

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

No. 5:06 CV 0170
Judge John R. Adams

IN RE DIEBOLD ERISA LITIGATION

NOTICE OF CLASS ACTION SETTLEMENT

YOUR LEGAL RIGHTS MIGHT BE AFFECTED IF YOU ARE A MEMBER OF THE FOLLOWING SETTLEMENT CLASS:

All persons (excluding Defendants) who were participants in or beneficiaries of the Diebold, Inc. 401(k) Savings Plan (the “Plan”) at any time between October 22, 2003 and May 7, 2009 (the “Settlement Class Period”) and whose accounts included investments in Diebold stock.

**PLEASE READ THIS NOTICE CAREFULLY. A FEDERAL COURT AUTHORIZED THIS NOTICE.
THIS IS NOT A SOLICITATION FROM A LAWYER. YOU HAVE NOT BEEN SUED.**

United States District Court Judge John R. Adams, of the United States District Court for the Northern District of Ohio (Eastern Division) (the “Court”) has preliminarily approved a proposed settlement (the “Settlement”) of a class action lawsuit brought under the Employee Retirement Income Security Act of 1974 (“ERISA”). The Settlement will provide for payments to the Plan and for allocation of those payments to the accounts of members of the Settlement Class who had portions of their Plan accounts invested in Diebold, Incorporated (“Diebold” or the “Company”) common stock. The Settlement is summarized below.

The Court has scheduled a hearing to consider Named Plaintiffs’ Motion for Final Approval of the Settlement and Class Counsel’s Application for Attorneys’ Fees and Expenses and for Case Contribution Awards to the Named Plaintiffs. That hearing before United States District Judge John R. Adams has been scheduled for Tuesday, February 1, 2011, at 10:00 a.m., in the courtroom of Judge John R. Adams, United States District Court for the Northern District of Ohio (Eastern Division), 125 Market Street, Youngstown, OH 44503.

Any objections to the Settlement or the Application for Attorneys’ Fees and Expenses and for Case Contribution Awards to the Named Plaintiffs must be served in writing on Class Counsel identified on Page 7 of this Notice and on Defendants’ attorneys who are identified on Page 7 of this Notice. The procedure for objecting is described below.

This Notice contains summary information with respect to the Settlement. The terms and conditions of the Settlement are set forth in a Stipulation of Settlement (the “Stipulation”). Capitalized terms used in this Notice but not defined in this Notice have the meanings assigned to them in the Stipulation. The Stipulation, and additional information with respect to this Action and the Settlement, is available at an Internet site dedicated to the Settlement, www.DieboldERISAsettlement.com.

PLEASE READ THIS NOTICE CAREFULLY AND COMPLETELY. IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS TO WHOM THIS NOTICE IS ADDRESSED, THE SETTLEMENT WILL AFFECT YOUR RIGHTS. YOU ARE NOT BEING SUED IN THIS MATTER. YOU DO NOT HAVE TO APPEAR IN COURT, AND YOU DO NOT HAVE TO HIRE AN ATTORNEY IN THIS CASE. IF YOU ARE IN FAVOR OF THE SETTLEMENT, YOU NEED NOT DO ANYTHING. IF YOU DISAPPROVE, YOU MAY OBJECT TO THE SETTLEMENT BY FOLLOWING THE PROCEDURES DESCRIBED BELOW.

YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT	
YOU ARE NOT REQUIRED TO DO ANYTHING.	If the Settlement is approved by the Court and you are a member of the Settlement Class, you will not need to do anything to receive a payment (if you are entitled to a payment under the final Plan of Allocation). The portion, if any, of the Net Settlement Fund to be allocated to your Plan account will be calculated as part of the implementation of the Settlement.
NO ACTION IS NECESSARY TO RECEIVE A PAYMENT.	If you are currently participating in the Plan and are a member of the Settlement Class, any share of the Net Settlement Fund to which you are entitled will be deposited into your Plan account. If you no longer are a Plan participant but are a member of the Settlement Class, any share of the Net Settlement Fund to which you are entitled will be deposited in a Plan account that will be established for you, if necessary, and you will be notified of such account.
YOU MAY OBJECT TO THE SETTLEMENT BY JANUARY 10, 2011.	Plaintiffs will file motions for final approval of the Settlement and for attorneys’ fees no later than December 20, 2010 and will make those motions available at www.DieboldERISAsettlement.com . If you wish to object to any part of the Settlement, you may (as discussed below) write to the Court and counsel identified on Page 7 of this Notice about why you object to the Settlement.
YOU MAY ATTEND THE FAIRNESS HEARING TO BE HELD ON FEBRUARY 1, 2011.	If you submit a written objection to the Settlement to the Court and counsel before the Court-approved deadline, you may (but do not have to) attend the Settlement Fairness Hearing about the Settlement and present your objections to the Court. You may attend the Settlement Fairness Hearing even if you do not file a written objection, but you will only be allowed to speak at the Settlement Fairness Hearing if you file written comments in advance of the Settlement Fairness Hearing and file a Notice of Intention to Appear.

QUESTIONS? CALL 866-905-8103 TOLL FREE, OR VISIT WWW.DIEBOLDERISASETTLEMENT.COM
DO NOT CALL THE COURT OR DIEBOLD WITH YOUR QUESTIONS.

- These rights and options – **and the deadlines to exercise them** – are explained in this Notice.
- The Court still has to decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and that approval is upheld in the event of any appeal.

Further information regarding this litigation and this Notice may be obtained by contacting Class Counsel:

<p>BARROWAY TOPAZ KESSLER MELTZER & CHECK, LLP Attn: Edward W. Ciolko, Esq. Mark K. Gyandoh, Esq. 280 King of Prussia Road Radnor, PA 19087</p>	<p>HARWOOD FEFFER LLP Attn: Robert I. Harwood, Esq. Jeffrey M. Norton, Esq. 488 Madison Avenue, 8th Fl. New York, NY 10022</p>	<p>IZARD NOBEL LLP Attn: Robert A. Izard, Esq. 29 South Main Street, Suite 215 West Hartford, CT 06107</p>	<p>STULL, STULL & BRODY Attn: Edwin J. Mills, Esq. Michael J. Klein, Esq. 6 East 45th Street New York, NY 10017</p>
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Class Counsel has established a toll-free phone number to receive your comments and questions: 866-905-8103. You may also send an email to diebold@ssbny.com.

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SUMMARY OF SETTLEMENT

This litigation (the “Action”) is a consolidated class action in which Plaintiffs allege that the Defendants breached fiduciary duties owed to the participants in and beneficiaries of the Plan under ERISA arising from the Plan’s investments in the Company Stock Fund, consisting primarily of Diebold common stock, during the relevant time period. Copies of the Complaint and other documents filed in the Action are available at www.DieboldERISAsettlement.com or from Class Counsel.

A Settlement Fund consisting of Four Million, Five Hundred Thousand Dollars (\$4,500,000) in cash is being established in the Action. The net amount in the Settlement Fund, including accrued interest, after payment of any taxes, expenses, approved attorneys’ fees and costs and Case Contribution Awards to the Named Plaintiffs, will be paid to the Plan and be allocated to Settlement Class members according to a Plan of Allocation to be approved by the Court.

QUESTIONS? CALL 866- 905-8103 TOLL FREE, OR VISIT WWW.DIEBOLDERISASETTLEMENT.COM.
DO NOT CALL THE COURT OR DIEBOLD WITH YOUR QUESTIONS.

STATEMENT OF POTENTIAL OUTCOME OF THE ACTION

Plaintiffs face an uncertain outcome if this Action is to continue. Defendants strongly dispute the claims asserted in the Action. If Plaintiffs' case proceeded to trial, they could face judgment or verdict greater or less than \$4.5 million, or no recovery at all.

The Plaintiffs and the Defendants disagree on liability, and dispute the amount that would be recoverable even if the Plaintiffs were to prevail at trial. The Defendants have denied and continue to deny all claims and contentions by the Plaintiffs. The Defendants deny that they are liable to the Settlement Class, and that the Settlement Class or the Plan has suffered any damages for which the Defendants could be held legally responsible. Nevertheless, the Defendants have considered the uncertainty and risks inherent in any litigation, particularly in a complex case such as this, and have concluded that it is desirable that the Action be fully and finally settled on the terms and conditions set forth in the Settlement Agreement.

STATEMENT OF ATTORNEYS' FEES AND COSTS SOUGHT IN THE ACTION

Class Counsel will apply to the Court for an order awarding attorneys' fees not in excess of thirty-three percent (33%) of the amount recovered in the Settlement, plus reimbursement of expenses. This motion will be filed with the Court no later than December 20, 2010 and will be made available at www.DieboldERISAsettlement.com after it is filed. Any amount awarded by the Court will be paid from the proceeds of the Settlement Fund. Defendants take no position on this application and have no responsibility for payment of such fees and expenses.

WHAT WILL THE NAMED PLAINTIFFS GET?

The Named Plaintiffs will share in the allocation of the Net Settlement Fund paid to the Plan on the same basis as all other members of the Settlement Class. In addition, the Named Plaintiffs will ask the Court to award up to \$12,500 to each Named Plaintiff in recognition of their representation of the Settlement Class. Any such award will be paid solely from the proceeds of the Settlement Fund.

BASIC INFORMATION

1. WHY DID I GET THIS NOTICE PACKAGE?

You or someone in your family may have been a participant in or beneficiary of the Plan during **the period from October 22, 2003 and May 7, 2009** (the "Settlement Class Period").

The Court directed that this Notice be sent to you because, if you fall within that group, you have a right to know about the Settlement and the options available to you regarding the Settlement, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after any objections and appeals are resolved, the net amount of the Settlement Fund will be paid to the Plan and then allocated among Settlement Class members according to a Plan of Allocation that will be approved by the Court. This Notice describes the Action, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of this case is the United States District Court for the Northern District of Ohio (Eastern Division). The persons who sued are called "Plaintiffs" or "Named Plaintiffs," and the people they sued are called "Defendants." The Plaintiffs are Vincent McDermott, Walter Farrell, Jr., Liberto Forbes, and Brenda Barnett. The Defendants are Diebold, Incorporated ("Diebold" or the "Company"), Walden O'Dell, Louis V. Bockius, III, Christopher M. Connor, Richard L. Crandall, Eric C. Evans, Gale S. Fitzgerald, Phillip B. Lassiter, John N. Lauer, William F. Massy, Eric J. Roorda, W. R. Timken, Jr., Henry D. G. Wallace, Thomas W. Swidarski, Chuck Scheurer, Caree Francis-Vogesang, Sheila Rutt, Gregory T. Geswein, Jeffrey Schwartz, William Sekula, Kevin Krakora, Patricia Robinson, and Timothy McDannold. The Action is known as *In re Diebold ERISA Litigation*, No. 5:06 CV 0170 (PCE).

2. WHAT IS THE ACTION ABOUT?

Plaintiffs' Complaint was filed on behalf of the Plan to recover losses to the Plan allegedly caused by alleged breaches of fiduciary duty under ERISA. Plaintiffs allege that Defendants violated ERISA by, among other things, permitting the Plan to purchase and hold shares of Diebold common stock during the Settlement Class Period when they knew or should have known it was imprudent to do so. Participants in the Plan were able to allocate their account balances among various investment funds, including a fund primarily invested in Diebold common stock (the "Company Stock Fund"). Many Plan participants chose to have contributions to the Plan invested in the Company Stock Fund. In addition, Diebold made matching contributions, which were invested in the Company Stock Fund and credited to Plan participants' accounts.

The Action claims that, under ERISA, the Defendants owed fiduciary duties of loyalty, care and prudence to the Plan, and that they violated those duties in connection with the Plan's investments in Diebold common stock. Specifically, Plaintiffs allege that (1) Diebold stock was an imprudent investment during the relevant period because of alleged (a) operation flaws and quality control issues in Diebold's voting machine technology, including functional problems and dubious reliability; (b) gross mismanagement and security breaches within Diebold's Election Systems ("ES") division, resulting in declining share price and shrinking profit margins;

and (c) improper accounting practices, controls, and financial reporting, including material misstatements in the financial statements for 2004 and a least the first two quarters of 2005 due to improper accounting for commission expenses; (2) Defendants allowed the Plan to maintain and augment its investment in Diebold stock, despite their actual or constructive knowledge of Diebold's alleged problems, as described above; (3) Defendants allegedly disseminated inaccurate and misleading material information to Plan participants regarding investment of Plan assets in Diebold stock and, additionally, withheld material information vital to making any such Plan investment decision; and (4) Defendants, because of their positions as corporate insiders with a stake in the Company (monetary through Diebold equity ownership and personal through their positions at the Company) had an interest in withholding information concerning Diebold's alleged business and operational problems.

THE DEFENSES IN THE ACTION

The Defendants deny that they have liability to the Plan or its participants or beneficiaries. If the Action were to continue, the Defendants would raise numerous defenses to liability, including:

- Defendants were not each fiduciaries of the Plan, or, to the extent any defendant was a fiduciary, his/her/its fiduciary duties did not extend to the matters at issue in the Action;
- Diebold common stock was a prudent investment for the Plan and its participants;
- Defendants fully and prudently discharged any fiduciary duties under ERISA; and
- Even if they failed to discharge any duty under ERISA, any such failure did not cause the Plan or its participants to suffer any loss.

THE ACTION HAS BEEN VIGOROUSLY LITIGATED

Class Counsel has extensively investigated the allegations in the Action. Class Counsel has obtained and reviewed thousands of pages of documents, including Plan-governing documents and materials, Securities and Exchange Commission ("SEC") filings, press releases, public statements, news articles and other publications, and other documents regarding the matters that the Plaintiffs allege made investment in the Diebold stock an imprudent Plan investment.

This Action was litigated by the Named Plaintiffs and Class Counsel for approximately three years before a final agreement on settlement terms was reached. Plaintiff McDermott filed his complaint against Defendants on January 24, 2006. Plaintiff Farrell filed his initial complaint against Defendants on February 8, 2006. Plaintiff Forbes filed his initial complaint against Defendants on February 10, 2006. Plaintiff Barnett filed her initial complaint against Defendants on February 15, 2006. On October 23, 2006, Plaintiffs' complaints were consolidated and on November 17, 2006, the Court appointed Plaintiffs as Co-Lead Plaintiffs and appointed the firms listed above on Page 2 as Class Counsel.

On April 6, 2007, Plaintiffs filed a consolidated complaint (the "Complaint") which superseded their previous complaints. On June 4, 2007, Defendants moved to dismiss Plaintiffs' Complaint, which Plaintiffs opposed. The Court denied Defendants' motion to dismiss on May 28, 2008, and Defendants answered the Complaint on July 11, 2008, denying the allegations of the Complaint and asserting a number of affirmative defenses. On July 25, 2008, Plaintiffs moved for class certification. On March 11, 2009, the Court denied Plaintiffs' motion for class certification. Plaintiffs appealed the denial of class certification on March 25, 2009.

SETTLEMENT DISCUSSIONS

The proposed Settlement is the product of hard-fought, lengthy negotiations between Class Counsel and the Defendants' counsel, which was mediated by a former federal judge. Throughout the negotiations, Class Counsel and Defendants' counsel were advised by individuals with expertise of the estimation of potential losses or damages in cases involving ERISA fiduciary liability.

3. WHY IS THIS CASE A CLASS ACTION?

In a class action, one or more plaintiffs, called "class representatives" or "named plaintiffs," sue on behalf of people who have similar claims. All of these people who have similar claims collectively make up the "class" and are referred to individually as "class members." One case resolves the issues for all class members together. Because the wrongful conduct alleged in this Action affected a large group of people – participants of the 401(k) plan during the relevant time period – in a similar way, the Named Plaintiffs filed this case as a class action.

4. WHY IS THERE A SETTLEMENT?

The parties settled this case after significant litigation had taken place. While Plaintiffs and Class Counsel believe the Action has merit, they recognize that the outcome was uncertain. Plaintiffs faced lengthy litigation on the merits of their claims, including discovery, appeal of the class certification proceedings, trial and likely appeals.

As in any litigation, the Plaintiffs would face an uncertain outcome. On the one hand, continuation of the case against the Defendants could result in a judgment greater than this Settlement. On the other hand, continuing the case could result in no recovery at all, or a recovery that is less than the amount of the Settlement. Based on these factors, the Named Plaintiffs and Class Counsel have concluded that the proposed cash Settlement is in the best interests of all Settlement Class members.

5. HOW DO I KNOW WHETHER I AM PART OF THE SETTLEMENT?

You are a member of the Settlement Class if you fall within the definition of the Settlement Class approved by Judge John R. Adams:

All persons (excluding Defendants) who were participants in or beneficiaries of the Diebold, Inc. 401(k) Savings Plan (the “Plan”) at any time between October 22, 2003 and May 7, 2009 (the “Settlement Class Period”) and whose accounts included investments in Diebold stock.

If you are a member of the Settlement Class, the amount of money you will receive, if any, will depend upon the Plan of Allocation, described below.

THE SETTLEMENT BENEFITS – WHAT YOU GET

6. WHAT DOES THE SETTLEMENT PROVIDE?

A Settlement Fund consisting of \$4.5 million is being established in the Action. The net amount in the Settlement Fund, including interest, after payment of, or establishment of reserves for, any taxes and Court-approved costs, fees, and expenses, including fees and expenses of Class Counsel, the Notice Administrator, and any Court-approved Case Contribution Awards to be paid to the Named Plaintiffs, will be paid to the Plan and, after payment of expenses incurred in calculating, satisfying and administering the allocation, the remaining amount will be allocated to the Plan accounts of members of the Settlement Class according to a Plan of Allocation to be approved by the Court. If necessary, an account will be created for those members of the Settlement Class who no longer have Plan accounts.

If the Settlement is approved by the Court, all Settlement Class members and anyone claiming through them shall be deemed to fully release the “Released Persons” from “Released Claims.” The Released Persons are broadly defined, and include, among others, the Defendants and their officers, directors, employees, attorneys, insurers, reinsurers, agents, successors, assigns, heirs, executors and administrators. The Released Claims are also broadly defined, and include all claims, which were or could have been asserted in the Action. This means that Settlement Class members will be enjoined from and will not have the right to sue the Released Persons for anything related to the investment of Plan assets in Diebold common stock or related matters during the Settlement Class Period.

The above description of the proposed Settlement is only a summary. The complete terms, including the definitions of the Released Persons and Released Claims, are set forth in the Stipulation (including its exhibits), which may be obtained at a dedicated Settlement Internet site, www.DieboldERISASettlement.com or by contacting Class Counsel listed on Page 2 above.

7. HOW MUCH WILL MY PAYMENT BE?

Your share (if any) of the Settlement Fund, net of the fees and expenses described above, will depend on your alleged loss, compared to other Settlement Class members’ alleged losses, related to Plan investments in the Diebold stock at any time during the period from October 22, 2003 and May 7, 2009. Each Settlement Class member’s share will be calculated according to a Court-approved Plan of Allocation. Because the Settlement proceeds are less than the total losses alleged by the Settlement Class, each Settlement Class member’s recovery will be less than his or her alleged loss. You are not responsible for calculating the amount you may be entitled to receive under the Settlement.

In general, your proportionate share of the Settlement will be calculated as follows:

- Each Settlement Class member’s “Net Loss” will be calculated. For each Settlement Class member, his or her Net Loss will be equal to: (a) the dollar value, if any, of his or her account balance in the Diebold stock on the first day of the Plan of Allocation Calculation Period (October 22, 2003); plus (b) the dollar value, if any, of all purchases of interests in the Diebold stock for his or her account during the Plan of Allocation Calculation Period, as of the time of purchase(s); minus (c) the dollar value, if any, of all dispositions of interests in the Diebold stock in his or her account during the Plan of Allocation Calculation Period, as of the time of the disposition(s); minus (d) the dollar value of the balance in the Diebold stock remaining in his or her account on the close of business on September 21, 2005 (the last day of the Plan of Allocation Calculation Period).
- All Net Losses will be aggregated to yield the total loss over the Plan of Allocation Calculation Period and each Settlement Class member’s percentage of that total loss will be calculated.
- Applying that percentage to the Settlement proceeds (net of fees and expenses as described above), the Agreed Calculation Administrator will calculate each Settlement Class member’s share of those proceeds on a preliminary basis.

QUESTIONS? CALL 866-905-8103 TOLL FREE, OR VISIT WWW.DIEBOLDERISASETTLEMENT.COM.
DO NOT CALL THE COURT OR DIEBOLD WITH YOUR QUESTIONS.

- All participants whose preliminary share is greater than zero but less than or equal to ten dollars (\$10.00) will be deemed to have a final share equal to zero dollars. The Agreed Calculation Administrator will then recalculate the net loss percentage of those Settlement Class members whose preliminary share was greater than \$10.00, to arrive at each such Settlement Class member's final share.

Do not worry if you do not have records that show your Plan activity. If you are entitled to a share of the Net Settlement Fund, you will receive a statement showing the amount of your share. If you have questions regarding the allocation of the settlement proceeds, please contact Class Counsel listed on Page 2 above.

8. HOW CAN I GET A PAYMENT?

You do not need to file a claim. If you are a Settlement Class member entitled to receive a share of the Settlement proceeds and you are a current Plan participant, your share will be deposited in your Plan account. If you are a Settlement Class member entitled to receive a share of the Settlement proceeds but are no longer a Plan participant, an account will be established for you in the Plan, and you will be notified of the account and how to withdraw the proceeds. If you are a former Plan participant and have not provided the Plan with your current address, please contact Class Counsel at 866-905-8103, or contact (in writing) Class Counsel listed on Page 2 above.

9. WHEN WOULD I GET MY PAYMENT?

The Settlement cannot be completed unless and until several events occur. These events include final approval of the Settlement by the Court, transfer of the Settlement payment to the Plan, and calculation of the amount of the Settlement proceeds owed to each Settlement Class member. If objections are made to the Settlement or appeals are taken by objectors from approval of the Settlement, this process may take a long time to complete, possibly several years. The Settlement funds, however, will be invested in a secure, interest-bearing account, and the interest income will be included in the amount paid to the Plan and allocated to Settlement Class members.

THERE WILL BE NO PAYMENTS IF THE STIPULATION IS TERMINATED

The Stipulation may be terminated for several reasons, including if: (1) the Court does not approve, or materially modifies, the Stipulation; or (2) the Court approves the Stipulation but the approval is reversed or materially modified by an appellate court. If the Stipulation is terminated, the Action will proceed as if the Stipulation had not been entered into.

10. MUST I PARTICIPATE IN THE SETTLEMENT?

You do not have the right to exclude yourself from the Settlement. The Stipulation provides for certification of the Settlement Class as a non-opt-out class action under Federal Rule of Civil Procedure 23(b)(1) and/or (b)(2) and the Court has preliminarily determined that the requirements of that rule have been satisfied. Thus, it is not possible for any Settlement Class member to exclude themselves from the Settlement. As a Settlement Class member, you will be bound by any judgments or orders that are entered in the Action for all claims that were or could have been asserted in the Action or are otherwise released under the Settlement.

Although you cannot opt out of the Settlement, you can object to the Settlement. See the answer to Question 13 below.

THE LAWYERS REPRESENTING YOU

11. DO I HAVE A LAWYER IN THE CASE?

The Court has appointed the law firms of Harwood Feffer LLP, Barroway Topaz Kessler Meltzer & Check, LLP, Iazard Nobel LLP, and Stull, Stull & Brody as Class Counsel for Plaintiffs and the Settlement Class in this Action. If you want to be represented by your own lawyer, you may hire one at your own expense.

12. HOW WILL THE LAWYERS BE PAID?

Class Counsel will file a motion for the award of attorneys' fees and expenses of not more than thirty-three percent (33%) of the Settlement Fund, plus reimbursement of expenses incurred in connection with the prosecution of the Action. This motion will be filed with the Court no later than December 20, 2010 and will be made available at www.DieboldERISAsettlement.com after it is filed. This motion will be considered at the Settlement Fairness Hearing described below.

13. HOW DO I TELL THE COURT IF I DO NOT LIKE THE SETTLEMENT OR THE PROPOSED APPLICATION FOR ATTORNEYS' FEES AND NAMED PLAINTIFFS' CASE CONTRIBUTION AWARDS?

If you are a Settlement Class member, you can object to the Settlement or proposed fee and expense application. To object, you must send a letter or other writing stating that you object to the Settlement, Attorneys' fee application, and/or application for Named Plaintiffs' Case Contribution Awards in *In re Diebold ERISA Litigation*, No. 5:06 CV 0170 (PCE). Be sure to include your name, address, telephone number, signature, and a full explanation of all the reasons why you object to the Settlement. **Your written objection must be served on the following counsel so that it is received by no later than January 10, 2011:**

CLASS COUNSEL

**BARROWAY TOPAZ KESSLER
MELTZER & CHECK, LLP**

Attn: Joseph H. Meltzer, Esq.
Edward W. Ciolko, Esq.
Mark K. Gyandoh, Esq.
280 King of Prussia Road
Radnor, PA 19087

HARWOOD FEFFER LLP

Attn: Robert I. Harwood, Esq.
Jeffrey M. Norton, Esq.
488 Madison Avenue, 8th Fl.
New York, NY 10022

IZARD NOBEL LLP

Attn: Robert A. Izard, Esq.
29 South Main Street, Suite 215
West Hartford, CT 06107

STULL, STULL & BRODY

Attn: Edwin J. Mills, Esq.
Michael J. Klein, Esq.
6 East 45th Street
New York, NY 10017

DEFENDANTS' COUNSEL

MORGAN, LEWIS & BOCKIUS LLP

Attn: Brian T. Ortelere, Esq.
Jeremy P. Blumenfeld, Esq.
1701 Market Street
Philadelphia, Pennsylvania 19103-2921

JONES DAY

Attn: John M. Newman Jr., Esq.
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114-1190

You must also file your objection with the United States District Court for the Northern District of Ohio (Eastern Division) by **January 10, 2011**. The address is: Clerk of the Court, United States District Court for the Northern District of Ohio (Eastern Division), 125 Market Street, Youngstown, Ohio 44503.

The objection must refer prominently to *In re Diebold ERISA Litigation*, No. 5:06 CV 0170 (PCE). **Your objection must be postmarked no later than January 10, 2011.**

THE FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the Settlement as fair, reasonable and adequate (the "Settlement Fairness Hearing"). You may attend the Settlement Fairness Hearing, and you may ask to speak, but you do not have to attend.

14. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold the Settlement Fairness Hearing at 10:00 a.m. on February 1, 2011, at the United States District Court for the Northern District of Ohio (Eastern Division), 125 Market Street, Courtroom 530, Youngstown, Ohio 44503 or in the Courtroom then occupied by United States District Judge John R. Adams. The Court may adjourn the Settlement Fairness Hearing without further notice to the Settlement Class, so, if you wish to attend, you should confirm the date and time of the Settlement Fairness Hearing with Class Counsel before doing so. At that hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also rule on the Application for Attorneys' Fees and Reimbursement of Expenses and for Case Contribution Awards to the Named Plaintiffs. We do not know how long these decisions will take or whether appeals will be taken.

15. DO I HAVE TO COME TO THE HEARING?

No, but you may come at your own expense or retain an attorney at your own expense to attend, but such attendance is not necessary. The Court will consider any written objections even if you do not attend the hearing.

16. MAY I SPEAK AT THE HEARING?

If you are a Settlement Class member, you or your attorney may ask the Court for permission to speak at the Settlement Fairness Hearing. To do so, you *must* send a letter or other paper called a "Notice of Intention to Appear at Fairness Hearing in *In re Diebold ERISA Litigation*, No. 5:06 CV 0170 (PCE)." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be filed and served on the attorneys listed in the answer to Question 13 above, so that it is received by January 10, 2011, and must be filed with the Clerk of the Court at the address listed in the answer to Question 13.

IF YOU DO NOTHING

17. WHAT HAPPENS IF I DO NOTHING AT ALL?

If you do nothing and you are a Settlement Class member, you will participate in the Settlement of the Action as described above in this Notice.

GETTING MORE INFORMATION

18. ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

Yes. This Notice summarizes the proposed Settlement. The complete terms are set forth in the Stipulation. You may obtain a copy of the Stipulation by making a written request to Class Counsel listed on Page 2 above. Copies may also be obtained at a dedicated Settlement Internet site, www.DieboldERISAsettlement.com, by calling the toll-free number 866-905-8103 or by sending an email to diebold@ssbny.com. You are encouraged to read the complete Stipulation.

DATED: NOVEMBER 4, 2010

By order of the United States District Court for the
Northern District of Ohio (Eastern Division)

QUESTIONS? CALL 866-905-8103 TOLL FREE, OR VISIT WWW.DIEBOLDERISASETTLEMENT.COM.
DO NOT CALL THE COURT OR DIEBOLD WITH YOUR QUESTIONS.