends or dividend equivalents to the Participant thereof either in cash or in additional Common Shares, subject in all cases to deferral and payment on a contingent basis based on the Participant's earning of the Performance Shares or Performance Units with respect to which such dividend equivalents are paid.

8.5 **Payment.** Each grant shall specify the time and manner of payment of Performance Shares or Performance Units which have been earned. Any grant may specify that the amount payable with respect thereto may be paid by the Company in cash, in Common Shares or in any combination thereof and may either grant to the Participant or retain in the Committee the right to elect among those alternatives.

8.6 **Minimum Vesting Requirements.** Subject to the exceptions stated in Section 3.3, no Award under this Article VIII shall have a Performance Period of less than twelve (12) months from the Date of Grant.



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ARTICLE IX

OTHER SHARE-BASED AWARDS

9.1 **Grant of Other Share-Based Awards.** Subject to the limits of Sections 3.2 and 3.3 and the other terms and conditions of this Plan, the Committee may, from time to time and upon such terms and conditions as it may determine, grant Other Share-Based Awards not otherwise described by the terms of this Plan to Participants. Such Awards may involve the transfer of actual Common Shares to Participants and may include Awards designed to comply with or take advantage of applicable local laws of jurisdictions other than the United States. Each Other Share-Based Award will be expressed in terms of Common Shares or units based on Common Shares. Each such grant may utilize any or all of the authorizations, and shall be subject to all of the requirements, contained in the following provisions.

9.2 **Award Agreement.** Each grant of an Other Share-Based Award shall be evidenced by an Award Agreement that will specify the number of Common Shares or units covered by the Award, any conditions related to the Award, and such other terms and conditions as the Committee, in its discretion, determines and as are consistent with this Plan.

9.3 **Payment.** Payment, if any, with respect to an Other Share-Based Award, will be made in accordance with the terms of the Award, in cash, in Common Shares or a combination of both as determined by the Committee.

9.4 **Minimum Vesting Requirements.** Subject to the exceptions stated in Section 3.3, no Award under this Article IX shall vest sooner than twelve (12) months from the Date of Grant.

ARTICLE X

TRANSFERABILITY

10.1 **Transfer Limits.** Except as otherwise determined by the Committee, no Options, Stock Appreciation Right or other derivative security granted under this Plan shall be transferable by a Participant other than by will or the laws of descent and distribution, except (in the case of a Participant who is not a Director or officer of the Company) to a fully revocable trust of which the holder is treated as the owner for federal income tax purposes, and in no event will any such Award granted under this Plan be transferred for value. Except as otherwise determined by the Committee, Options and Stock Appreciation Rights shall be exercisable during the Participant's lifetime only by him or her or by his or her guardian or legal representative. Notwithstanding the foregoing, the Committee in its sole discretion may provide for transferability of Options and Stock Appreciation Rights under this Plan so long as such provisions will not disqualify the exemption for other awards under Rule 16b-3 and so long as such transfer is not to a third-party entity, including financial institutions.

10.2 **Further Restrictions.** The Committee may specify at the Date of Grant that part or all of the Common Shares that are (i) to be issued or transferred by the Company upon the exercise of Options or Stock Appreciation Rights or upon payment under any grant of Performance Shares, Performance Units, Restricted Stock Units or Other Share-Based Awards or (ii) no longer subject to the substantial risk of forfeiture and restrictions on transfer referred to in Article VI of this Plan, shall be subject to further restrictions on transfer.



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ARTICLE XI

ADJUSTMENTS

The Committee shall make or provide for such adjustments in the numbers of Common Shares covered by outstanding Awards granted hereunder, in the prices per share applicable to such Options and Stock Appreciation Rights and in the kind of shares covered thereby, as the Board, in its sole discretion, exercised in good faith, may determine is equitably required to prevent dilution or enlargement of the rights of Participants that otherwise would result from (a) any stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the Company, or (b) any merger, consolidation, spin-off, split-off, spin-out, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or (c) any other corporate transaction or event having an effect similar to any of the foregoing. Moreover, in the event of any such transaction or event, the Committee, in its discretion, may provide in substitution for any or all outstanding Awards under this Plan such alternative consideration as it, in good faith, may determine to be equitable in the circumstances and may require in connection therewith the surrender of all Awards so replaced. In addition, for each Option or Stock Appreciation Right with an Exercise Price greater than the consideration offered in connection with any such transaction or event or Change in Control, the Committee may in its sole discretion elect to cancel such Option or Stock Appreciation Right without any payment to the person holding such Option or Stock Appreciation Right. The Committee may also make or provide for such adjustments in the numbers of shares specified in Section 3.2 of this Plan as the Committee in its sole discretion, exercised in good faith, may determine is appropriate to reflect any transaction or event described in this Article XI.

ARTICLE XII

TAX WITHHOLDING

To the extent that the Company is required to withhold federal, state, local or foreign taxes in connection with any payment made or benefit realized by a Participant or other person under this Plan, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to the receipt of such payment or the realization of such benefit that the Participant or such other person make arrangements satisfactory to the Company for payment of the balance of such taxes required to be withheld, which arrangements (in the discretion of the Committee) may include relinquishment of a portion of such benefit. Participants shall also make such arrangements as the Company may require for the payment of any withholding tax obligations that may arise in connection with the disposition of shares acquired upon the exercise of Options. In no event, however, shall the Company accept Common Shares for payment of taxes in excess of required tax withholding rates (or, after the Company's adoption of ASU 2016-09, *Compensation-Stock Compensation (Topic 718)* dated March, 2016, in excess of maximum applicable tax rates), except that, in the discretion of the Committee, a Participant or such other person may surrender Common Shares owned for more than six (6) months to satisfy any tax obligations resulting from any such transaction.

ARTICLE XIII

SUBSIDIARIES AND NON-US JURISDICTIONS

13.1 Participation by Employees of Designated Subsidiaries. As a condition to the effectiveness of any grant or Award to be made hereunder to a Participant who is an employee of a Designated Subsidiary, whether or not such Participant is also employed by the Company or another Subsidiary, the Committee may require such Designated Subsidiary to agree to transfer to such employee (when, as and if

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provided for under this Plan and any applicable agreement entered into with any such employee pursuant to this Plan) the Common Shares that would otherwise be delivered by the Company, upon receipt by such Designated Subsidiary of any consideration then otherwise payable by such Participant to the Company. Any such award shall be evidenced by an agreement between the Participant and the Designated Subsidiary, in lieu of the Company, on terms consistent with this Plan and approved by the Committee and such Designated Subsidiary. All such Common Shares so delivered by or to a Designated Subsidiary shall be treated as if they had been delivered by or to the Company for purposes of Article III of this Plan, and all references to the Company in this Plan shall be deemed to refer to such Designated Subsidiary, except for purposes of the definition of Board and Committee and except in other cases where the context otherwise requires.

13.2 Employees Outside the US. In order to facilitate the making of any grant or combination of grants under this Plan, the Committee may provide for such special terms for Awards to Participants who are foreign nationals or who are employed by the Company or any Subsidiary outside of the United States of America as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Committee may approve such supplements to or amendments, restatements or alternative versions of this Plan as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of this Plan as in effect for any other purpose, and the Secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Plan. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the shareholders of the Company.

## ARTICLE XIV

## ADMINISTRATION

14.1 Delegation to Committee. The Board hereby delegates authority to administer this Plan to the Compensation Committee of the Board (or its successor(s)), or any other committee of the Board hereafter designated by the Board to administer this Plan, and the term Committee shall apply to any persons to whom such power is delegated. The Committee described in this Section 14.1 may from time to time delegate all or any part of its authority under this Plan to a subcommittee thereof (to the extent of any such delegation, references in this Plan to the Committee will be deemed to be references to such subcommittee). A majority of the Committee (or subcommittee thereof) shall constitute a quorum, and the action of the members of the Committee (or subcommittee thereof) present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the Committee (or subcommittee thereof).

14.2 Committee Requirements. Except as otherwise determined by the Board, the Committee shall consist solely of two (2) or more Non-Employee Directors. The Board shall have discretion to determine whether it intends to comply with the exemption requirements of Section 16b-3 of the Code. However, if the Board intends to satisfy such exemption requirements, with respect to any insider subject to Section 16 of the Exchange Act, the Committee shall be a compensation committee of the Board that at all times consists solely of two (2) or more Non-Employee Directors. Within the scope of that authority, the Board or the Committee may delegate to a committee of one (1) or more members of the Board who are not Non-Employee Directors the authority to grant Awards to eligible persons who are not then subject to





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Section 16 of the Exchange Act. Nothing herein shall create an inference that an Award is not validly granted under this Plan in the event Awards are granted under this Plan by a Committee that does not at all times consist solely of two (2) or more Non-Employee Directors.

14.3 Interpretation. The interpretation and construction by the Committee of any provision of this Plan or of any Award Agreement and any determination by the Committee pursuant to any provision of this Plan or of any such Award Agreement, notification or document shall be final and conclusive. No member of the Board or the Committee shall be liable for any such action or determination made in good faith.

14.4 Company's Rights Upon Occurrence of Detrimental Activity. Any Award Agreement may provide (whether or not such would result in additional tax to a Participant under Section 409A of the Code) that if a Participant, either during employment by the Company or a Subsidiary or within a specified period after termination of such employment, shall engage in any Detrimental Activity, and the Board shall so find, forthwith upon notice of such finding, the Participant shall, unless otherwise provided in the Award Agreement:

(a) Return to the Company, in exchange for payment by the Company of any amount actually paid therefor by the Participant, all Common Shares that the Participant has not disposed of that were offered pursuant to this Plan within a specified period prior to the date of the commencement of such Detrimental Activity, and

(b) With respect to any Common Shares so acquired that the Participant has disposed of, pay to the Company in cash the difference between: (i) any amount actually paid therefor by the Participant pursuant to this Plan, and (ii) the Fair Market Value of the Common Shares on the date of such acquisition.

To the extent that such amounts are not paid to the Company, the Company may set off the amounts so payable to it against any amounts (but only to the extent that such amount would not be considered nonqualified deferred compensation within the meaning of Section 409A of the Code) that may be owing from time to time by the Company or a Subsidiary to the Participant, whether as wages, deferred compensation or vacation pay or in the form of any other benefit or for any other reason.

14.5 Clawback. Notwithstanding any other provisions in this Plan, any Award which is subject to recovery under any law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any of the foregoing) will be subject to such deductions and clawback as may be required or permitted to be made pursuant to such law, government regulation, stock exchange listing requirement or policy (or pursuant to any other policy adopted by the Company at the direction of the Board, including the Company's current clawback policy).

14.6 Compliance with Section 409A of the Code. To the extent applicable, it is intended that this Plan and any grants made hereunder comply with the provisions of Section 409A of the Code. This Plan and any grants made hereunder shall be administered in a manner consistent with this intent.

14.7 Fractional Shares. The Company shall not be required to issue any fractional Common Shares pursuant to this Plan. The Committee may provide for the elimination of fractions or for the settlement of fractions in cash.

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ARTICLE XV

AMENDMENT AND TERMINATION

15.1 Amendment or Termination Authority. The Company, by action of the Board (or its designee), may at any time and from time to time amend or terminate this Plan in whole or in part. Any amendment which must be approved by the shareholders of the Company in order to comply with applicable law or the rules of any national securities exchange upon which the Common Shares are traded or quoted shall not be effective unless and until such approval has been obtained. Presentation of this Plan or any amendment thereof for shareholder approval shall not be construed to limit the Company's authority to offer similar or dissimilar benefits in plans that do not require shareholder approval. Any amendment or termination of this Plan shall not impair in any material way the rights or obligations of any Participant under any Award that is outstanding as of the effective date of the amendment or termination without the written consent of the Participant. The Committee shall maintain its right to exercise its authority under this Plan with respect to any outstanding Awards at the effective date of termination.

15.2 Deferrals. Except with respect to Options and Stock Appreciation Rights, the Committee may permit Participants to elect to defer the issuance of Common Shares or the settlement of awards in cash under this Plan pursuant to such rules, procedures or programs as it may establish for purposes of this Plan and which are intended to comply with the requirements of Section 409A of the Code. The Committee also may provide that deferred settlements include the payment or crediting of dividend equivalents or interest on the deferral amounts.

15.3 Conditions. The Committee may condition the grant of any Award or combination of Awards authorized under this Plan on the surrender or deferral by the Participant of his or her right to receive a cash bonus or other compensation otherwise payable by the Company or a Subsidiary to the Participant.

15.4 Special Circumstances. If permitted by Section 409A of the Code in case of termination of employment by reason of death, Disability or normal or early retirement, or in the case of hardship or other special circumstances, of a Participant who holds Options or Stock Appreciation Rights not immediately exercisable in full, or any Restricted Shares or Restricted Stock Units as to which the substantial risk of forfeiture or the prohibition or restriction on transfer has not lapsed, or any Performance Shares or Performance Units which have not been fully earned, or Other Share-Based Awards subject to restrictions or conditions, the Committee may, in its sole discretion, accelerate the time at which such Options or Stock Appreciation Rights may be exercised, or the time at which such substantial risk of forfeiture or prohibition or restriction on transfer will lapse for Restricted Shares or Restricted Units, or the time at which such Performance Shares or Performance Units will be deemed to have been fully earned, or the time when such restrictions or conditions will terminate with respect to Other or Share-Based Awards, or may waive any other limitation or requirement under any such Award.

15.5 Change in Exercise Price Prohibited. Except in connection with a corporate transaction or event described in Article XI of this Plan, the terms of outstanding Awards may not be amended to reduce the Exercise Price of outstanding Options or Stock Appreciation Rights, or cancel outstanding Options or Stock Appreciation Rights in exchange for cash, other awards or Options or Stock Appreciation Rights with an Exercise Price that is less than the Exercise Price of the original Option Stock Appreciation Right, as applicable, without shareholder approval.

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15.6 No Right to Continued Employment. This Plan shall not confer upon any Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor shall it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate such Participant's employment or other service at any time. Prior to exercise of any Option, and prior to exercise, payment or delivery pursuant to any other Award, the Participant may be required, at the Company's request, to certify in a manner reasonably acceptable to the Company that the Participant has not engaged in, and has no present intention to engage in the future in, any Detrimental Activity.

15.7 Incentive Stock Options. To the extent that any provision of this Plan would prevent any Option that was intended to qualify as an Incentive Stock Option from qualifying as such, that provision shall be null and void with respect to such Option. Such provision, however, shall remain in effect for other Options and there shall be no further effect on any provision of this Plan.

ARTICLE XVI

GOVERNING LAW

This Plan and all Awards granted and actions taken thereunder shall be governed by and construed in accordance with the internal substantive laws of the State of Ohio, without regard to conflicts of law principles thereof.

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**Directions to the Cleveland Marriott at Key Tower**

**1360 West Mall Drive, Cleveland, Ohio 44114**

*From Akron-Canton Regional Airport*

Take Interstate 77 North to the East 14<sup>th</sup> Street Exit. Turn slight left onto Euclid Avenue. Take the third right onto East 9<sup>th</sup> Street. Turn left onto Saint Clair Avenue. Take the third left onto West Mall Drive. The hotel is located on the right.

*From Youngstown (East)*

Take Interstate 680 North to the Ohio Turnpike (80 West). Proceed on the Ohio Turnpike to Exit 187 (Interstate 480 West). Continue on Interstate 480 West to Exit 20A-B (Interstate 77 North). Continue on Interstate 77 North to the East 14<sup>th</sup> Street Exit. Turn slight left onto Euclid Avenue. Take the third right onto East 9<sup>th</sup> Street. Turn left onto Saint Clair Avenue. Take the third left onto West Mall Drive. The hotel is located on the right.

*From Cleveland Hopkins International Airport*

Take Ohio Route 237 North toward Interstate 71 North. Take Interstate 71 North to Interstate 90 East. Continue on Interstate 90 East to Exit 172A (East 9<sup>th</sup> Street). Turn left onto Rockwell Avenue. Take the second right onto West Mall Drive. The hotel is located on the left.

*From Columbus (West)*

Take Interstate 71 North to Interstate 90 East. Continue on Interstate 90 East to Exit 171 (US 422/OH Route 14 West). Turn right onto South Roadway/US 20 East. Take the first left onto East Roadway/US-20 West. Take the first right onto Superior Avenue. Take the first left onto East 3<sup>rd</sup> Street. Turn left onto Rockwell Avenue. Take the first right onto West Mall Drive. The hotel is located on the left.

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***DIEBOLD NIXDORF, INCORPORATED***

***5995 MAYFAIR ROAD***

***P.O. BOX 3077***

***NORTH CANTON, OH 44720-8077***

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

Use the Internet to transmit your voting instructions and for electronic delivery of information. Vote by 11:59 p.m. Eastern Time on April 24, 2019 for shares held directly and by 11:59 p.m. Eastern Time on April 22, 2019 for shares held in a Plan. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

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

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

Use any touch-tone telephone to transmit your voting instructions. Vote by 11:59 p.m. Eastern Time on April 24, 2019 for shares held directly and by 11:59 p.m. Eastern Time on April 22, 2019 for shares held in a Plan. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

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

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

E64175-P18037

KEEP THIS PORTION FOR YOUR RECORDS  
DETACH AND RETURN THIS PORTION ONLY

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

**DIEBOLD NIXDORF, INCORPORATED**

**The Board of Directors recommends you vote FOR each of the following nominees:**

1. Election of Directors  
**Nominees:**

**For Against Abstain**

**For Against Abstain**

1a. Patrick W. Allender

11. Kent M. Stahl

1b. Arthur F. Anton

1m. Alan J. Weber

1c. Bruce H. Besanko

**The Board of Directors recommends you vote FOR proposals 2-4:**

1d. Reynolds C. Bish

2. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2019

1e. Ellen M. Costello

3. To approve, on an advisory basis, named executive officer compensation

1f. Phillip R. Cox

4.

1g. Dr. Alexander Dibelius

To approve an amendment to the Diebold Nixdorf, Incorporated 2017 Equity and Performance Incentive Plan

1h. Dr. Dieter W. Düsedau

1i. Matthew Goldfarb

1j. Gary G. Greenfield

1k. Gerrard B. Schmid

**NOTE: The Common Shares represented by this proxy will be voted by the Proxy Committee, as recommended by the Board of Directors, unless otherwise specified.**

Please sign exactly as your name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give your full title as such.

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Owners) Date

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**PLEASE VOTE TODAY**

**SEE REVERSE SIDE**

**FOR THREE EASY WAYS TO VOTE!**

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Annual Report, Notice & Proxy Statement are available at [www.proxyvote.com](http://www.proxyvote.com).

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**DIEBOLD NIXDORF, INCORPORATED**

**This Proxy is Solicited on Behalf of the Board of Directors**

The undersigned hereby appoints Gerrard B. Schmid and Jeffrey L. Rutherford, and each of them, as the Proxy Committee, with full power of substitution, to represent and to vote all the Common Shares of Diebold Nixdorf, Incorporated held of record by the undersigned on February 25, 2019, at the Annual Meeting of Shareholders which will be held at the Cleveland Marriott at Key Tower, 1360 West Mall Drive, Cleveland, Ohio 44114 (directions available in the Proxy Statement) on April 25, 2019 at 8:30 a.m. EDT, or at any adjournment or postponement thereof, as indicated on the reverse side. This proxy card also constitutes your voting instructions for any and all shares held of record by Equiniti Trust Company for the account in the Dividend Reinvestment Plan.

This proxy covers all shares for which the undersigned has the right to give voting instructions to Bank of America Merrill Lynch, Trustee of the DIEBOLD NIXDORF, INCORPORATED 401(K) SAVINGS PLAN #610146 and the DIEBOLD NIXDORF, INCORPORATED 401(K) SAVINGS PLAN FOR PUERTO RICO ASSOCIATES #610147. This proxy, when properly executed, will be voted as directed. If no direction is given to the Trustee by 5:30 p.m. EDT on April 23, 2019 the Trustee will vote these shares held in the Plans.



**You are encouraged to specify your choices by marking the appropriate boxes, SEE REVERSE SIDE, but you need not mark any boxes if you wish to vote in accordance with the Board of Directors' recommendations. The Proxy Committee cannot vote the shares unless you sign and return this proxy card. In its discretion, the Proxy Committee is authorized to vote upon such other business as may properly come before the meeting.**

**Continued and to be signed on reverse side**