

**WINCOR**  

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**NIXDORF**

***Wincor Nixdorf Aktiengesellschaft***

*Paderborn*

Security identification number: A0CAYB

ISIN: DE000A0CAYB2

**Invitation to the Annual General Meeting**

Notice is hereby given to shareholders of our Company that the **Annual General Meeting** will be held on

**Monday, January 25, 2010, at 11:00 a.m.**

**in the  
Hansesaal  
Schützenhof Paderborn  
Schützenplatz 1  
33102 Paderborn  
Germany**

**I. Agenda**

- 1. Submission of the adopted annual financial statements of Wincor Nixdorf Aktiengesellschaft and the approved group financial statements as of September 30, 2009, the management report and the group management report of the Company (including the report of the Board of Directors on the disclosures pursuant to Section 289 (4) and Section 315 (4) German Commercial Code (HGB) for the fiscal year 2008/2009), as well as the Supervisory Board report for the fiscal year 2008/2009**

The above-mentioned documents and the proposal by the Board of Directors on the allocation of profits are available for inspection at the business premises of Wincor Nixdorf Aktiengesellschaft, Heinz-Nixdorf-Ring 1, 33106 Paderborn, Germany, and can be seen and downloaded on the internet at [www.wincor-nixdorf.com](http://www.wincor-nixdorf.com). Upon request, every shareholder will receive a copy of the documents without undue delay and free of charge.

**2. Resolution on appropriation of net profit**

The Board of Directors and the Supervisory Board make the following proposal for appropriation of the net profit of Wincor Nixdorf Aktiengesellschaft for the fiscal year 2008/2009 in the amount of € 188,749,004.66:

|   |                  |
|---|------------------|
| Payment of a dividend of € 1.85<br>for each no-par value share entitled to a dividend with respect to<br>31,664,008 shares entitled to a dividend | € 58,578,414.80  |
| Net profit brought forward  | € 130,170,589.86 |

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The dividend shall be paid out on January 26, 2010.

**3. Resolution on discharge from responsibility of the members of the Board of Directors for the fiscal year 2008/2009.**

The Board of Directors and the Supervisory Board propose that the members of the Board of Directors be discharged from responsibility for the fiscal year 2008/2009.

**4. Resolution on discharge from responsibility of the members of the Supervisory Board for the fiscal year 2008/2009.**

The Board of Directors and the Supervisory Board propose that the members of the Supervisory Board be discharged from responsibility for the fiscal year 2008/2009.

**5. Election of the auditor and the group auditor for the fiscal year 2009/2010**

The Supervisory Board proposes the appointment of KPMG AG Wirtschaftsprüfungsgesellschaft, Bielefeld as auditor and group auditor of Wincor Nixdorf Aktiengesellschaft for the fiscal year 2009/2010.

**6. Resolution regarding the authorization to purchase and to use own shares according to Section 71 (1) No 8 German Stock Corporation Act (AktG) and to exclude the subscription right**

The authorization of the Company to acquire own shares granted at the Annual General Meeting on January 19, 2009, will expire on July 20, 2010. It is to be replaced by a new authorization to acquire own shares.

Therefore, the Board of Directors and the Supervisory Board propose to pass the following resolution:

- a) The Company is authorized to purchase the Company's own shares up to a total of 10% of the current share capital in the period from January 26, 2010, up to and including July 25, 2011. The Company may not trade in its own shares. The Company may purchase the shares on the stock exchange or by means of a public offering extended to all shareholders. The shares may also be acquired by the Company's dependent group companies within the meaning of Section 17 German Stock Corporation Act (AktG) or, for its or their account, by third parties. The consideration paid by the Company for the acquisition of such shares (without expenses incidental to the acquisition) shall not exceed or be below the share price by more than 10%. The applicable share price within the meaning of the foregoing provision in case of acquisition on the stock exchange shall be the average price of the Company's shares in the closing auction of XETRA trading (or a system replacing XETRA) on the Frankfurt Stock Exchange over the last 10 trading days prior to acquisition of the shares and, in case of an acquisition by means of a public offering extended to all shareholders, the average price of the Company's shares in the closing auction of XETRA trading (or a system replacing XETRA) on the Frankfurt Stock Exchange over the last 10 trading days prior to the announcement of the public offering. In case of an acquisition by means of a public offering extended to all shareholders, the volume of the offering may be limited. If the total number of shares for which the offering is accepted exceeds this volume, the shares must be acquired on a pro rata basis.
- b) The Board of Directors is further authorized to use the shares for all legally permissible purposes, in particular with the consent of the Supervisory Board to effect a sale of the Company's acquired own shares in a manner other than through the stock exchange or by making a public offering to all shareholders, provided the acquired own shares are sold for cash for a price not substantially lower than the stock market price for Company

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shares of the same class with the same rights on the date of such sale. However, this authorization shall only apply under the condition that the shares so sold may not exceed an aggregate of 10% of the Company's share capital at the time of such resolution. In calculating this 10% limit, an allowance shall be made for the issuance of shares after this authorization from authorized capital excluding subscription rights in accordance with Section 186 (3) Sentence 4 German Stock Corporation Act (AktG) and for the granting of option or conversion rights for Company shares after this authorization if the grant excludes subscription rights in accordance with Section 186 (3) Sentence 4 German Stock Corporation Act (AktG).

- c) In addition, the Board of Directors is also authorized to use the acquired own shares in whole or in part as full or partial consideration for third parties as part of mergers or direct or indirect acquisitions of companies, parts of companies or equity interests.
- d) The Board of Directors is also authorized to use the own shares acquired on the basis of this authorization to fulfill obligations in connection with stock options (subscription rights) that are granted to members of the Board of Directors, other executives or employees of the Company and/or its subordinate associated companies in accordance with the authorization submitted to the Annual General Meeting of January 25, 2010 for approval under item 7 of the agenda. The Supervisory Board shall have exclusive authority to issue such shares to members of the Board of Directors.
- e) The Board of Directors is further authorized, with the consent of the Supervisory Board, to use the own shares acquired pursuant to this authorization to fulfill conversion rights or obligations from participatory certificates with warrants and/or convertible participatory certificates and/or convertible bonds and/or bonds with warrants and/or income bonds issued by the Company or by the Company's independent group companies within the meaning of Section 17 German Stock Corporation Act (AktG).
- f) Finally, the Board of Directors is, with the consent of the Supervisory Board, also authorized to redeem the Company's own shares acquired on the basis of this authorization. No additional resolution of the Annual General Meeting is required for redemption or the implementation thereof.
- g) The above authorizations may be exercised once or several times, in whole or in part, individually or jointly; however, the acquisition of the Company's own shares may not exceed the limitations set out in sub-clause a). The authorization to acquire own shares adopted at the Annual General Meeting of Wincor Nixdorf Aktiengesellschaft on January 19, 2009, shall expire when this new authorization takes effect.
- h) Shareholders' subscription rights with respect to the Company's own shares shall be excluded to the extent that the shares are used pursuant to the authorizations specified above in sub-clauses b), c), d) and e).

**7. Resolution regarding the creation of conditional capital – Conditional Capital I 2010 – and authorization to issue share options; amendment of Section 4 (7) of the Articles of Association**

The authorization to create the Conditional Capital I by issuing new no-par value shares and to issue share options as granted to the Board of Directors by virtue of the resolution adopted at the Annual General Meeting on May 14, 2004, as amended by the last supplement and amendment resolved upon at the Annual General Meeting on January 28, 2008, expired on May 13, 2009. It is intended to replace it by a new authorization to be granted to the Board of Directors.

Therefore, the Board of Directors and the Supervisory Board propose to pass the following resolution:

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a) Authorization to issue share options

The Board of Directors is authorized to issue share options to the entitled persons until January 24, 2015 with the consent of the Supervisory Board. The Supervisory Board shall have the sole jurisdiction over the members of the Company's Board of Directors. An entitled person shall be any person who is part of one of the following groups of persons (Group 1 or Group 2, respectively) (hereinafter referred to as the "Entitled Persons"). Each individual share option entitles its bearer to subscribe to one no-par value bearer share of the Company.

The Board of Directors and the Supervisory Board are entitled to issue an aggregate amount of up to 3,308,498 share options entitling their bearers to subscribe to up to 3,308,498 no-par value shares of the Company ("Total Amount"). The exercised share options can be fulfilled as specified below under subsection b) either by making use of the conditional capital proposed for resolution in such subsection (Conditional Capital I 2010) or by means of the Company's own shares or in cash. The share options shall be granted and exercised in accordance with the following terms and conditions:

The circle of Entitled Persons includes the members of the Company's Board of Directors (Group 1) and board members of its subordinate associated companies within and outside Germany and other executives and employees of the Company and its subordinate associated companies (Group 2). The Total Amount shall be allocated to the individual groups of Entitled Persons as follows: The Entitled Persons of Group 1 shall together receive stock options in such amount that if they exercise their option, no more than 35% of the Total Amount shall be required for their servicing; the remainder of the stock options shall be allocated to the Entitled Persons of Group 2. Entitled Persons pertaining to both groups shall not receive any additional subscription rights based on their affiliation to a subordinate associated company.

During the period of authorization, the individual tranches of the share options can be issued within a period of eight weeks, in each case commencing on the 11<sup>th</sup> stock exchange trading day in Frankfurt/Main following the day of the Company's Annual General Meeting. Members of the management and employees of businesses or companies that become part of the Wincor Nixdorf Group may be issued share options within twelve weeks after control has been obtained.

The share options shall each have a term of four years. They can only be exercised once, i.e. as per the end of the term within a period of ten stock exchange trading days in Frankfurt/Main, starting with the expiry of the four-year period (exercise period). The conditions of exercise can also stipulate that the exercise notice may or must be issued within the term, within the last ten stock exchange trading days in Frankfurt/Main of the term, with effect as per the close of the last day of the term or at a later point in time. Vesting periods can be defined by the Company in the interest of the Company or the capital market or to protect against insider dealing. In this case, the exercise period is postponed accordingly.

Subject to the following exceptions, the price payable for each share to be subscribed to upon exercise of the share options shall be the exercise price. The exercise price shall correspond to 112% of the respective value at the outset. Distributions, in particular dividend payments and any subscription rights or other special rights must be taken into account during the term of the respective share option (total shareholder return approach). The value at the outset shall correspond to the stock market price of the Company's share on the thirty stock exchange trading days directly preceding the respective issue of share options. The stock market price shall mean the unweighted average price of the Company's shares in the closing auction (or a system replacing the closing auction) on the Frankfurt Stock Exchange over the thirty stock exchange trading days in XETRA (or a system replacing XETRA). The value at the outset of share options issued after control has been obtained over a business or a company shall correspond to the stock market price of the Company's shares prior to the issue of the share options.

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The share options cannot be transferred under an agreement. As far as the Entitled Persons of Group 2 are concerned, share options may only be exercised if the Entitled Person is employed with the Company or a subordinate associated company at the time of exercise and has not been given notice of termination. Special provisions may be agreed upon for the events of death, retirement and other special cases of termination of employment, including the scenario where a subordinate associated company withdraws from the group.

Share options shall expire without substitution and without compensation

- if they are not exercised until the end of the exercise period; or
- if they can no longer be exercised in accordance with the above paragraph.

Subject to the following exceptions, any exercise of the share options shall be subject to a private investment in the Company's shares at a ratio of 1:10 (shares:share options). Unless otherwise specified by the Company, proof of the ownership in the shares held within the scope of the private investment must generally be furnished within two years from the acquisition of the options. Proof of the private investment shall be provided pursuant to a procedure yet to be determined by the Company. Entitled Persons will be notified of this procedure in due time. The shares used for the private investment must be held at least until the end of the exercise period.

The Company is entitled to put eligible employees in countries where the purchase of shares and/or share options is subject to legal restrictions, in the same economic position they would be in if they participated in the share-based payment program.

If the exercised share options are taken out of the Conditional Capital I 2010, the new shares shall carry dividend rights from the beginning of the fiscal year in which they are created through the issue. In the event that they are issued prior to the Annual General Meeting, the new shares shall be entitled to dividends for the previous fiscal year as well.

In all other respects, the Board of Directors and the Supervisory Board must act in compliance with the requirements stipulated in the German Corporate Governance Code when structuring the share options.

To the extent that the members of Board of Directors of the Company are concerned, the Supervisory Board will set the other conditions of exercise for the share options, including the details for the issue of the new shares after fulfillment of the exercised share options created from the conditional capital increase (i.e. the Conditional Capital I 2010). In all other respects, the Company's Board of Directors shall determine these details. These details include, but are not limited to, provisions concerning the implementation and the process of granting and exercising the share options, the granting of share options to individual Entitled Persons, the fixing of the issue date within the respective issue periods as well as arrangements concerning the treatment of share options in special situations, in particular in case of retirement, death or in the event that an associated company withdraws from the group. The conditions of exercise shall provide for the customary dilution protection clauses. Instead of servicing the share options by new shares, upon exercise, the Company is entitled to pay the value of the shares that would otherwise be subscribed minus the exercise price or to deliver shares held by the Company itself or acquired for such purpose.

The conditions of exercise can also stipulate that, in the individual case or in general, the Board of Directors (and when it comes to members of the Board of Directors solely the Supervisory Board) is entitled in whole or in part to determine that, instead of one share per exercised share option at the exercise price specified above ("Exercise Price Old"), a reduced number of shares will be issued at the lowest issue amount (Section 9 (1) German Stock Corporation Act (AktG)), i.e. currently €1 per share. If this right is exercised, only a certain multiplicity of share options gives rise to the right to subscribe to one share in each case at an exercise price of currently €1. The number of share options to be exercised in order to subscribe to one share in each case shall correspond

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to the ratio of the stock market price of the share minus the lowest issue amount to the stock market price of the share minus the Exercise Price Old.

The share price shall be the stock market price of the share of the last thirty stock exchange trading days directly preceding the respective time of exercise. The time of exercise is – regardless of the actual time of exercise – the end of the last day of the exercise period. The share price determined in this way is also to be applied as the value of a share in the Company, if the Company makes use of the option to pay out the value of the share minus the exercise price.

If the Board of Directors and/or the Supervisory Board makes use of such right and if the result of an exercise of share options is that the number of share options actually exercised by an Entitled Person entitles him/her to subscribe to a non-integral number of shares, it shall be rounded up to the next higher integral number of shares.

b) Conditional Capital I 2010 and amendment of the Articles of Association

aa) The share capital of the Company is conditionally increased by up to €1,654,249 by the issue of up to 1,654,249 new no-par value bearer shares (Conditional Capital I 2010). The conditional capital increase is resolved for the exclusive purpose of granting subscription rights (share options) to members of the Company's Board of Directors, board members of subordinate associated companies within and outside Germany and other executives and employees of the Company and its subordinate associated companies (hereinafter referred to as the "Entitled Persons") on the basis of the authorization granted at the Annual General Meeting on January 25, 2010 in accordance with lit. a) above. The conditional capital increase will only be effected to the extent that the bearers of the share options exercise their right to subscribe for Company shares and the Company uses the Conditional Capital I 2010 to fulfill the share options and does not, alternatively, pay an equivalent amount in cash or fulfill its obligation using its own shares.

The Conditional Capital I as currently anticipated in Section 4 (7) of the Articles of Association is no longer needed. The share-based payment program for which it was used expired on May 13, 2009. The previous Conditional Capital I is therefore cancelled and

bb) Section 4 (7) of the Articles of Association is to be amended as follows:

“(7) The share capital has been conditionally increased by up to €1,654,249 (in words: EUR one million six hundred fifty four thousand two hundred forty nine) (Conditional Capital I 2010), divided into up to 1,654,249 no-par value bearer shares. This conditional capital increase serves the exclusive purpose of granting share options to members of the Company's Board of Directors and to board members of subordinate associated companies within and outside Germany and to other executives and employees of the Company and its subordinate associated companies, as specified in detail in the authorization resolved at the Annual General Meeting on January 25, 2010. It shall only be effected to the extent that bearers of share options exercise their right to subscribe for Company shares and the Company does not give consideration in cash or by means of its own shares. From the beginning of the fiscal year during which the new shares were created through the issue, such shares shall be entitled to dividends of the Company. In the event that they are issued prior to the Annual General Meeting, the new shares shall be entitled to dividends for the previous fiscal year as well.”

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**8. Resolution regarding the approval of the compensation system for the members of the Board of Directors according to Section 120 (4) German Stock Corporation Act (AktG)**

The German Act on the Appropriateness of Management Board Compensation (*Gesetz zur Angemessenheit der Vorstandsvergütung*, VorstAG) which entered into force on August 5, 2009, provides for the ability of the Annual General Meeting to resolve upon the compensation system for the members of the Board of Directors as set forth in Section 120 (4) German Stock Corporation Act (AktG). This consultative vote of the Annual General Meeting is intended to offer to the shareholders a means of expressing their view on the compensation system. By way of precaution, however, we would like to point out that such a resolution according to Section 120 (4) sentence 2 German Stock Corporation Act (AktG) is not legally binding on the Supervisory Board; the possibility to bring an action to set aside a resolution according to Section 243 German Stock Corporation Act (AktG) has been excluded.

The actual purpose of introducing Section 120 (4) German Stock Corporation Act (AktG) is to provide the shareholders with the opportunity to adopt a consultative resolution concerning the existing compensation system. Under item 7 of the agenda, however, a new share-based payment program will be submitted for approval to the Annual General Meeting. As it may be taken from the proposal for resolution in relation to the new share-based payment program as well as from the report on item 7 of the agenda, share options shall continue to be used as long-term variable elements of compensation with lasting effect. The modifications intended for the new share-based payment program (as compared to the previous program) are made to take account of the requirements of the VorstAG. As mentioned in the report concerning item 7 of the agenda, the requirements changed by the VorstAG regarding the compensation of the Board of Directors will also be taken into account when renewing or concluding new service contracts with members of the Board of Directors. After the Annual General Meeting, the new share-based payment program will be implemented promptly. Therefore, and also in view of the meaning and purpose of the statutory provision, the Board of Directors and the Supervisory Board consider it useful that under this item 8 of the agenda, the Annual General Meeting adopt the compensation system for the Board of Directors taking into account the changes resulting from the implementation of the new share-based payment program.

This being said, the Board of Directors and the Supervisory Board propose to the Annual General Meeting to resolve the following:

The compensation system for the members of the Board of Directors is approved in accordance with the "Report on the compensation of the members of the Board of Directors as a basis of information for the resolution on the approval of the compensation system for the members of the Board of Directors".

The "Report on the compensation of the members of the Board of Directors as a basis of information for the resolution on the approval of the compensation system for the members of the Board of Directors" is available for inspection at the business premises of Wincor Nixdorf Aktiengesellschaft, Heinz-Nixdorf-Ring 1, 33106 Paderborn, Germany, and can be accessed on and downloaded from the internet at [www.wincor-nixdorf.com](http://www.wincor-nixdorf.com). The compensation report for the fiscal year 2008/2009 referred to in this Report is part of the annual report for the fiscal year 2008/2009. This annual report containing the compensation report is also available for inspection at the business premises of Wincor Nixdorf Aktiengesellschaft, Heinz-Nixdorf-Ring 1, 33106 Paderborn, Germany, and can be accessed on and downloaded from the internet at [www.wincor-nixdorf.com](http://www.wincor-nixdorf.com), too.

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**9. Adoption of a resolution regarding changes of Section 14 (Convening of Annual General Meeting), Section 15 (Right to Participate in the Annual General Meeting and to Exercise the Voting Rights) and Section 16 (Voting Rights) of the Articles of Association**

The German Act on the Implementation of the Shareholder Rights Directive (*Gesetz zur Umsetzung der Aktionärsrechterichtlinie*, ARUG) of July 30, 2009, inter alia, provides for changes in the deadlines for convening, and in the conditions to be fulfilled to participate in Annual General Meetings, as well as for changes in the formal requirements applicable to proxies. In addition, according to the German Act on the Implementation of the Shareholder Rights Directive (ARUG), the Articles of Association may stipulate that shareholders can participate in a Annual General Meeting without being present physically and that they can exercise voting rights as to the Annual General Meeting, wholly or partly, by means of electronic communication. Moreover, according to the German Act on the Implementation of the Shareholder Rights Directive (ARUG), the Articles of Association can allow for the option to vote by postal ballot.

- 9.1 Therefore, the Board of Directors and the Supervisory Board propose to adopt the following resolution:

Convening of General Meetings:

Section 14 (2) of the Articles of Association is to be amended as follows:

- “(2) The Annual General Meeting is to be convened at least 30 days prior to the date until the expiry of which the shareholders must register for the Annual General Meeting in accordance with Section 15 (1) of the Articles of Association. The day of convening and the day of the Annual General Meeting must not be included in the calculation.”

- 9.2 The Board of Directors and the Supervisory Board propose to adopt the following resolution:

Right to Participate in the General Meeting and to Exercise the Voting Rights:

Section 15 subsections (1) and (2) of the Articles of Association are to be amended, and a subsection (4) is to be inserted, as follows. Subsection (3), reading: “The statutory provisions apply for calculating the period” continues to apply without any change.

- “(1) Shareholders shall be eligible to participate in the Annual General Meeting and exercise their voting rights only if they have registered with the Company by no later than six days prior to the Annual General Meeting, at the address notified for this purpose in the notice of meeting. Registration shall take place in text form (Section 126b German Civil Code (BGB)) or, alternatively, by means of electronic communication to be specified in the notice of the General Meeting, in German or English.
- (2) Shareholders must provide proof of their entitlement to participate in the Annual General Meeting and to exercise voting rights by means of a special certificate of share ownership in German or English, issued in text form (Section 126b German Civil Code (BGB)) by the depositary body. The certificate must relate to the start of the twenty-first day prior to the meeting and be received by the Company at the address notified for this purpose in the notice of meeting by no later than six days prior to the Annual General

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Meeting. In the notice of meeting, the Board of Directors can provide for a shorter period which needs to be quantified in days.

- (4) The Board of Directors is authorized to stipulate that shareholders can participate in a Annual General Meeting even without being present physically and without nominating a proxy, and that they may exercise their voting rights, wholly or partly, by means of electronic communication. In the event that the Board of Directors avails itself of this authorization, the details are to be communicated in the notice of meeting. However, shareholders participating in the Annual General Meeting in the way set forth in sentence 1 are not entitled to object to and/or bring an action to set aside the resolutions of the Annual General Meeting.”

- 9.3 The Board of Directors and the Supervisory Board propose to adopt the following resolution:

Voting Rights:

Section 16 subsections (2) and (3) of the Articles of Association are to be amended as follows:

- “(2) The right to vote can be exercised by a proxy in accordance with the applicable statutory provisions. In the event that a shareholder nominates more than one proxy, the Company reserves the right to reject one or several of these proxies. The proxy can also be a Company-nominated proxy bound by instructions. The details will be announced together with the notice of the Annual General Meeting.
- (3) The Board of Directors is authorized to stipulate that, without participating physically in the meeting, shareholders may cast their votes in writing or by means of electronic communication (postal ballot).”

It is envisaged to have the Annual Annual General Meeting vote individually on the three amendments of the Articles of Association (Clauses 9.1, 9.2 and 9.3).

## **II. Reports**

- 1. Report of the Board of Directors on item 6 of the agenda of the Annual General Meeting on January 25, 2010, (Resolution regarding the authorization to acquire and to use own shares pursuant to Section 71 (1) No. 8 German Stock Corporation Act (AktG) and to exclude of the subscription right)**

The resolution proposed by the Board of Directors and Supervisory Board envisages – in compliance with usual corporate practice on the basis of Section 71 (1) No. 8 German Stock Corporation Act (AktG) – that the Company be authorized by the Annual General Meeting for at maximum 18 months to acquire own shares up to an amount of 10% of the share capital. The Board of Directors already holds such authorization. This authorization to acquire own shares was adopted for a fixed period of time at the Annual General Meeting of Wincor Nixdorf Aktiengesellschaft held on January 19, 2009, and is now to be extended. Like in the past, the authorization by the Annual General Meeting shall only be valid for a period of 18 months although the statutory maximum period of authorization according to Section 71 (1) No. 8 German Stock Corporation Act (AktG), as amended by the German Act on the Implementation of the Shareholder Rights Directive (*Gesetz zur Umsetzung der Aktionärsrechterichtlinie*; ARUG) is now five (5) years.

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The principle of equality of treatment in accordance with Section 53a German Stock Corporation Act (AktG) is to be upheld in the acquisition of own shares. The proposed acquisition of shares through the stock exchange or by means of a public offering takes this principle into account. If a public offering is oversubscribed, the shares must be acquired on a pro rata basis.

Under the proposed resolution, the Company is to be authorized to acquire the shares through the stock exchange or by means of a public offering extended to all shareholders. The purchase price for the shares must not exceed or be below the applicable stock market price by more than 10%.

As regards the resale of own shares that the Company has acquired, the law in principle envisages their sale through the stock exchange or by means of an offering extended to all shareholders, with the result that the principle of equal treatment in accordance with Section 53a German Stock Corporation Act (AktG) is upheld. However, the Annual General Meeting can also resolve another means of selling them in application of Section 186 (3) and (4) German Stock Corporation Act (AktG). In this regard, the resolution envisages authorizing the Board of Directors, with the consent of the Supervisory Board, to effect a sale of the Company's own acquired shares in a manner other than through the stock exchange or by making an offering to all shareholders, provided the acquired own shares are sold for cash at a price not substantially lower than the stock market price for Company shares of the same class with the same rights on the date of such sale. A markdown on the current stock market price of up to 5% of the stock market price is currently regarded as permissible according to expert literature.

With this authorization, the possibility of excluding subscription rights is utilized as permitted in Section 71 (1) No. 8 German Stock Corporation Act (AktG) in application of Section 186 (3) Sentence 4 German Stock Corporation Act (AktG). This possibility of excluding the subscription right in the resale of own shares in the Company in application of Section 186 (3) Sentence 4 German Stock Corporation Act (AktG) serves the interests of the Company as regards selling own shares to other investors, for example, and enables in particular faster and less expensive placement of the shares than if they were to be sold as part of an offering to all shareholders. Management is therefore enabled to exploit the opportunities offered by the situation at the stock exchange quickly, flexibly and inexpensively, in particular if it might be impossible to exclude a significant fall in price in case of a sale through the stock exchange due to the volume of the shares to be sold. In addition, new groups of shareholders in Germany and abroad may also be acquired in this way. As a result, the Board of Directors obtains an additional means of financing in order to strengthen the Company's position in domestic and foreign markets.

Overall, the financial and voting right interests of the shareholders in the sale of own shares to third parties with the exclusion of shareholders from the subscription right on the basis of Section 71 (1) No. 8 German Stock Corporation Act (AktG) are reasonably safeguarded. The authorization is restricted to a maximum total of 10% of the Company's share capital at the time of such resolution. In calculating this maximum limit, an allowance shall be made for the issuance of shares and subscription or conversion rights to shares after this authorization on the basis of authorized capital in accordance with Section 203 (2) and Section 186 (3) Sentence 4 German Stock Corporation Act (AktG) or on the basis of an authorization in accordance with Section 221 (4) and Section 186 (3) Sentence 4 German Stock Corporation Act (AktG). Shareholders who are interested in retaining their ratio of voting rights in principle have the possibility of acquiring a further appropriate number of shares on the stock exchange. The Board of Directors and Supervisory Board are of the view that this approach serves the interests of the Company with regard to the Company's strategy, and is also reasonable in consideration of the interests of shareholders.

In addition, the resolution envisages authorizing the Board of Directors to offer to third parties or use the acquired own shares in whole or in part as full or partial consideration for mergers or direct or indirect acquisitions of companies, parts of companies or equity interests.

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It is the Company's intention to further strengthen and expand its competitive position in the short or medium term through the systematic acquisition of companies or equity interests within the framework of the purpose of the Company as defined by its Articles of Association if the opportunity arises. Especially in the international scope, owners of companies and holders of equity interests often expect shares in the acquiring Company as a consideration for selling the company or interest. The proposed authorization will enable the Company to use its own shares as consideration in concrete acquisitions in which it may be in competition with other prospective buyers, and may thus enable it to refrain from the need to increase its share capital in consideration of contributions in kind.

The Company is also to be authorized to use own shares to fulfill the obligations in connection with stock options that will be issued pursuant to the authorization to issue share options submitted to the Annual General Meeting of January 25, 2010 for approval under item 7 of the agenda. This authorization is in the interests of the Company and shareholders because it gives the Company the possibility, where this is appropriate in a concrete case, to issue new shares from conditional capital and so avoid a capital increase and a dilution of the voting rights and ratios of the shareholders.

The price at which the shares are issued in the above cases depends on the circumstances of the individual case and the time. The Board of Directors will be guided by the Company's interests in setting the price. If the shares are used for distributing stock options, the price at which the shares are sold shall be the price at which the stock options are exercised.

The authorization also envisages that the own shares can be used to fulfill conversion rights of holders of participatory certificates with warrants and/or convertible participatory certificates and/or convertible bonds and/or bonds with warrants and/or income bonds issued by the Company or by the Company's independent group companies within the meaning of Section 17 German Stock Corporation Act (AktG), with exclusion of the subscription right of shareholders. To fulfill the conversion rights it may be expedient to use own shares in full or in part instead of new shares from a (conditional) capital increase.

Given the above considerations, it is the view of the Board of Directors and the Supervisory Board that the proposed authorization to acquire own shares is in the interests of the shareholders and can justify the exclusion of the subscription right of shareholders in individual cases. The Board of Directors and the Supervisory Board will therefore examine and consider in each single case whether granting own shares with the exclusion of the subscription right is in the predominant interests of the Company.

#### **2. Report of the Board of Directors on item 7 of the Agenda of the Annual General Meeting of January 25, 2010 (Resolution regarding the creation of conditional capital - Conditional Capital I 2010 and authorization to issue share options; amendment of Section 4 (7) of the Articles of Association)**

##### **Introduction**

On May 14, 2004, the Annual General Meeting of the Company resolved to authorize the Board of Directors and/or the Supervisory Board (to the extent that members of the Board of Directors are concerned) to issue share options to members of the Board of Directors as well as to other executives and employees of the Company and its associated companies in the period ending on May 13, 2009 (hereinafter referred to as the "Old SOP"). This authorization was amended by the resolutions of the Annual General Meetings of February 21, 2006, January 29, 2007 and January 28, 2008. For the purpose of delivering the share options, conditional capital was created. The Board of Directors and the Supervisory Board availed themselves of the Old SOP and issued share options until the authorization expired on May 13, 2009.

The Board of Directors and the Supervisory Board share the view that share options have proved to be excellent long-term variable elements of compensation with lasting incentive effect for members of the Board of Directors as well as other executives and employees of the

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Company and its associated companies. This remuneration component creates a strong bond between the interests of decision-makers and the interests of shareholders, namely to increase the Company's value. The use of share options as a performance-related component in remuneration strengthens the identification of the entitled persons with the Company and their loyalty.

Hence, in item 7 of the Agenda, the Board of Directors and the Supervisory Board propose to the Annual General Meeting to grant a new authorization for the issue of share options (hereinafter also referred to as the "New SOP") and the creation of a conditional capital (Conditional Capital I 2010) for (partial) service of the New SOP. The New SOP is based on, and, as regards its contents, largely corresponds to the Old SOP. The contents of the New SOP are reflected in item 7 of the agenda. The explanations set forth in this report serve as an illustration of the relevant contents of the provisions of the New SOP.

#### **Entitled Persons**

As in case of the Old SOP, the circle of entitled persons includes members of the Company's Board of Directors (Group 1) and members of the management bodies of subordinate associated companies of the Company within and outside Germany as well as other executives and employees of the Company and its subordinate associated companies (Group 2).

#### **Total number of share options and allocation to the groups of entitled persons**

Under the New SOP, the total number of share options is 3,308,498 ("Total Amount"). As, generally, one share option entitles to the subscription of one share, the Total Amount equals 10% of the share capital.

As specified under "Service of the share options" below, however, the service of the New SOP can only result in a maximum dilution of the shareholders in the amount of 5% of the share capital.

Up to 35% of this Total Amount can be issued to the entitled persons of Group 1, the remaining percentage to the entitled persons of Group 2.

#### **Service of the share options**

According to the terms of the New SOP, claims arising from the exercise of options may be satisfied by the following measures:

- a) If the Annual General Meeting of January 25, 2010 resolves upon the creation of such conditional capital under item 7 of the agenda, the claims may be satisfied through the issue of new shares from the Conditional Capital I 2010. However, only a maximum of 1,654,249 shares may be issued from this conditional capital. This amounts to half of the total number of share options and, thus, to a total of 5% of the current share capital. The participation quota of the existing shareholders will be reduced relatively by the issue of new shares out of conditional capital to entitled persons (dilution of shareholding).

The Board of Directors and the Supervisory Board propose to create a conditional capital of no more than 5% (€1,654,249) in order to minimize the dilution effect for the Company's existing shareholders upon the use of the conditional capital.

The existing shareholders did not experience any dilution effects in previous years because no tranches of the Old SOP were taken from new shares resulting from a conditional capital increase carried out for this purpose.

In the past six years, a total of 2,581,360 share options were issued. The tranches 2004 through 2007 thereof, bearing a total of 1,583,760 issued share options, have now become due; the respective 2-year holding periods for the exercise of the two tranches 2008 and 2009, bearing a total of 997,600 issued share options, have not expired yet.

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864,220 share options out of the 1,583,760 share options issued and due under the tranches 2004 through 2007 forfeited either because the exercise price was not achieved (tranches 2006 and 2007) or because a number of entitled persons left the Company. 698,790 share options were settled in cash (tranches 2004 and 2005), and another 20,750 of own shares were used for service of the share-based payment programs. At this point in time, 1,420,980 own shares are available to the Company for the service of share options.

- b) As before, the claims can also be satisfied through own shares previously acquired by the Company. Currently, the Company still owns 1,420,980 own shares which it had acquired on the basis of authorizations of the Annual General Meetings of the previous years according to Sec. 71 (1) No 8 German Stock Corporation Act (AktG). In addition, on January 25, 2010, the Board of Directors and the Supervisory Board will propose to the Annual General Meeting in item 6 of the agenda to grant a new authorization to purchase own shares, according to Sec. 71 (1) No. 8 German Stock Corporation Act (AktG), inter alia, for service of the share options.
- c) The value of the option, which corresponds to the balance between the current share price and the exercise price, may also be settled in cash.

Basically, the entitled person must pay in cash the exercise price upon the exercise of the option (hereinafter referred to as the "Exercise Price Old"). Like in the past, however, the possibility to pay only a portion of the option's exercise price in cash, i.e. the lowest possible issue price for new shares of €1.00 per share, shall continue to exist. The entitled person must provide the remainder through share options, i.e. he/she must use several share options in order to receive one share. The value of the individual share option is determined by the balance between the current share price and the actual exercise price of the share option. If, for instance, the current stock exchange price is €61.00 and the actual exercise price is €51.00, the value of the individual option amounts to €10.00.

The number of share options to be exercised to subscribe for one share equals the ratio of the stock market price of the share minus the lowest issue amount to the stock market price of the share minus the Exercise Price Old.

Should the number of options delivered by the entitled person result in a non-integral number of shares to be received, this number shall be rounded up to the next higher integral number of shares.

If the exercised share options were taken out of Conditional Capital I 2010, the new shares shall carry dividend rights from the beginning of the fiscal year in which they were created through the issue. In the event that they are issued before the Ordinary Annual General Meeting, the new shares shall be entitled to dividends for the previous fiscal year as well.

The Company is entitled to put eligible employees in countries where the purchase of shares and/or share options is subject to legal restrictions, in the same economic position they would be in if they participated in the share-based payment program.

#### **Exercise price and performance target**

Just as provided for in the previous share-based payment program, the exercise price payable upon exercise of the share option corresponds to the performance target. The exercise price and, hence, the performance target, correspond to 112% of the respective value at the outset. In this context, as regards compliance with the recommendations under Clause 4.2.3 (3) sentences 1 and 2 of the German Corporate Governance Code, reference is made to the relevant statements in the separate report to the Annual General Meeting of January 25, 2010 in relation to item 8 of the agenda ("Report on the compensation of the members of the Board of Directors (Vorstand) as a basis of information for the resolution on the approval of the compensation system for the members of the Board of Directors") under the section "Share-

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based compensation (long-term incentive component)", here "Additional targets for members of the Board of Directors".

The value at the outset corresponds to the share's stock market price at the time of issue of the share options. Distributions, in particular dividend payments and any subscription rights or other special rights must be taken into account during the term of the respective share options (total shareholder return approach). Just as in the past, the share options are to be issued in annual tranches.

To the extent that for the value at the outset, for the calculation of a cash compensation or for the calculation of the stock market price at the time the share options are exercised, reference is made to the share price of the Company's share, this price shall be an unweighted average in XETRA or a system replacing XETRA on the Frankfurt Stock Exchange. Instead of 10 (ten) stock exchange trading days up to now, the applicable period to determine the unweighted average shall amount to 30 (thirty) stock trading days in the future. This serves to improve leveling of possible exchange rate fluctuations and to counteract any impression of interference with the relevant share price. For each of the relevant values, the proposal for resolution in relation to item 7 of the agenda specifies the date as of which this 30-day-period shall start to run.

#### **Purchase periods and exercise periods, holding period**

The holding period for the initial exercise of the share options has now been extended from previously 2 (two) to 4 (four) years, in accordance with the amendment of Sec. 193 (2) No. 4 German Stock Corporation Act (AktG).

As before, the individual tranches of the share options will be issued within a period of 8 (eight) weeks commencing on the 11th (eleventh) stock exchange trading day in Frankfurt am Main following the day of the Annual General Meeting of the Company, during the authorization period (expiring on January 24, 2015). For plants and companies joining the Wincor Nixdorf Group (for instance, as the result of an acquisition), the tranches will be issued within 12 (twelve) weeks after control has been obtained.

As before, the share options may only be exercised within a short time-frame of 10 (ten) stock exchange trading days after the expiration of the holding period. In this process, the conditions of exercise shall (as in the past) continue to provide for the opportunity that the notice of exercise to be given within the last 10 (ten) stock exchange trading days of its 4-year term may already be filed after expiration of the term at a date set forth in the conditions of exercise. From the Company's point of view, it is necessary to maintain such a provision in order to avoid an overlap of the vesting periods for the acquisition of shares which are set by the Company in the interest of the capital market and as a protection against insider trading.

As before, the period for the issue of the share options of a given tranche overlaps in time with the period of exercise for the share options of a previous tranche. As a result of the time overlap of the tranches, a high stock market price in the exercise period bolsters the attractiveness of the share option which can be exercised after 4 years, but also represents an ambitious target given the almost simultaneous fixing of the exercise price for the new share options then to be issued. Likewise, a low stock market price in the exercise period indicates a less profitable share option, but offers greater market opportunities as a result of the low exercise price set for the new share options. Consequently, this measure enables two tranches of the share-based payment program to be linked more closely and expediently by almost simultaneous issue of the share options and exercise, and to impart a long-term incentive effect due to reasonable option prices. Even though as a result of the amendment of Section 193 (2) No. 4 German Stock Corporation Act (AktG), there is now a period of 4 years between the initial issue of share options and the time they may be exercised for the first time, such time overlap is only absent for the years 2012 and 2013 because share options were still issued in annual tranches under the Old SOP until it expired in May 2009. This gap is a consequence of the amendment of the law which must be observed mandatorily (holding period of 4 years instead of 2 years).

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#### **Private Investment**

As before, the New SOP stipulates that the entitled persons make a private investment at a ratio of 1:10 as a requirement for the exercise of the option after the holding period. This means that an entitled person must hold one company share to exercise 10 (ten) awarded share options. Such a share may originate from the exercise of previous share options or from any other purchase of shares. In accordance with the previously applicable statutory holding period, the vesting period under the Old SOP was 2 (two) years. In spite of the legal extension of the holding period to 4 years, the Board of Directors and the Supervisory Board propose not to extend the vesting period and not to modify its 2-year term. As a result, the entitled person will generally be obliged to evidence ownership of the shares required for the private investment within 2 years after having purchased the share options and, subsequently, to hold these shares until the exercise of the share options (i.e. at least two more years). In particular where the total compensation comprises a very high percentage of share options, the private investment will add up to significant amounts which can more easily be borne by the entitled person if distributed over a period of 2 (two) years, as compared with a one-time investment at the beginning.

The share options cannot be transferred under an agreement. As far as the entitled persons of Group 2 are concerned, share options may only be exercised if the entitled person is employed with the Company or an associated company at the time of exercise and was not given notice. Special provisions may be agreed upon for the events of death, retirement and other special cases of termination of employment, including the scenario where an associated company withdraws from the group. The entitled persons of Group 1 (members of the Board of Directors) have the opportunity to exercise the share options even after termination of their service contracts. As stated in the report in relation to item 8 of the agenda, members of the Board of Directors may, by operation of law, be appointed for a maximum period of 5 (five) years. Otherwise, already starting as of their second year of service, the members of the Board of Directors would lose the legal certainty that they may exercise share options for the current and any following tranche, given the 4-year holding period. As before, share options continue to be a long-term variable remuneration component for members of the Board of Directors. In turn, however, the members of the Board of Directors must enjoy legal certainty in terms of exercisability.

#### **Other conditions of exercise**

To the extent that the members of Board of Directors of the Company are concerned, the Supervisory Board will set the other conditions of exercise for the share options, including the details for the issue of new shares upon fulfillment of the exercised share options created from an increase of the conditional capital (i.e. Conditional Capital I 2010). In all other respects, the Company's Board of Directors shall determine these details. These details include, but are not limited to, provisions concerning the implementation and the process of granting and exercising the share options, the granting of share options to individual entitled persons, the fixing of the issue date within the respective issue periods as well as arrangements concerning the treatment of share options in special situations, in particular in case of retirement, death or in the event that an associated company withdraws from the group. The conditions of exercise shall provide for the customary dilution protection clauses.

#### **Special arrangements for members of the Board of Directors**

For further special arrangements applicable to members of the Board of Directors pertaining to the calculation of the number of share options and the targets provided for in the service contracts, please see the compensation report in relation to item 8 of the agenda.

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**3. Report on the compensation of the members of the Board of Directors as basis of information for the resolution with regard to item 8 of the agenda on the approval of the compensation system for the members of the Board of Directors according to Section 120 (4) German Stock Corporation Act (AktG)**

**Introduction**

This report on the compensation of the Board of Directors ("Report") outlines the principles that are applied to the determination of the compensation of the Board of Directors of Wincor Nixdorf Aktiengesellschaft and describes the amount and the structure of the remuneration of the Board of Directors. This Report is based on the compensation report for the fiscal year 2008/2009, which is part of the annual report for the fiscal year 2008/2009. For the purposes of this Report, the compensation report for the fiscal year 2008/2009 was insofar refined as under item 7 of the agenda a new share-based payment program will be submitted to the Annual General Meeting for approval. It is planned that this share-based payment program as well as the subsequent changes of the long-term variable compensation of the Board of Directors will also be included in the resolution on the approval of the system of compensation for the Board of Directors. The changes intended for the new share-based payment program (as compared to the previous program) are made to take into account the requirements of the Act on the Appropriateness of Management Board Compensation (Gesetz zur Angemessenheit der Vorstandsvergütung – VorstAG), which entered into force on August 5, 2009. The requirements changed by the VorstAG regarding the compensation of the Board of Directors will also be taken into account when renewing or concluding new service contracts with members of the Board of Directors.

In addition to this Report, we refer to the compensation report on the compensation system for the fiscal year 2008/2009, which is prepared in compliance with the recommendations of the German Corporate Governance Code (in the version of June 18, 2009) and includes information which, in accordance with the requirements of German commercial law, amended by the Act on the Disclosure of Management Board Compensation (Gesetz über die Offenlegung der Vorstandvergütungen – VorstOG) of August 3, 2005, forms an integral part of the notes to the group financial statements pursuant to Section 314 of the German Commercial Code (Handelsgesetzbuch – HGB) or group management report pursuant to Section 315 HGB.

**Compensation system for the Board of Directors**

**Determination of the compensation**

The Supervisory Board of Wincor Nixdorf Aktiengesellschaft determines the total compensation of the individual members of the Board of Directors on the proposal of its Personnel Committee, which is in charge of the service contracts of the members of the Board of Directors. In addition, the Supervisory Board regularly reviews and resolves on the compensation system for the Board of Directors and the appropriateness of the total remuneration of the individual members of the Board of Directors, including the essential elements of his/her service contract.

**Total compensation**

The determination of the compensation of the members of the Board of Directors of Wincor Nixdorf Aktiengesellschaft is based on the size and the global presence of the company, its economic and financial situation and on the amount and the structure of the management board compensation of comparable foreign and German companies. In addition, the duties and the contribution of the respective member of the Board of Directors are taken into consideration. In future, the same applies to the performance of the respective member of the Board of Directors, which was introduced in Section 87 (1) sentence 1 German Stock Corporation Act (AktG) as an additional criterion in accordance with the VorstAG. The compensation structure is designed in such way that it is competitive within the international market for highly qualified executives and provides incentives for a successful work for a sustainable company development in a high-performance culture. In order to ensure the horizontal comparability of the compensation of the Board of Directors, Wincor Nixdorf Aktiengesellschaft regularly takes

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part in compensation comparisons both within its industry and with other M-DAX companies. When determining the compensation of the Board of Directors, the scale of compensation and the compensation system within the Wincor Nixdorf Group are also taken into account (verticality).

The Board of Directors' compensation is performance-based and comprises the following four components:

- a) Fixed basic salary plus fringe benefits
- b) Variable compensation contingent upon the attainment of specific targets (bonus) (performance based component)
- c) Share-based compensation (long-term incentive component) and
- d) Pension commitment.

This composition of the total compensation remains admissible even according to the requirements of the VorstAG. Currently, the percentage of the fixed salary in the total target remuneration of the Board of Directors (including pension commitments) ranges between 37% and 39% of the total compensation, the percentage of the short-term variable compensation ranges between 30% and 35% of the total compensation and the percentage of the long-term variable compensation ranges between 26% and 33% of the total compensation. The percentage of the variable compensation in the total compensation is subject to fluctuations that are inherent to the system and depends on the economic development of the company. Due to the high variable component of the compensation, the total compensation of the members of the Board of Directors working in that time period has almost halved from the fiscal year 2006/2007 to the fiscal year 2008/2009. In addition, it developed in accordance with the share price.

In view of the fact that this system has proven its worth in the past, the individual components of the total remuneration shall generally be left unchanged. However, literature and case law have not yet established a homogenous opinion regarding the percentage for allocating the remuneration components. In light of this fact, the Supervisory Board will presumably investigate prior to the end of the fiscal year 2009/2010 whether it is necessary to adjust the percentage shares of the individual components in the total compensation, among others, in order to ensure market conformity and the competitive nature of the compensation of the members of the Board of Directors.

#### **Fixed basic salary**

The fixed basic salary, the fringe benefits and the pension commitments represent non-performance based components. The fixed basic salary is paid in monthly installments of equal amounts. The fringe benefits mainly comprise the contributions to accident and third party liability insurances and the provision of a company car. In addition, pension commitments have been made vis-à-vis all members of the Board of Directors of Wincor Nixdorf Aktiengesellschaft. A detailed description of the pension commitment may be found under the section "pension commitments" in the compensation report for the fiscal year 2008/2009, which is an integral part of the annual report for the fiscal year 2008/2009.

#### **Short-term variable compensation**

The performance-based, variable compensation in the form of a bonus is contingent upon the attainment of specific targets, which are set out in the service contracts. They are based on EBITDA (earnings before interest, taxes, depreciation of property and amortization of intangible assets) and the net income of the group. Each target is weighted in the same way and settled separately. If the agreed budget per target is attained in full (100%), the respective member of the Board of Directors receives 100% of his/her annual fixed basic salary as a bonus. If a member of the Board of Directors falls short of his/her agreed budget by no more than 20%,

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the bonus is reduced on a straight-line basis. If the target achievement only amounts to 80%, the respective member of the Board of Directors receives 25% of the agreed bonus. If the target achievement of one of the two targets amounts to less than 80%, the entitlement to a bonus does no longer apply. In such case, the Supervisory Board decides on the granting as well as the amount of any bonus in its due discretion. If the targets are attained by 120%, the bonus amounts to 175% of the fixed basic salary of the respective member of the Board of Directors. It has been contractually agreed that the variable compensation may not exceed 200% of the respective annual fixed basic salary. All targets aim at increasing the corporate value. In the Supervisory Board meeting of September 23, 2008, the targets to be applied as a basis for calculating the bonus amounts payable for the fiscal year 2008/2009 were specified. The targets to be applied as a basis for calculating the bonus amounts payable for the fiscal year 2009/2010 were specified in the Supervisory Board meeting of September 22, 2009. The bonus is paid in December of each year after the group financial statements have been approved by the Supervisory Board.

#### **Long-term variable compensation**

The members of the Board of Directors receive share options as long-term incentive component of the compensation. The number of the share options to be issued is determined in the service contracts of the members of the Board of Directors on an individual basis. The conditions of exercise for share options granted to members of the Board of Directors are identical to the conditions of exercise for other entitled persons (regarding the calculation/determination of the number of share options granted to the members of the Board of Directors, please see "Additional targets for members of the Board of Directors").

#### **Annual remuneration**

The fixed basic salary and the variable compensation determine the so-called annual target remuneration. The non-performance based and the performance-based compensation components are composed individually and relate to all duties of the members of the Board of Directors within the group. For further information on the annual remuneration of the members of the Board of Directors in the fiscal year 2007/2008 and the fiscal year 2008/2009, please refer to the compensation report for the fiscal year 2008/2009, which is part of the annual report for the fiscal year 2008/2009.

#### **Share-based compensation (long-term incentive component)**

For further information on the share-based compensation for the fiscal year 2008/2009, please refer to the compensation report for the fiscal year 2008/2009, which is part of the annual report for the fiscal year 2008/2009.

#### **The new share-based payment program**

Under item 7 of the agenda, a new share-based payment program will be submitted to the Annual General Meeting for approval. This program, inter alia, serves the purpose to take into account the requirements of the VorstAG. There are no statutory requirements regarding the composition of the long-term variable compensation promoting sustainability. In literature, various concepts are being discussed. In the past, Wincor Nixdorf Aktiengesellschaft used share options as a long-term compensation component for the Board of Directors and other executives. After a thorough analysis of the possible alternatives and the interpretation of the statutory requirements, the Supervisory Board has, therefore, resolved to continue this long-term compensation component. The share options are well-established within the entire group and well accepted by the executives. In the interest of a compensation system for executives that is as uniform as possible, it is intended to continue to use share options as compensation component for both members of the Board of Directors and other executives.

In the following, the differences of this share-based payment program 2010 as compared to the previous share-based payment program, in particular the 2009 tranche, will be described.

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Just as the previous programs, the share-based payment program 2010 stipulates as a requirement for exercising the option that a private investment in company shares at a ratio of 1:10 is made. This means that one company share must be held by an entitled person for exercising 10 awarded options. Thus, a high, long-term variable compensation component entails a high private investment. In order to grant especially to those entitled persons who just commenced their work for Wincor Nixdorf some time to build up their private investment with adequate funds, the proof of ownership of the shares held within the scope of the private investment must in future generally be made within two (2) years after the acquisition of the option, unless otherwise specified by the company. The entitled persons may use options already held at the time of exercise or shares purchased within the two following years as private investment. Proof of the private investment will be provided pursuant to a procedure yet to be determined by the company. The entitled persons will be notified of this procedure in due time prior to the commencement of the acceptance period. The shares used for the private investment must at least be held until the end of the exercise period (period of 10 stock exchange trading days commencing on the first stock exchange trading day following the expiry of the holding period of four years after the award).

In accordance with the statutory requirement specified in Section 193 (2) no. 4 German Stock Corporation Act (AktG), which has been amended by the VorstAG, the holding period and the term of the share option will be extended to four years. The share options can be exercised once at the end of the term within a period of 10 stock exchange trading days, starting with the expiry of the period of four years.

The exercise price per share corresponds to the value at the outset plus a premium of 12% (twelve percent) as performance target. Distributions, in particular dividend payments and any subscription rights or other special rights must be taken into account during the term of the respective share option (total shareholder, return approach).

The value at the outset is the unweighted average price of the company's share in the closing auction of XETRA trading system (or a system replacing XETRA) on the Frankfurt Stock Exchange over the 30 (thirty) stock exchange trading days directly preceding the respective issue of share options.

#### **Additional targets for members of the Board of Directors**

For the first time, the method described above will be used for the calculation of the number of share options for the 2011 tranche. For the 2010 tranche, a certain number of share options has already been promised in the service contracts prior to the effective date of the VorstAG. This promise is subject to a corresponding resolution to be adopted with regard to item 7 of the agenda at the Annual General Meeting scheduled for January 25, 2010.

In view of the share-based payment program and its focus on ensuring the long-term and sustained development of the company, the following additional parameters are applicable to members of the Board of Directors: From the outset, the calculation of the amount of share options of the annual tranche to be awarded to the members of the Board of Directors will be based on the premise that the respective member of the Board of Directors will only receive the full amount, i.e. 100% of the target value ("Target Remuneration"), of this component of the compensation for the Board of Directors if the share reaches an average performance of 6% p.a. over the entire four-year term of the share option. The performance of the share takes account of both the development of the share price and the dividend (dividend yield). This basically means that the success of a shareholder's investment in the Wincor Nixdorf share serves as the benchmark for this compensation component. Once it has been calculated in the above manner, the number of share options cannot be changed subsequently. If the performance of the share falls short of 6% p.a. on average over the entire four-year term of the share option, this results in a lower compensation from this component. If the performance of the share exceeds 6% p.a. on average over the entire four-year term of the share option, this results in a higher compensation from this component.

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The adopted approach links the interests pursued by the Board of Directors to the shareholders' interests in a sustained performance and takes due account of share price advances and distributed dividends.

The 12% premium on the value at the outset applicable to all participants in the share-based payment program and the additional target of an average 6% share performance p.a. over the four-year term of the share option applicable to the Board of Directors set an ambitious performance target that meets the requirements set forth in Section 4.2.3 of the German Corporate Governance Code.

The share options are issued in annual tranches. It is intended to include a provision in the service contracts of the members of the Board of Directors obligating them for the term of their service contracts concluded with Wincor Nixdorf Aktiengesellschaft to acquire the share options awarded to them in a certain year in their entirety. Factually speaking, this provision stipulating the obligatory participation of the members of the Board of Directors in the annual tranches of the share-based payment program sets an annual target for the members of the Board of Directors because the issuance and exercise of two tranches of the share-based payment program overlap in terms of time. The period of authorization for the issuance of the option relating to a new tranche and the exercise period of a preceding tranche overlap to a large extent. While a high stock market price in the exercise period would be attractive in terms of the exercise of share options already issued, it also represents an ambitious target for the new tranche of the share-based payment program. This structure, therefore, does not constitute an incentive for the Board of Directors to pursue a short-term stock market price strategy.

As described above, the subscription for each tranche includes the obligation to make a private investment. In accordance with the statutory provisions, members of the Board of Directors are appointed for a maximum period of five years. Due to the statutory extension of the waiting period for share options to four years, members of the Board of Directors must be able to exercise share options even after their service contracts have terminated because, generally speaking, an early (pro rata) payment of the outstanding share options would (according to current literature) not comply with the new regulation as specified in Section 87 (1) sentences 2 and 3 German Stock Corporation Act (AktG).

Pursuant to the requirements set forth in Section 87 (1) sentence 3, second part of the sentence German Stock Corporation Act (AktG), the service contracts of members of the Board of Directors must provide for a restriction of their profits in case of extraordinary developments. Furthermore, it is intended to ensure by means of suitable provisions in the service contracts that the long-term variable compensation does not inappropriately exceed the target compensation. For this reason, contracts are supposed to allow for subsequent adjustments if the long-term variable compensation exceeds three times the total amount of the annual target remunerations of the respective member of the Board of Directors over a five-year period.

As regards the D&O insurance policy, a policy excess for members of the Board of Directors that is in line with the statutory requirements as set forth in Section 93 (2) sentence 3 German Stock Corporation Act (AktG) will be agreed with effect as of July 1, 2010.

#### **Pension commitments**

For further information on the pension commitments regarding the members of the Board of Directors, please refer to the compensation report for the fiscal year 2008/2009, which is part of the annual report for the fiscal year 2008/2009.

#### **Miscellaneous**

For further information on severance payments in the event of contract termination, resignation or removal and the continued payment of remuneration in case of permanent incapacity to perform their duties as agreed in the service contracts for the members of the Board of

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Directors, please refer to the compensation report for the fiscal year 2008/2009, which is part of the annual report for the fiscal year 2008/2009.

**III. Details on the total number of shares and voting rights at the time the Annual General Meeting is convened in accordance with Section 30b (1) No. 1 German Securities Trading Act (WpHG)**

The Company's share capital of € 33,084,988.00 is divided into 33,084,988 no-par value shares at the time the Annual General Meeting is convened. Each no-par value share entitles the holder to one vote. However, the Company does not have voting rights for the own shares it holds. At the time the Annual General Meeting is convened on December 11, 2009, the Company holds 1,420,980 no-par value own shares. Consequently, of the total of 33,084,988 no-par value shares in the Company, 31,644,008 no-par value shares are entitled to vote at the time the Annual General Meeting is convened.

**IV. Right to participate in the Annual General Meeting by proof of share ownership**

Only those shareholders are entitled to attend the Annual General Meeting and to exercise their voting rights who have registered with the Company by no later than the close of 18 January, 2010 (24:00 hours) at the following address:

**Wincor Nixdorf Aktiengesellschaft**  
**c/o WestLB AG,**  
**represented by the dwpbank,**  
**- Annual General Meeting -**  
**Wildunger Straße 14**  
**60487 Frankfurt am Main, Germany**  
**Fax: +49 (0)69/5099 1110**

Registration must be issued in text form (Section 126b of the German Civil Code [BGB]) in German or in English. Shareholders must provide proof of their entitlement to attend the Annual General Meeting and to exercise voting rights by means of a special certificate of share ownership in German or English, issued in text form (§ 126b German Civil Code [BGB]) by their depository. The certificate of share ownership must relate to the beginning (0.00 hours) of the 21<sup>st</sup> day before the Annual General Meeting, i.e. 4 January, 2010 (record date), and must reach the Company by no later than the close (24.00 hours) of 18 January, 2010 under the address given above. In relation to the Company, only those persons who have provided proof are entitled to attend the Annual General Meeting and to exercise their voting rights as shareholders; in particular, disposals or other transfers of shares after the record date have no effect in any way on the previous shareholder's legal right to attend the Annual General Meeting and to exercise voting rights. This also applies to the purchase of shares after the record date. Persons who do not yet hold shares at the record date and only become shareholders after the record date are not entitled to attend the Annual General Meeting or to exercise voting rights. The record date has no effect on dividend rights.

On receipt of confirmation of their share ownership and registration at the Company under the above address, entrance cards which are also designated as voting cards for the Annual General Meeting will be sent to the shareholders. To ensure that combined entrance and voting cards are received in good time, we request shareholders to submit their share ownership certificate to the Company as early as possible.

**V. Voting by proxies**

Shareholders who do not attend the Annual General Meeting in person may have their voting rights exercised by proxies, e.g. by a shareholders' association, a bank or another third party. In this respect, as a special service to our shareholders, we offer to authorize Company-

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nominated proxies who are bound to instructions before the Annual General Meeting to represent them in the voting.

If neither a bank nor a shareholders' association or a person or institution of equal status pursuant to Section 135 German Stock Corporation Act (AktG) or pursuant to Section 135 German Stock Corporation Act (AktG) in conjunction with Section 125 (5) German Stock Corporation Act (AktG) is authorized, the authorization must be issued in text form (Section 126b German Civil Code (BGB)) pursuant to Section 134 (3) sentence 3 German Stock Corporation Act (AktG), as amended by the ARUG. The revocation of a proxy as well as the proof of authorization vis-à-vis the Company also require text form (Section 126b German Civil Code (BGB)) pursuant to Section 134 (3) sentence 3 German Stock Corporation Act (AktG).

Shareholders who wish to authorize a proxy are requested to do so by means of the proxy form which can be obtained from the Company. Together with the entrance card shareholders will receive a proxy form and additional information with respect to the authorization. The proxy form will also be sent to shareholders at any time upon written request and is on top available on the internet at [www.wincor-nixdorf.com](http://www.wincor-nixdorf.com).

To the extent that authorizations are to be issued to a bank, a shareholders' association or a person or institution of equal status in accordance with Section 135 German Stock Corporation Act (AktG) or Section 135 German Stock Corporation Act (AktG) in conjunction with Section 125 (5) German Stock Corporation Act (AktG), the Articles of Association do not provide for a special regulation. However, we would like to draw your attention to the fact that the institutions or persons to be authorized might request a special form of authorization because in accordance with Section 135 German Stock Corporation Act (AktG) they must record the authorization in a verifiable form. Thus, in case you intend to issue an authorization to a bank, a shareholders' association or a person or institution of equal status pursuant to Section 135 German Stock Corporation Act (AktG) or Section 135 German Stock Corporation Act (AktG) in conjunction with Section 125 (5) German Stock Corporation Act (AktG), please coordinate the potential form of the proxy with the person to be authorized in due time in advance.

Proof of the authorization is to be furnished by the proxy on the day of the Annual General Meeting or by submitting a declaration vis-à-vis the Company to the following address:

By post: Wincor Nixdorf Aktiengesellschaft  
Investor Relations  
33094 Paderborn  
Germany

By fax: +49 (0) 5251 693-5056

or

Electronically: [www.hv-vollmachten.de](http://www.hv-vollmachten.de)

Participation in the password-protected internet dialogue ([www.hv-vollmachten.de](http://www.hv-vollmachten.de)) requires an online password that is printed on the entrance card sent to the shareholders. For organizational reasons, the password-protected internet dialogue can only be used for issuing proxies until Monday, January 25, 2010, 9.00 a.m, at the latest. This is also the deadline for submitting any revocations of authorizations granted and any changes thereof via the password-protected internet dialogue. Further information on the use of the password-protected internet dialogue can be found on the aforementioned website.

If proxies nominated by the Company are to be authorized, the shareholder must always issue instructions how the voting right is to be exercised. The authorization shall be invalid as a whole if such directives are not issued. Proxies are obligated to vote as instructed. Please note that proxies are not entitled to accept requests for the floor, to ask questions or to accept

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motions and are not entitled either to support procedural and unannounced motions by shareholders. Shareholders who make use of this option and would like to issue authorization to proxies nominated by the Company can grant such authorization either via the Internet or in writing (also by fax), using the form intended for this purpose on the entrance card. More information on registration and granting proxy can be found on the internet at [www.wincor-nixdorf.com](http://www.wincor-nixdorf.com). In order to ensure that the entrance card is sent on time, each shareholder should place an order with his or her depositary bank as early as possible.

Authorizations with the directives issued to the proxy of the Company, must be received by the Company by January 22, 2010, 6:00 p.m., at the latest; otherwise they cannot be taken into account. They are to be sent:

By post: Wincor Nixdorf Aktiengesellschaft  
Investor Relations  
33094 Paderborn  
Germany

By fax: +49 (0) 5251 693-5056

or

Electronically: [investor-relations@wincor-nixdorf.com](mailto:investor-relations@wincor-nixdorf.com)

Should a shareholder authorize more than one person, the Company may refuse to accept one or more of them.

**VI. Shareholders' rights**

According to Section 122 (2) German Stock Corporation Act (AktG), shareholders with an aggregate shareholding of at least 5% of the share capital or the proportionate amount of €500,000 may request that items be put on the agenda and announced. A statement of reasons or a draft resolution must be attached to each new item. Every shareholder must provide a certificate of share ownership evidencing that he/she has owned the shares for at least three months prior to the day of the Annual General Meeting, i.e. at least as of October 25, 2009, 0.00 a.m. This request must be received by the Company in writing or by fax upon provision of the certificate of share ownership at the address specified below, at least 30 days prior to the Annual General Meeting, i.e. by December 25, 2009 at the latest:

By post: Wincor Nixdorf Aktiengesellschaft  
c/o PR im Turm HV-Service Aktiengesellschaft  
Wasserturm Wallstadt  
Römerstraße 72 – 74  
68259 Mannheim  
Germany

or

By fax: +49 (0) 621 7177213

Furthermore, shareholders of the Company can submit countermotions against proposals made by the Board of Directors and the Supervisory Board with respect to a particular item of the agenda, according to Section 126 (1) German Stock Corporation Act (AktG). These motions are to be sent in writing or by fax to the address below, stating the name of the shareholder and the reasons for the motion:

By post: Wincor Nixdorf Aktiengesellschaft  
c/o PR im Turm HV-Service Aktiengesellschaft  
Wasserturm Wallstadt

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Römerstraße 72 – 74  
68259 Mannheim  
Germany

or

By fax: +49 (0) 621 7177213

Provided that all other conditions for an announcement obligation according to Section 126 German Stock Corporation Act (AktG) have been met, counter motions of shareholders that are received at the above address at least 14 days before the day of the Annual General Meeting, i.e. by January 10, 2010 at the latest, will be made accessible immediately to all shareholders together with any comment on the part of the administration, on the internet at [www.wincor-nixdorf.com](http://www.wincor-nixdorf.com). Counter motions of shareholders sent to any other address cannot be taken into account.

The above statements in relation to Section 126 (1) German Stock Corporation Act (AktG) (including the above-specified address) shall apply to nominations made by a shareholder for the election of the auditor and group auditor according to Section 127 German Stock Corporation Act (AktG) *mutatis mutandis*, subject to the provision that there is no need for reasons to be given for the nomination. Except in the cases of Section 126 (2) German Stock Corporation Act (AktG), the Board of Directors is also not obliged to make the proposals of shareholders accessible if they lack the information set forth in Section 124 (3) German Stock Corporation Act (AktG) (name, practiced profession and place of residence of the auditors nominated).

According to Section 131 (1) German Stock Corporation Act (AktG), each shareholder can request information from the Board of Directors in the Annual General Meeting regarding the Company's affairs to the extent required to allow for a proper assessment of the items of the agenda. The obligation to provide information also extends to the legal and business relationships between the Company and an associated company and to the situation of the group and the enterprises included in the consolidated financial statements. The Board of Directors may refuse to answer individual questions for the reasons set forth in Section 131 (3) German Stock Corporation Act (AktG), for example, in so far as according to sound business judgment, the providing of such information is likely to cause not inconsiderable damage to the Company or an associated company. According to Section 17 (2) of the Articles of Association of the Company, the chairman of the Meeting is authorized to set reasonable limits on the time available to shareholders for speaking and asking questions.

Further explanations concerning the shareholders' rights according to Sections 122 (2), 126 (1), 127 and 131 (1) German Stock Corporation Act (AktG) are accessible on the internet at [www.wincor-nixdorf.com](http://www.wincor-nixdorf.com).

**VII. Announcements on the Company's website**

The information according to Section 124a German Stock Corporation Act (AktG) will be made available to the shareholders on the internet under the captions "Investor Relations", "Annual General Meeting" of the Wincor Nixdorf Aktiengesellschaft website at <http://www.wincor-nixdorf.com>.

**Paderborn, in December 2009**

**Wincor Nixdorf Aktiengesellschaft**

***The Board of Directors***