

DIEBOLD, INCORPORATED

BOARD GOVERNANCE COMMITTEE CHARTER

Purposes

The Board Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Diebold, Incorporated (the “Company”): (1) identifies individuals qualified to become Board members; (2) recommends candidates to fill vacancies and newly-created positions on the Board; (3) recommends director nominees for election by the shareholders at the annual shareholder meetings; (4) develops and recommends corporate governance principles applicable to Board members and the Company’s employees; and (5) assists the Board with other matters as described in this Charter or requested by the Board from time to time.

Composition

Number. The Committee shall consist of no fewer than three members of the Board.

Qualifications. At all times, each Committee member must satisfy the applicable independence requirements set forth in the rules of the New York Stock Exchange.

Appointment and Removal. The Board appoints Committee members and appoints a Committee Chair from among those members. Each Committee member shall serve at the pleasure of the Board for such term as the Board may decide or until such Committee member is no longer a Board member.

Duties and Responsibilities

The Committee has the following duties and responsibilities:

- Identify New Director Candidates. The Committee shall recommend to the Board new director candidates who will be able to make a significant contribution to the economic success of the Company. The Committee shall identify individuals who it believes will meet this criteria and who are qualified to become Board members. It will recommend candidates to the Board to fill new or vacant positions. In recommending candidates, the Committee shall consider such factors as it deems appropriate, consistent with the factors set forth in the Company’s Corporate Governance Guidelines and other criteria established by the Board for selecting new directors. These factors and criteria may include business experience, knowledge, skills, diversity, integrity, global experience, the interplay of the candidate’s experience with the experience of other Board members and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board. The Committee shall also review the qualifications of, and make recommendations to the Board regarding, director nominations submitted to the

Company by shareholders of the Company in accordance with the Company's bylaws or otherwise.

- Evaluate Incumbent Directors. The Committee shall evaluate whether an incumbent director should be nominated for re-election to the Board as part of its annual review and selection process. The Committee will use the same factors established for new director candidates to make its evaluation and will also take into account the incumbent director's performance as a Board member.
- Recommend Director Nominees for Election at Shareholder Annual Meetings. The Committee shall identify and recommend to the Board director nominee candidates to be submitted to the shareholders for election at the annual meetings of shareholders. In selecting director nominee candidates, the Committee shall consider both new director candidates and incumbent directors.
- Develop Corporate Governance Guidelines. The Committee shall develop and recommend to the Board corporate governance guidelines consistent with federal and state law and the rules of the Securities and Exchange Commission and the New York Stock Exchange. The corporate governance guidelines shall be applicable to Board members and the Company's employees. The Committee shall review such corporate governance guidelines and recommend changes to the entire Board, if appropriate. In addition, the Committee shall advise the Board with respect to corporate governance practices generally.
- Review Director Compensation. In accordance with the Company's Corporate Governance Guidelines, the Committee will periodically review director compensation in relation to other comparable companies and in light of such other factors as the Committee may deem appropriate. The Committee shall discuss this review with the Board and make appropriate recommendations.
- Review and Evaluate Board and Management. The Committee shall annually review all Board committee charters and have oversight responsibility for evaluation of the performance of the Board, Board committees, and the Company's management against any corporate governance guidelines that have been adopted by the Board and against any duties and responsibilities set forth in committee charters. The Committee shall conduct its evaluation in such a manner as it deems appropriate. The Committee shall report the results of such evaluation to the Board.
- Review Possible Conflicts of Interest. The Committee shall consider possible conflicts of interest of Board members and management and make recommendations to prevent, minimize or eliminate such conflicts of interest. Consistent with the New York Stock Exchange listing requirements, the Board will cause the Company to promptly disclose any waiver of the Company's conflict of interest policy for a director or executive officer.
- Recommendations Regarding the Board. The Committee shall make recommendations regarding the appropriate size of the Board.

- Board Reports. The Committee shall report its activities to the Board in such manner and at such times as the Committee or the Board deems appropriate.
- Other Delegated Duties or Responsibilities. The Committee shall perform any other duties or responsibilities delegated to the Committee by the Board from time to time.

Meetings

The Committee shall meet as frequently as necessary to carry out its responsibilities under this Charter. The Committee Chair shall, in consultation with the other members of the Committee and appropriate officers of the Company, establish the agenda for each Committee meeting. Each Committee member may submit items to be included on the agenda. Committee members may also raise subjects that are not on the agenda at any meeting. The Committee Chair or a majority of the Committee members may call a meeting of the Committee at any time. A majority of the number of Committee members shall constitute a quorum for conducting business at a meeting of the Committee. The act of a majority of Committee members present at a Committee meeting at which a quorum is in attendance shall be the act of the Committee, unless a greater number is required by law, the Company's Articles of Incorporation, its Code of Regulations, or this Charter.

The Committee may request any officer or employee of the Company, or any representative of the Company's advisors, to attend a meeting or to meet with any member or representative of the Committee.

Delegation

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee.

Resources and Authority

The Committee shall have the resources and authority appropriate, in the Committee's discretion, to discharge its responsibilities and to engage consultants, independent counsel and other independent advisors. By adoption of this Charter, the Board authorizes funding for the Committee appropriate, in the Committee's discretion, for the discharge of the Committee's functions and responsibilities. The Committee shall have the sole authority to engage search firms to assist in the identification of director candidates and the sole authority to set the fees and other retention terms of such search firms.

Annual Review

At least annually, the Committee shall evaluate its own performance against the requirements of this Charter and report the results of this evaluation to the Board. The Committee shall conduct its review and evaluation in such a manner as it deems appropriate.

This Charter will be included on the Company's website and will be made available in print to any shareholder of the Company who submits a request to the Company's Secretary for a copy of this Charter. The Company's annual report to shareholders will state that this Charter is

available on the Company's website and will be available in print to any shareholder of the Company who submits to the Company's Secretary a request for a copy of this Charter.