

Consent to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority (CMA) on 15 August 2016

Completed acquisition by Diebold, Incorporated of Wincor Nixdorf AG

We refer to your email and accompanying further information dated 12 August 2016 requesting that the CMA consents to derogations to the Initial Enforcement Order of 15 August 2016 (the 'Initial Order'). The terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, save for written consent by the CMA, Diebold, Incorporated (**Diebold**) and Diebold International Limited (**Diebold International**) are required to hold separate the Diebold and Diebold International business from the Wincor Nixdorf AG (**Wincor**) business and refrain from taking any action which might prejudice a reference under section 22 of the Act or impede the taking of any remedial action following such a reference.

Proposed ring-fence of the UK businesses

Diebold and Wincor have sought consent to integrate their global businesses outside of the UK, subject to a ring-fence of their business activities in the UK. This ring-fence seeks to ensure that each of Diebold's and Wincor's businesses in the UK will:

- not be integrated with Diebold Nixdorf (the combination of Diebold and Wincor outside the UK), and be managed independently from Diebold Nixdorf;
- have no changes in key staff;
- have no changes in assets;
- have and retain sufficient staffing, finances, and inputs to compete independently in the UK;
- set their own prices and other terms of sale;
- maintain their product portfolios and product development roadmaps in the UK as at the commencement date;

- continue to manage all existing contracts with UK customers, and tender for all new contracts with UK customers;
- contact all UK customers of each of Diebold and Wincor to explain that the businesses will continue to be held separate for the duration of the Order;
- maintain independent (including from Diebold Nixdorf) customer and supplier lists; and
- not share any other competitively sensitive information with each other, or Diebold Nixdorf.

The ring-fence also seeks to ensure that all required inputs are provided to each of Diebold's and Wincor's businesses in the UK by the wider group on terms no less favourable than is currently the case.

After due consideration of your request for derogations from the Initial Order, based on the information received from you and the proposed ring-fence of Diebold's and Wincor's businesses in the UK, and in the particular circumstances of this case, Diebold and Diebold International may carry out the following actions, in respect of the specific paragraphs.

1. Paragraphs 4 and 5 of the Initial Order

Subject to the proposed ring-fence of Diebold's and Wincor's businesses in the UK in a form to be approved by the CMA in advance of any integration (including where relevant the approval in advance by the CMA of relevant non-disclosure agreements (**NDAs**)), Diebold and Diebold International are permitted to:

- (a) launch a Diebold Nixdorf website targeted at non-UK customers (provided that the existing websites of each of Diebold and Wincor are maintained);
- (b) initiate a common marketing strategy outside the UK;
- (c) outreach to non-UK customers and suppliers to provide them with information about the closing of the Transaction, and the plans for Diebold Nixdorf;
- (d) outreach to Diebold and Wincor investors to provide them with information about the closing of the Transaction, and the plans for Diebold Nixdorf;
- (e) re-brand Diebold's and Wincor's combined businesses outside of the UK as "Diebold Nixdorf";
- (f) integrate Diebold's and Wincor's sales and services organisations outside the UK;
- (g) make changes to the membership of the Diebold Board of Directors, and the Wincor Supervisory board;

- (h) integrate Diebold's and Wincor's management structures and support functions outside the UK;
- (i) integrate Diebold's and Wincor's purchasing/procurement and supply chain plans, subject to the commitment of Diebold and Wincor to ensure that all inputs are provided to the UK businesses of Diebold and Wincor on terms no less favourable than is currently the case;
- (j) initiate joint selling of products and services outside the UK (including Wincor Nixdorf Retail products and services); and
- (k) rationalise Diebold's and Wincor's distribution networks outside the UK.

2. Paragraph 5 (i) of the Initial Order

On the basis of Diebold's submission that Diebold's UK business requires certain employees in support functions in order to ensure its effective continuity and ongoing viability, the CMA consents to the following employees being seconded from Diebold EMEA Processing Centre Limited to Diebold International:

- [REDACTED] (Senior Finance Manager) to support the Diebold UK finance function;
- [REDACTED] (IT Specialist) to support the Diebold UK IT function; and
- [REDACTED] (Professional Services Manager), and [REDACTED] (Project Manager) to support the Diebold UK programme management function.

On the basis of Diebold's submission that the management roles in the UK of [REDACTED], currently employed by Wincor Nixdorf Limited and Wincor Nixdorf Limited Ireland, will be filled by another appropriately senior and capable Wincor Nixdorf Limited employee – [REDACTED] (currently Finance Director and Director of the Board of Wincor Nixdorf Limited), the CMA consents to [REDACTED] being transferred to a Wincor entity outside of the UK ring-fence.

On the basis of Diebold's submission that [REDACTED] role as [REDACTED] global account manager does not relate specifically to Wincor's UK business, and that there will remain in place a sales team with knowledge of Wincor's [REDACTED] UK account, the CMA consents to [REDACTED] being transferred to a Wincor Nixdorf entity outside of the UK ring-fence.

In each case the above derogations are conditional on the relevant employees signing a copy of an NDA in a form agreed to in advance by the CMA.

3. Aevi Limited and Projective Limited

On the basis of submissions that (i) Wincor's retail business (ie in respect of retail customers) activities are not related to the provision of ATM hardware, software or

services and there is no overlap with any business operated by Diebold; (ii) Aevi Limited's activities are not related to the provision of ATM hardware, software or services and there is no overlap with any business operated by Diebold; and (iii) Projective Limited's activities are not related to the provision of ATM hardware, software or services, and there is no overlap with any business operated by Diebold, the activities of Wincor's retail business and Wincor's subsidiaries Aevi Limited and Projective Limited are released from the requirements of the Initial Order.