

Ingersoll-Rand plc
Form DEF 14A
April 23, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

(Rule 14a-101)

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

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

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material Pursuant to §240.14a-12

Ingersoll-Rand Public Limited Company

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Ingersoll-Rand plc
Registered in Ireland No. 469272

U.S. Mailing Address:
800-E Beaty Street
Davidson, NC 28036
(704) 655-4000

NOTICE OF 2015 ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of Shareholders of Ingersoll-Rand plc (the “Company”) will be held on Thursday, June 4, 2015, at 2:30 p.m., local time, at Carton House Hotel, Carton House, Maynooth, County Kildare, Ireland, to consider and vote upon the following proposals:

1. By separate resolutions, to re-elect or elect as directors for a period of 1 year expiring at the end of the Annual General Meeting of Shareholders of Ingersoll-Rand plc in 2016, the following 12 individuals:

(a) Ann C. Berzin	(g) Linda P. Hudson
(b) John Bruton	(h) Michael W. Lamach
(c) Elaine L. Chao	(i) Myles P. Lee
(d) Jared L. Cohon	(j) John P. Surma
(e) Gary D. Forsee	(k) Richard J. Swift
(f) Constance J. Horner	(l) Tony L. White
2. To give advisory approval of the compensation of the Company’s Named Executive Officers.
3. To approve the appointment of PricewaterhouseCoopers LLP as independent auditors of the Company and authorize the Audit Committee of the Board of Directors to set the auditors’ remuneration.
4. To renew the Directors’ existing authority to issue shares.
5. To renew the Directors’ existing authority to issue shares for cash without first offering shares to existing shareholders. (Special Resolution)
6. To determine the price range at which the Company can reissue shares that it holds as treasury shares. (Special Resolution)
7. To conduct such other business properly brought before the meeting.

Only shareholders of record as of the close of business on April 8, 2015, are entitled to receive notice of and to vote at the Annual General Meeting. Whether or not you plan to attend the meeting, please provide your proxy by either using the Internet or telephone as further explained in the accompanying proxy statement or filling in, signing, dating, and promptly mailing a proxy card.

Directions to the meeting can be found in Appendix A of the attached Proxy Statement.

Registered Office:
170/175 Lakeview Dr.
Airside Business Park
Swords, Co. Dublin
Ireland

By Order of the Board of Directors,
EVAN M. TURTZ

Secretary

IF YOU ARE A SHAREHOLDER WHO IS ENTITLED TO ATTEND AND VOTE, THEN YOU ARE ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON YOUR BEHALF. A PROXY IS NOT REQUIRED TO BE A SHAREHOLDER IN THE COMPANY. IF YOU WISH TO APPOINT AS PROXY ANY PERSON OTHER THAN THE INDIVIDUALS SPECIFIED ON THE PROXY CARD, PLEASE CONTACT THE COMPANY SECRETARY AT OUR REGISTERED OFFICE.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 4, 2015

The Annual Report and Proxy Statement are available at www.proxyvote.com.

The Notice of Internet Availability of Proxy Materials, or this Notice of 2015 Annual General Meeting of Shareholders, the Proxy Statement and the Annual Report are first being mailed to shareholders on or about April 23, 2015.

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SUMMARY INFORMATION

This summary highlights information contained elsewhere in this Proxy Statement. For more complete information about these topics, please review Ingersoll-Rand plc's Annual Report on Form 10-K and the entire Proxy Statement. Annual General Meeting of Shareholders

Date and Time: June 4, 2015 at 2:30 p.m., local time

Place: Carton House Hotel, Carton House
Maynooth, County Kildare
Ireland

Record Date: April 8, 2015

Voting: Shareholders as of the record date are entitled to vote. Each ordinary share is entitled to one vote for each director nominee and each of the other proposals.

Attendance: All shareholders may attend the meeting.

Meeting Agenda and Voting Recommendations

The Board of Directors recommends that you vote "For" each of the following items that will be submitted for shareholder approval at the Annual General Meeting.

Agenda Item	Vote Required	Page
Election of 12 directors named in the proxy statement.	Majority of votes cast	<u>5</u>
Advisory approval of the compensation of the Company's Named Executive Officers.	Majority of votes cast	<u>10</u>
Approval of appointment of PricewaterhouseCoopers LLP as the Company's independent auditors and authorize the Audit Committee to set the auditors' remuneration.	Majority of votes cast	<u>11</u>
Renew the Directors' authority to issues shares.	Majority of votes cast	<u>13</u>
Renew the Directors' authority to issue shares for cash without first offering shares to existing shareholders (Special Resolution)	75% of votes cast	<u>14</u>
Determine the price at which the Company can reissue shares held as treasury shares (Special Resolution)	75% of votes cast	<u>15</u>

Corporate Governance Highlights

Substantial majority of independent directors (9 of 10) current directors and (11 of 12) if all nominees are elected

Annual Board and committee self-assessments
Executive sessions of non-management directors
Continuing director education
Executive and director stock ownership guidelines
Board oversight of sustainability program

Annual election of directors

Majority vote for directors

Independent Lead Director

Board oversight of risk management

Succession planning at all levels, including for Board and CEO

Director Nominees

Set forth below is summary information about each director nominee.

Nominee	Age	Director Since	Principal Occupation	Independent	Committee Memberships
Ann C. Berzin	63	2001	Former Chairman and CEO of Financial Guaranty Insurance Company	ü	Audit Finance (Chair)
John Bruton	67	2010	Former Prime Minister of the Republic of Ireland and Former European Union Commission Head of Delegation to the United States	ü	Compensation Corporate Governance and Nominating
Elaine L. Chao	62	Nominee	24th Secretary of Labor from 2001 until 2009	ü	Nominee to Compensation Nominee to Corporate Governance and Nominating
Jared L. Cohon	67	2008	President Emeritus of Carnegie Mellon University, University Professor of Civil and Environmental Engineering and of Engineering and Public Policy, and Director of the Scott Institute for Energy Innovation	ü	Compensation Corporate Governance and Nominating
Gary D. Forsee	65	2007	Former President of University of Missouri System and Former Chairman of the Board and Chief Executive Officer of Sprint Nextel Corporation	ü	Compensation Corporate Governance and Nominating (Chair)
Constance J. Horner	73	1994	Former Commissioner of U.S. Commission on Civil Rights	ü	Compensation Corporate Governance and Nominating
Linda P. Hudson	64	Nominee	Founder, Chairman and CEO of The Cardea Group and Former President and CEO of BAE Systems, Inc.	ü	Nominee to Audit Nominee to Finance
Michael W. Lamach	51	2010	Chairman and CEO of Ingersoll-Rand plc		None
Myles P. Lee	61	2015	Former Director and CEO of CRH plc	ü	Audit Finance

John P. Surma	60	2013	Former Chairman and CEO of United States Steel Corporation	ii	Audit Finance
Richard J. Swift	70	1995	Former Chairman of Financial Accounting Standards Advisory Council and Former Chairman, President and CEO of Foster Wheeler Ltd.	ii	Lead Independent Director Audit (Chair) Finance
Tony L. White	68	1997	Former Chairman, President and CEO of Applied Biosystems Inc.	ii	Compensation (Chair) Corporate Governance and Nominating

Advisory Approval of Our Executive Compensation

We are asking for your advisory approval of the compensation of our named executive officers (“NEOs”). While our Board of Directors intends to carefully consider the shareholder vote resulting from the proposal, the final vote will not be binding on us and is advisory in nature. Before considering this proposal, please read our Compensation Discussion and Analysis, which explains our executive compensation programs and the Compensation Committee’s compensation decisions.

Executive Compensation

Pay for Performance

Our executive compensation programs are based on the principles of (i) market competitiveness, (ii) pay for performance, (iii) mix of short and long-term incentives, (iv) internal parity, (v) shareholder alignment and (vi) business strategy alignment. Consistent with these principles, the Compensation Committee has adopted executive compensation programs with a strong link between pay and achievement of short and long-term Company goals.

2014 Results

During 2014, our first full year after the spin-off of our commercial and residential security businesses (“Allegion”) and the reorganization of our Company, we achieved strong financial performance. The following table documents the results realized in 2014:

Metric	Performance
Revenue	Adjusted annual Revenue of \$12.875 billion, an increase of 4.2% over 2013
OI	Adjusted OI of \$1.423 billion, an increase of 19.8% over 2013
OI Margin	Adjusted OI margin of 11.05%, an increase of 1.45 percentage points over 2013
Cash Flow	Adjusted Cash Flow of \$853 million, a decrease of 1.1% from 2013
EPS	Adjusted EPS of \$3.30, an increase of 25% over 2013
3-Year EPS Growth	3-year EPS growth (2012 - 2014) of 19.37%, which ranks at the 88 th percentile of the companies in the S&P 500 Industrials Index
3-Year TSR	3-year TSR (2012-2014) of 153.66%, which ranks at the 91 st percentile of the companies in the S&P 500 Industrials Index

Based on our adjusted 2014 results for Revenue, Operating Income (“OI”), Cash Flow and OI margin, we achieved an Annual Incentive Matrix (“AIM”) financial score of 102.41% of target for the Enterprise. At the Segment level, 2014 AIM financial scores were 164.60% of target for the Climate Segment and 61.86% of target for the Industrial Segment.

Based on our achievement of an earnings per share (“EPS”) growth rate of 19.37% and Total Shareholder Return (“TSR”) of 153.66% during the 2012 to 2014 performance period, Performance Share Units (“PSUs”) under our Performance Share Program (“PSP”) paid out at 200% of target (maximum payout allowed under the plan).

Approval of Appointment of Independent Auditors

We are asking you to approve the appointment of PricewaterhouseCoopers LLP (“PwC”) as our independent auditors for 2015 and to authorize the Audit Committee to set PwC’s remuneration.

Renew the Directors’ authority to issue shares

We are asking you to renew our Directors’ authority to issue shares under Irish law. This authority is fundamental to our business and granting the Board this authority is a routine matter for public companies incorporated in Ireland.

Renew the Directors’ authority to issue shares for cash without first offering shares to existing shareholders

We are asking you to renew the Directors’ authority to issue shares for cash without first offering shares to existing shareholders. This authority is fundamental to our business and granting the Board this authority is a routine matter for public companies incorporated in Ireland. As required under Irish law, this proposal requires the affirmative vote of at least 75% of the votes cast.

Determine the price at which the Company can reissue shares held as treasury shares

We are asking you to determine the price at which the Company can reissue shares held as treasury shares. From time to time the Company may acquire ordinary shares and hold them as treasury shares. The Company may reissue such treasury shares, and under Irish law, our shareholders must authorize the price range at which we may reissue any shares held in treasury.

2016 Annual Meeting

Deadline for shareholder proposals for inclusion in the proxy statement:

December 26, 2015

Deadline for business proposals and nominations for director:

March 6, 2016

Ingersoll-Rand plc

U.S. Mailing Address:
800-E Beaty Street
Davidson, NC 28036
(704) 655-4000

PROXY STATEMENT

In this Proxy Statement, “Ingersoll Rand,” the “Company,” “we,” “us” and “our” refer to Ingersoll-Rand plc, an Irish public limited company. This Proxy Statement and the enclosed proxy card, or the Notice of Internet Availability of Proxy Materials, are first being mailed to shareholders of record on April 8, 2015 (the “Record Date”) on or about April 23, 2015.

PROPOSALS REQUIRING YOUR VOTE

Item 1. Election of Directors

The Company uses a majority of votes cast standard for the election of directors. A majority of the votes cast means that the number of votes cast “for” a director nominee must exceed the number of votes cast “against” that director nominee. Each director of the Company is being nominated for election for a one-year term beginning at the end of the 2015 Annual General Meeting of Shareholders to be held on June 4, 2015 (the “Annual General Meeting”) and expiring at the end of the 2016 Annual General Meeting of Shareholders. Mr. Edward E. Hagenlocker and Mr. Theodore E. Martin are retiring at the 2015 Annual General Meeting in accordance with our Corporate Governance Guidelines due to each attaining the age 75 prior to such meeting.

Under our articles of association, if a director is not re-elected in a director election, the director shall retire at the close or adjournment of the Annual General Meeting. Each director standing for election was elected as a director at our 2014 Annual General Meeting except for Myles Lee who was elected February 3, 2015 and Elaine L. Chao and Linda P. Hudson who are standing for election for the first time at this Annual General Meeting.

The Board of Directors recommends a vote FOR the directors nominated for election listed under proposals 1(a) through (l) below.

(a) Ann C. Berzin – age 63, director since 2001

Chairman and Chief Executive Officer of Financial Guaranty Insurance Company (insurer of municipal bonds and structured finance obligations), a subsidiary of General Electric Capital Corporation, from 1992 to 2001.

Current Directorships:

Exelon Corporation

Baltimore Gas & Electric Company

Other Directorships Held in the Past Five Years:

Constellation Energy Group, Inc.

Kindred Healthcare, Inc.

Ms. Berzin’s extensive experience in finance at a global diversified industrial firm and her expertise in complex investment and financial products and services bring critical insight to the Company’s financial affairs, including its borrowings, capitalization, and liquidity. In addition, Ms. Berzin’s relationships across the global financial community strengthen Ingersoll Rand’s access to capital markets. Her board memberships provide deep understanding of trends in the energy and healthcare sectors, both of which present ongoing opportunities and challenges for Ingersoll Rand.

(b) John Bruton – age 67, director since 2010

European Union Commission Head of Delegation to the United States from 2004 to 2009.

Prime Minister of the Republic of Ireland from 1994 to 1997.

Current Directorships:

Montpelier Re Holding Ltd.

Other Directorships Held in the Past Five Years: None

Mr. Bruton’s long and successful career of public service on behalf of Ireland and Europe provides extraordinary insight into critical regional and global economic, social and political issues, all of which directly influence the

successful execution of the Company's strategic plan. In particular, Mr. Bruton's leadership role in transforming

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Ireland into one of the world's leading economies during his tenure, as well as in preparing the governing document for managing the Euro, lend substantial authority to Ingersoll Rand's economic and financial oversight.

(c) Elaine L. Chao - age 62, director nominee for 2015 Annual General Meeting

24th U.S. Secretary of Labor from 2001 until 2009, the first Asian American woman cabinet officer in American history.

Chairwoman of the Ruth Mulan Chu Chao Foundation, 2013 to present.

Distinguished Fellow at the Heritage Foundation from August 1996 to January 2001 and January 2009 to August 2014.

President and Chief Executive Officer of United Way of America from November 1992 to August 1996.

Current Directorships:

News Corp.

Wells Fargo & Co.

Vulcan Materials Company

Other Directorships Held in the Past Five Years: Dole Food Company, Inc., Protective Life

Ms. Chao's extensive leadership experience including high profile positions at large, complex organizations in the public, private and non-profit sectors will bring valuable perspective to matters relevant to the Company in the areas of global competitiveness, international geopolitical dynamics, workforce development, trends in governmental policies and corporate governance. In particular, Ms. Chao's service as U.S. Secretary of Labor will provide extensive knowledge and experience regarding labor and employment trends, workforce health and safety, pension benefits and competition in a worldwide economy. Ms. Chao's ongoing board memberships in the financial and communications industries will also provide further insight into finance, macroeconomics and new media developments.

(d) Jared L. Cohon - age 67, director since 2008

President Emeritus at Carnegie Mellon University, President of Carnegie Mellon University from 1997-2013 and also appointed University Professor of Civil and Environmental Engineering / Engineering and Public Policy and Director of the Scott Institute for Energy Innovation.

Current Directorships:

Lexmark, Inc.

Unisys

Other Directorships Held in the Past Five Years: None

Other Activities:

Carnegie Corporation, Trustee

Heinz Endowments, Trustee

Center for Sustainable Shale Gas Development, Director and Chair

Health Effects Institute, Director

Dr. Cohon's extensive career in academics, including 16 years as president of an institution known throughout the world for its leadership in the fields of computer science and engineering offers the Company tremendous insight into the latest developments in areas critical to commercial innovation and manufacturing process improvement. A member of the National Academy of Engineering, Dr. Cohon is a recognized authority on environmental and water resources systems analysis and management. As such, Dr. Cohon also brings unique perspectives on sustainable business practices, both within our own operations and on behalf of our customers and communities. In 2008 and 2009, at the request of Congress, Dr. Cohon chaired the National Research Council Committee that produced the report, "Hidden Costs of Energy: Unpriced Consequences of Energy Production and Use." In 2014, Dr. Cohon was appointed co-chair of the Congressionally-mandated Commission to review and evaluate the National Energy Laboratories. Finally, Dr. Cohon's more than nine years of service as a member of Trane Inc.'s (formerly American Standard) board of directors provides critical insight into that part of the Company's business.

(e) Gary D. Forsee - age 65, director since 2007

President, University of Missouri System from 2008 to 2011.

Chairman of the Board (from 2006 to 2007) and Chief Executive Officer (from 2005 to 2007) of Sprint Nextel Corporation (a telecommunications company).

Current Directorships:

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Great Plains Energy Inc.

DST Systems Inc. - Mr. Forsee's nomination as a director of the DST board will be presented at the DST 2015 Annual Meeting.

Other Directorships Held in the Past Five Years: None

Other Activities:

Trustee, Midwest Research Institute

Board, University of Missouri – Kansas City Foundation

Board, University of Missouri – Kansas City Bloch Business School Foundation

In addition to his broad operational and financial expertise, Mr. Forsee's experience as chairman and chief executive officer with the third largest U.S. firm in the global telecommunications industry offers a deep understanding of the opportunities and challenges within markets experiencing significant technology-driven change. His recent role as president of a major university system provides insight into the Company's talent development initiatives, which remain a critical enabler of Ingersoll Rand's long-term success. Mr. Forsee's membership on the board of an energy services utility also benefits the Company as it seeks to achieve more energy-efficient operations and customer solutions.

(f) Constance J. Horner – age 73, director since 1994

Guest Scholar at the Brookings Institution (a non-partisan research institute) from 1993 to 2005.

Commissioner of U.S. Commission on Civil Rights from 1993 to 1998.

Assistant to the President and Director of Presidential Personnel from 1991 to 1993.

Deputy Secretary, U.S. Department of Health and Human Services from 1989 to 1991.

Current Directorships:

Pfizer Inc. - Ms. Horner will not be standing for reelection to the board of directors at Pfizer's 2015 annual meeting of stockholders because she has reached the mandatory retirement age for directors.

Prudential Financial, Inc.

Other Directorships Held in the Past Five Years: None

Other Activities:

Trustee, The Prudential Foundation

Fellow, National Academy of Public Administration

Ms. Horner's substantial leadership experience and public-policy expertise resulting from her service in two presidential administrations and several U.S. government departments provide Ingersoll Rand with important perspective on matters that directly affect the Company's operations and financial affairs. In particular, Ms. Horner has deep insight into employee relations, talent development, diversity, operational management and healthcare through her leadership positions at various federal departments and commissions. Ms. Horner's board memberships afford engagement in the areas of healthcare, risk management and financial services, all of which have a direct influence on Ingersoll Rand's success.

(g) Linda P. Hudson - age 64, director nominee

Founder, Chairman, and Chief Executive Officer of The Cardea Group, a business management consulting firm

Former President and Chief Executive Officer of BAE Systems, Inc.

Current Directorships:

The Southern Company

Bank of America

Other Directorships Held in the Past Five Years: BAE Systems Plc

Other Activities:

Director, University of Florida Foundation, Inc. and the University of Florida Engineering Leadership Institute

Director, Center for a New American Security

Director, Wake Forest Charlotte Center

Ms. Hudson's prior role as President and CEO of BAE Systems and her extensive experience in the defense and engineering sectors will provide the Company with strong operational insight and understanding of matters crucial to the Company's business. Prior to becoming CEO, Ms. Hudson was president of BAE Systems' Land & Armaments operating group, the world's largest military vehicle and equipment business, with operations around the world. In addition, Ms. Hudson has broad experience in strategic planning and risk management in complex business environments.

(h) Michael W. Lamach – age 51, Chairman since June 2010 and director since February 2010

Chief Executive Officer (since February 2010) of the Company.

President and Chief Operating Officer of the Company from February 2009 to February 2010.

Senior Vice President and President, Trane Commercial Systems, of the Company from June 2008 to September 2009.

Current Directorships:

Iron Mountain Incorporated - Mr. Lamach has informed Iron Mountain that he will retire from its board of directors and will not be standing for reelection to the board of directors at Iron Mountain's 2015 annual meeting of stockholders.

PPG Industries, Inc.

Other Directorships Held in the Past Five Years: None

Mr. Lamach's extensive career of successfully leading global businesses, including ten years with Ingersoll Rand, brings significant experience and expertise to the Company's management and governance. His 30 years of business leadership encompass global automotive components, controls, security and HVAC systems businesses, representing a broad and diverse range of products and services, markets, channels, applied technologies and operational profiles. In his current role of Chief Executive Officer, he led the successful spin-off of the Company's commercial and residential security business and has been instrumental in driving growth and operational excellence initiatives across the Company's global operations.

(i) Myles P. Lee – age 61, director since 2015

Former Director and Chief Executive Officer of CRH plc

Current Directorships: Babcock International Group plc

Other Directorships Held in the Past Five Years

CRH plc

Other Activities:

Director, St. Vincent's Healthcare Group

Mr. Lee's experience as the former head of the largest public or private company in Ireland provides strategic and practical judgment to critical elements of the Company's growth and productivity strategies, expertise in Irish governance matters and significant insight into the building and construction sector. In addition, Mr. Lee's previous service as Finance Director and General Manager of Finance of CRH plc and in a professional accountancy practice provides valuable financial expertise to the Company.

(j) John P. Surma – age 60, director since 2013

Former Chairman (from 2006-2013) and Chief Executive Officer (from 2004-2013) of United States Steel Corporation (a steel manufacturing company).

Current Directorships:

Marathon Petroleum Corporation

MPLX LP (a publicly traded subsidiary of Marathon Petroleum Corporation)

Concho Resources Inc.

Other Directorships Held in the Past Five Years:

The Bank of New York Mellon Corporation

Other Activities:

Director and Deputy Chair, Federal Reserve Bank of Cleveland

Director, UPMC

Mr. Surma's experience as the former chairman and chief executive officer of a large industrial company provides significant and direct expertise across all aspects of Ingersoll Rand's operational and financial affairs. In particular, Mr. Surma's financial experience, having previously served as the chief financial officer of United States Steel Corporation and as a partner of the audit firm PricewaterhouseCoopers LLP, provides the Board with valuable insight into financial reporting and accounting oversight of a public company. Mr. Surma's past and present board memberships and other activities provide the Board an understanding of developments in the energy sector as the Company seeks to develop more energy-efficient operations and insight into national and international business and trade policy that could impact the Company.

(k) Richard J. Swift – age 70, Lead Director since 2010 and director since 1995

Chairman of Financial Accounting Standards Advisory Council from 2002 through 2006.

Chairman, President and Chief Executive Officer of Foster Wheeler Ltd. (provider of design, engineering, construction, manufacturing, management and environmental services) from 1994 to 2001.

Current Directorships:

CVS Caremark Corporation

Hubbell Incorporated

Kaman Corporation

Public Service Enterprise Group

Other Directorships Held in the Past Five Years: None

Mr. Swift's experience as chairman and chief executive officer of a global engineering firm, the fact that he was a licensed professional engineer for 35 years prior to the retirement of his license and his five-year leadership of the advisory organization to a major accounting standards board imparts substantial expertise to all of the Company's operational and financial matters. His leadership of an organization that was instrumental in some of the world's most significant engineering projects provides unique insight into the complex systems involved in the efficient and effective development of buildings and industrial operations, which represent key global market segments for Ingersoll Rand's products and services. Mr. Swift's board memberships include firms engaged in the manufacture and distribution of industrial, electrical and electronic products, which directly correspond to key elements of the Company's growth and operational strategies.

(l) Tony L. White – age 68, director since 1997

Chairman, President and Chief Executive Officer of Applied Biosystems Inc. (a developer, manufacturer and marketer of life science systems and genomic information products) from 1995 until his retirement in 2008.

Current Directorships:

C.R. Bard, Inc.

CVS Caremark Corporation

Other Directorships Held in the Past Five Years: None

Mr. White's extensive management experience, including 13 years as chairman and chief executive officer of an advanced-technology life sciences firm, provides substantial expertise and guidance across all aspects of Ingersoll Rand's operational and financial affairs. In particular, Mr. White's leadership of an organization whose success was directly connected to innovation and applied technologies aligns with the Company's focus on innovation as a key source of growth. The Company benefits from Mr. White's ongoing board memberships, where developments related to biotechnology and healthcare delivery systems can offer instructive process methodologies to accelerate our innovation efforts.

Item 2. Advisory Approval of the Compensation of Our Named Executive Officers

The Company is presenting the following proposal, commonly known as a “Say-on-Pay” proposal, which gives you as a shareholder the opportunity to endorse or not endorse our compensation program for Named Executive Officers by voting for or against the following resolution:

“RESOLVED, that the shareholders approve the compensation of the Company’s Named Executive Officers, as disclosed in the Compensation Discussion and Analysis, the compensation tables, and the related disclosure contained in the Company’s proxy statement.”

While our Board of Directors intends to carefully consider the shareholder vote resulting from the proposal, the final vote will not be binding on us and is advisory in nature.

In considering your vote, please be advised that our compensation program for Named Executive Officers is guided by our design principles, as described in the Compensation Discussion and Analysis section of this Proxy Statement:

• Market competitiveness

• Pay for performance

• Mix of short and long-term incentives

• Internal parity

• Shareholder alignment

• Business strategy alignment

By following these design principles, we believe that our compensation program for Named Executive Officers is strongly aligned with the long-term interests of our shareholders.

The Board of Directors recommends that you vote FOR advisory approval of the compensation of our Named Executive Officers as disclosed in the Compensation Discussion and Analysis, the compensation tables, and the related disclosure contained in this proxy statement.

Item 3. Approval of Appointment of Independent Auditors

At the Annual General Meeting, shareholders will be asked to approve the appointment of PricewaterhouseCoopers LLP (“PwC”) as our independent auditors for the fiscal year ending December 31, 2015, and to authorize the Audit Committee of our Board of Directors to set the independent auditors’ remuneration. PwC has been acting as our independent auditors for many years and, both by virtue of its long familiarity with the Company’s affairs and its ability, is considered best qualified to perform this important function.

Representatives of PwC will be present at the Annual General Meeting and will be available to respond to appropriate questions. They will have an opportunity to make a statement if they so desire.

The Board of Directors recommends a vote FOR the proposal to approve the appointment of PwC as independent auditors of the Company and to authorize the Audit Committee of the Board of Directors to set the auditors’ remuneration.

Audit Committee Report

While management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls, the Audit Committee reviews the Company’s audited financial statements and financial reporting process on behalf of the Board of Directors. The independent auditors are responsible for performing an independent audit of the Company’s consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) and to issue a report thereon. The Audit Committee monitors those processes. In this context, the Audit Committee has met and held discussions with management and the independent auditors regarding the fair and complete presentation of the Company’s results. The Audit Committee has discussed significant accounting policies applied by the Company in its financial statements, as well as alternative treatments. Management has represented to the Audit Committee that the Company’s consolidated financial statements were prepared in accordance with United States generally accepted accounting principles, and the Audit Committee has reviewed and discussed the consolidated financial statements with management and the independent auditors. The Audit Committee also discussed with the independent auditors the matters required to be discussed by Auditing Standard No. 16, “Communications with Audit Committees” issued by the Public Company Accounting Oversight Board (United States).

In addition, the Audit Committee has received and reviewed the written disclosures and the letter from PwC required by the Public Company Accounting Oversight Board regarding PwC’s communications with the Audit Committee concerning independence and discussed with PwC the auditors’ independence from the Company and its management in connection with the matters stated therein. The Audit Committee also considered whether the independent auditors’ provision of non-audit services to the Company is compatible with the auditors’ independence. The Audit Committee has concluded that the independent auditors are independent from the Company and its management.

The Audit Committee discussed with the Company’s internal and independent auditors the overall scope and plans for their respective audits. The Audit Committee meets separately with the internal and independent auditors, with and without management present, to discuss the results of their examinations, the evaluations of the Company’s internal controls and the overall quality of the Company’s financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (“2014 Form 10-K”), for filing with the Securities and Exchange Commission (the “SEC”). The Audit Committee has selected PwC, subject to shareholder approval, as the Company’s independent auditors for the fiscal year ending December 31, 2015.

AUDIT COMMITTEE

Richard J. Swift (Chair)

Ann C. Berzin

Edward E. Hagenlocker

Myles P. Lee

Theodore E. Martin

John P. Surma

Fees of the Independent Auditors

The following table shows the fees paid or accrued by the Company for audit and other services provided by PwC for the fiscal years ended December 31, 2014 and 2013:

	2014	2013
Audit Fees (a)	\$ 12,660,000	\$ 14,831,000
Audit-Related Fees (b)	319,000	3,985,000
Tax Fees (c)	5,391,000	10,785,000
All Other Fees (d)	21,000	1,643,000
Total	\$ 18,391,000	\$ 31,244,000

(a) Audit Fees for the fiscal years ended December 31, 2014 and 2013, respectively, were for professional services rendered for the audits of the Company's annual consolidated financial statements and its internal controls over financial reporting, including quarterly reviews, statutory audits, issuance of consents, comfort letters and assistance with, and review of, documents filed with the SEC.

(b) Audit-Related Fees consist of assurance services that are related to performing the audit and review of our financial statements. Audit-Related Fees for the fiscal year ended December 31, 2014 include employee benefit plan audits, abandoned and unclaimed property tax assessments, and comfort letter related to the 2014 bond offering. Audit-Related Fees for the fiscal year ended December 31, 2013 include employee benefit plan audits, abandoned and unclaimed property tax assessments, systems implementation risk assessment, comfort letter related to a bond offering of disposed businesses and carve-out audits of disposed businesses primarily related to the Spin-off.

(c) Tax Fees for the fiscal years ended December 31, 2014 and 2013 include consulting and compliance services in the U.S. and non-U.S. locations and primarily relate to Spin-off costs.

(d) All Other Fees for the fiscal year ended December 31, 2014 include license fees for technical accounting software. All Other Fees for the fiscal year ended December 31, 2013 include trading platform redesign services, advisory services for the transition of insourcing of information technology services and license fees for technical accounting software.

The Audit Committee has adopted policies and procedures which require that the Audit Committee pre-approve all non-audit services that may be provided to the Company by its independent auditors. The policy: (i) provides for pre-approval of an annual budget for each type of service; (ii) requires Audit Committee approval of specific projects over \$100,000, even if included in the approved budget; and (iii) requires Audit Committee approval if the forecast of expenditures exceeds the approved budget on any type of service. The Audit Committee pre-approved all of the services described under "Audit-Related Fees," "Tax Fees" and "All Other Fees." The Audit Committee has determined that the provision of all such non-audit services is compatible with maintaining the independence of PwC.

Item 4. Renewal of the Directors' existing authority to issue shares.

Under Irish law, directors of an Irish public limited company must have authority from its shareholders to issue any shares, including shares which are part of the company's authorized but unissued share capital. Our shareholders provided the Directors with this authorization at our 2014 annual general meeting on June 5, 2014 for a period of 18 months. Because this share authorization period will expire in December 2015, we are presenting this proposal to renew the Directors' authority to issue our authorized shares on the terms set forth below.

We are seeking approval to authorize our Directors to issue up to 33% of our issued ordinary share capital as of April 8, 2015 (the latest practicable date before this proxy statement), for a period expiring 18 months from the passing of this resolution, unless renewed.

Granting the Directors this authority is a routine matter for public companies incorporated in Ireland and is consistent with Irish market practice. This authority is fundamental to our business and enables us to issue shares, including in connection with our equity compensation plans (where required) and, if applicable, funding acquisitions and raising capital. We are not asking you to approve an increase in our authorized share capital or to approve a specific issuance of shares. Instead, approval of this proposal will only grant the Directors the authority to issue shares that are already authorized under our articles upon the terms below. In addition, we note that, because we are a NYSE-listed company, our shareholders continue to benefit from the protections afforded to them under the rules and regulations of the NYSE and SEC, including those rules that limit our ability to issue shares in specified circumstances. Furthermore, we note that this authorization is required as a matter of Irish law and is not otherwise required for other U.S. companies listed on the NYSE with whom we compete. Renewal of the Directors' existing authority to issue shares is fully consistent with NYSE rules and listing standards and with U.S. capital markets practice and governance standards. As of the date of this Proxy Statement, the Companies Act 2014 (the "Act") is not yet in effect. It is expected to be commenced in June 2015. The Act consolidates existing company law in Ireland and will make a number of amendments to existing legislation. Reference is made to the Act in each of Items 4 to 6 to ensure that the resolutions passed at the Annual General Meeting will be effective after the commencement of the Act, whether this occurs before or after the date of the Annual General Meeting, and prior to the date of the annual general meeting in 2016.

As required under Irish law, the resolution in respect of Item 4 is an ordinary resolution that requires the affirmative vote of a simple majority of the votes cast.

The text of this resolution is as follows:

"That the Directors be and are hereby generally and unconditionally authorized with effect from the passing of this resolution to exercise all powers of the Company to allot relevant securities (within the meaning of Section 20 of the Companies (Amendment) Act 1983) up to an aggregate nominal amount of \$87,355,827 (87,355,827 shares) (being equivalent to approximately 33% of the aggregate nominal value of the issued ordinary share capital of the Company as of April 8, 2015 (the latest practicable date before this proxy statement)), and the authority conferred by this resolution shall expire 18 months from the passing of this resolution, unless previously renewed, varied or revoked; provided that the Company may make an offer or agreement before the expiry of this authority, which would or might require any such securities to be allotted after this authority has expired, and in that case, the directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired. With the commencement of the Companies Act 2014, the authority conferred by this resolution shall be applied as if the reference to Section 20 of the Companies Act (Amendment) Act 1983 in this resolution is deemed to refer to Section 1021 of the Companies Act 2014."

The Board of Directors recommends that you vote FOR renewing the Directors' authority to issue shares.

Item 5: Renewal of Directors' existing authority to issue shares for cash without first offering shares to existing shareholders.

Under Irish law, unless otherwise authorized, when an Irish public limited company issues shares for cash, it is required first to offer those shares on the same or more favorable terms to existing shareholders of the company on a pro-rata basis (commonly referred to as the statutory pre-emption right). Our shareholders provided the Directors with this authorization at our 2014 annual general meeting on June 5, 2014 for a period of 18 months. Because this share authorization period will expire in December 2015, we are presenting this proposal to renew the Directors' authority to opt-out of the pre-emption right on the terms set forth below.

We are seeking approval to authorize our Directors to opt out of the statutory pre-emption rights provision in the event of (1) the issuance of shares for cash in connection with any rights issue and (2) any other issuance of shares for cash, if the issuance is limited to up to 5% of our issued ordinary share capital as of April 8, 2015 (the latest practicable date before this proxy statement), for a period expiring 18 months from the passing of this resolution, unless renewed.

Granting the Directors this authority is a routine matter for public companies incorporated in Ireland and is consistent with Irish market practice. Similar to the authorization sought for Item 4, this authority is fundamental to our business and enables us to issue shares under our equity compensation plans (where required) and if applicable, will facilitate our ability to fund acquisitions and otherwise raise capital. We are not asking you to approve an increase in our authorized share capital. Instead, approval of this proposal will only grant the Directors the authority to issue shares in the manner already permitted under our articles upon the terms below. Without this authorization, in each case where we issue shares for cash, we would first have to offer those shares on the same or more favorable terms to all of our existing shareholders. This requirement could undermine the operation of our compensation plans and cause delays in the completion of acquisitions and capital raising for our business. Furthermore, we note that this authorization is required as a matter of Irish law and is not otherwise required for other U.S. companies listed on the NYSE with whom we compete. Renewal of the Directors' existing authorization to opt out of the statutory pre-emption rights as described above is fully consistent with NYSE rules and listing standards and with U.S. capital markets practice and governance standards.

As required under Irish law, the resolution in respect of this proposal is a special resolution that requires the affirmative vote of at least 75% of the votes cast.

The text of the resolution in respect of this proposal is as follows:

“As a special resolution, that, subject to the passing of the resolution in respect of Item 4 as set out above and with effect from the passing of this resolution, the directors be and are hereby empowered pursuant to Section 24 of the Companies (Amendment) Act 1983 to allot equity securities (as defined in Section 23 of that Act) for cash, pursuant to the authority conferred by Item 4 as if sub-section (1) of Section 23 did not apply to any such allotment, provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with a rights issue in favor of the holders of ordinary shares (including rights to subscribe for, or convert into, ordinary shares) where the equity securities respectively attributable to the interests of such holders are proportional (as nearly as may be) to the respective numbers of ordinary shares held by them (but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements that would otherwise arise, or with legal or practical problems under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory, or otherwise); and
- (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of \$13,235,731 (13,235,731 shares) (being equivalent to approximately 5% of the aggregate nominal value of the issued ordinary share capital of the Company as of April 8, 2015 (the latest practicable date before this proxy statement)) and the authority conferred by this resolution shall expire 18 months from the passing of this resolution, unless previously renewed, varied or revoked; provided that the Company may make an offer or agreement before the expiry of this authority, which would or might require any such securities to be allotted after this authority has expired, and in that case, the directors may allot equity securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

With the commencement of the Companies Act 2014, the authority conferred by this resolution shall be applied as if the references to Sections 20, 23 and 24 of the Companies (Amendment) Act 1983 in this resolution are deemed to

refer to their equivalent provisions in Sections 1021, 1022 and 1023 of the Companies Act 2014.”

The Board of Directors recommends that you vote FOR renewing the Directors’ authority to opt-out of statutory pre-emption rights.

Item 6: Determine the price at which the Company can reissue shares held as treasury shares.

Our open-market share repurchases (redemptions) and other share buyback activities may result in ordinary shares being acquired and held by the Company as treasury shares. We may reissue treasury shares that we acquire through our various share buyback activities including in connection with our executive compensation program and our director programs.

Under Irish law, our shareholders must authorize the price range at which we may reissue any shares held in treasury. In this proposal, that price range is expressed as a minimum and maximum percentage of the closing market price of our ordinary shares on the NYSE the day preceding the day on which the relevant share is re-issued. Under Irish law, this authorization expires 18 months after its passing unless renewed.

The authority being sought from shareholders provides that the minimum and maximum prices at which an ordinary share held in treasury may be reissued are 95% and 120%, respectively, of the closing market price of the ordinary shares on the NYSE the day preceding the day on which the relevant share is re-issued, except as described below with respect to obligations under employee share schemes, which may be at a minimum price of nominal value. Any reissuance of treasury shares will be at price levels that the Board considers in the best interests of our shareholders. As required under Irish law, the resolution in respect of this proposal is a special resolution that requires the affirmative vote of at least 75% of the votes cast.

The text of the resolution in respect of this proposal is as follows:

“As a special resolution, that the reissue price range at which any treasury shares held by the Company may be reissued off-market shall be as follows:

- (a) the maximum price at which such treasury share may be reissued off-market shall be an amount equal to 120% of the “market price”; and
- the minimum price at which a treasury share may be reissued off-market shall be the nominal value of the share
- (b) where such a share is required to satisfy an obligation under an employee share scheme or any option schemes operated by the Company or, in all other cases, an amount equal to 95% of the “market price”; and
- (c) for the purposes of this resolution, the “market price” shall mean the closing market price of the ordinary shares on the NYSE the day preceding the day on which the relevant share is re-issued.

FURTHER, that this authority to reissue treasury shares shall expire at 18 months from the date of the passing of this resolution unless previously varied or renewed in accordance with the provisions of Section 209 of the Companies Act 1990.

With the commencement of the Companies Act 2014, the authority conferred by this resolution shall be applied as if the references to Section 209 of the Companies Act 1990 in this resolution are deemed to refer to Section 1078 of the Companies Act 2014.”

The Board of Directors recommends that shareholders vote FOR the proposal to determine the price at which the Company can reissue shares held as treasury shares.

CORPORATE GOVERNANCE

Corporate Governance Guidelines

Our Corporate Governance Guidelines, together with the charters of the various Board committees, provide a framework for the corporate governance of the Company. The following is a summary of our Corporate Governance Guidelines and practices. A copy of our Corporate Governance Guidelines, as well as the charters of each of our Board committees, are available on our website at www.ingersollrand.com under the heading “Investor Relations – Corporate Governance.”

Role of the Board of Directors

The Company’s business is managed under the direction of the Board of Directors. The role of the Board of Directors is to oversee the management and governance of the Company and monitor senior management’s performance.

Board Responsibilities

The Board of Directors’ core responsibilities include:

- selecting, monitoring, evaluating and compensating senior management;
- assuring that management succession planning is adequate;
- reviewing the Company’s financial controls and reporting systems;
- overseeing the Company’s management of enterprise risk;
- reviewing the Company’s ethical standards and legal, compliance programs and procedures; and
- evaluating the performance of the Board of Directors, Board committees and individual directors.

Board Leadership Structure

The positions of Chairman of the Board and CEO at the Company are held by the same person, except in unusual circumstances, such as during a CEO transition. This policy has worked well for the Company. It is the Board of Directors’ view that the Company’s corporate governance principles, the quality, stature and substantive business knowledge of the members of the Board, as well as the Board’s culture of open communication with the CEO and senior management are conducive to Board effectiveness with a combined Chairman and CEO position.

In addition, the Board of Directors has a strong, independent Lead Director and it believes this role adequately addresses the need for independent leadership and an organizational structure for the independent directors. The Board of Directors appoints a Lead Director for a three-year minimum term from among the Board’s independent directors. The Lead Director coordinates the activities of all of the Board’s independent directors. The Lead Director is the principal confidant to the CEO and ensures that the Board of Directors has an open, trustful relationship with the Company’s senior management team. In addition to the duties of all directors, as set forth in the Company’s Governance Guidelines, the specific responsibilities of the Lead Director are as follows:

- Chair the meetings of the independent directors when the Chairman is not present;
- Ensure the full participation and engagement of all Board members in deliberations;
- Lead the Board of Directors in all deliberations involving the CEO’s employment, including hiring, contract negotiations, performance evaluations, and dismissal;
- Counsel the Chairman on issues of interest/concern to directors and encourage all directors to engage the Chairman with their interests and concerns;
- Work with the Chairman to develop an appropriate schedule of Board meetings and approve such schedule, to ensure that the directors have sufficient time for discussion of all agenda items, while not interfering with the flow of Company operations;
- Work with the Chairman to develop the Board and Committee agendas and approve the final agendas;
- Keep abreast of key Company activities and advise the Chairman as to the quality, quantity and timeliness of the flow of information from Company management that is necessary for the directors to effectively and responsibly perform their duties; although Company management is responsible for the preparation of materials for the Board of Directors, the Lead Director will approve information provided to the Board and may specifically request the inclusion of certain material;
- Engage consultants who report directly to the Board of Directors and assist in recommending consultants that work directly for Board Committees;
-

Work in conjunction with the Corporate Governance and Nominating Committee in compliance with Governance Committee processes to interview all Board candidates and make recommendations to the Board of Directors; Assist the Board of Directors and Company officers in assuring compliance with and implementation of the Company's Governance Guidelines; work in conjunction with the Corporate Governance Committee to recommend revisions to the Governance Guidelines;

- Call, coordinate and develop the agenda for and chair executive sessions of the Board's independent directors; act as principal liaison between the independent directors and the CEO;
- Work in conjunction with the Corporate Governance and Nominating Committee to identify for appointment the members of the various Board Committees, as well as selection of the Committee chairs;
- Be available for consultation and direct communication with major shareholders;
- Make a commitment to serve in the role of Lead Director for a minimum of three years; and
- Help set the tone for the highest standards of ethics and integrity.

Mr. Swift has been the Company's Lead Director since January 2010.

Board Risk Oversight

The Board of Directors has oversight responsibility of the processes established to report and monitor systems for material risks applicable to the Company. The Board of Directors focuses on the Company's general risk management strategy and the most significant risks facing the Company and ensures that appropriate risk mitigation strategies are implemented by management. The full Board is responsible for considering strategic risks and succession planning and, at each Board meeting, receives reports from each Committee as to risk oversight within their areas of responsibility. The Board of Directors has delegated to its various committees the oversight of risk management practices for categories of risk relevant to their functions as follows:

- The Audit Committee oversees risks associated with the Company's systems of disclosure controls and internal controls over financial reporting, as well as the Company's compliance with legal and regulatory requirements.
- The Compensation Committee considers risks related to the attraction and retention of talent and risks related to the design of compensation programs and arrangements.
- The Corporate Governance and Nominating Committee oversees risks associated with sustainability.
- The Finance Committee oversees risks associated with foreign exchange, insurance, credit and debt.

The Company has appointed the Chief Financial Officer as its Chief Risk Officer and, in that role, the Chief Risk Officer periodically reports on risk management policies and practices to the relevant Board Committee or to the full Board so that any decisions can be made as to any required changes in the Company's risk management and mitigation strategies or in the Board's oversight of these.

Finally, as part of its oversight of the Company's executive compensation program, the Compensation Committee considers the impact of the Company's executive compensation program and the incentives created by the compensation awards that it administers on the Company's risk profile. In addition, the Company reviews all of its compensation policies and procedures, including the incentives that they create and factors that may reduce the likelihood of excessive risk taking, to determine whether they present a significant risk to the Company. Based on this review, the Company has concluded that its compensation policies and procedures are not reasonably likely to have a material adverse effect on the Company.

Director Compensation and Share Ownership

It is the policy of the Board of Directors that directors' fees be the sole compensation received from the Company by any non-employee director. The Company has a share ownership requirement of four times the annual cash retainer paid to the directors. A director cannot sell any shares of Company stock until he or she attains such level of ownership and any sale thereafter cannot reduce the total number of holdings below the required ownership level. Directors are required to retain this minimum level of Company share ownership until their resignation or retirement from the Board.

Board Size and Composition

The Board of Directors consists of a substantial majority of independent, non-employee directors. In addition, our Corporate Governance Guidelines require that all members of the committees of the Board must be independent directors. The Board of Directors has the following four standing committees: Audit Committee, Compensation Committee, Corporate Governance and Nominating Committee, and Finance Committee. The Board of Directors has determined that each member of each of these committees is "independent" as defined in the NYSE listing standards and the Company's Guidelines for Determining Independence of Directors. Committee memberships and chairs are rotated periodically.

Board Diversity

The Company's policy on Board diversity relates to the selection of nominees for the Board of Directors. In selecting a nominee for the Board, the Corporate Governance and Nominating Committee considers the skills, expertise and background that would complement the existing Board and ensure that its members are of sufficiently diverse and independent backgrounds, recognizing that the Company's businesses and operations are diverse and global in nature. The Board of Directors has two female directors, one African-American director, one Hispanic director and two international directors out of a total of 12 directors. If all director nominees are elected at this meeting, the Company will have four female directors, one Hispanic director and two international directors out of a total of 12 directors.

Board Advisors

The Board of Directors and its committees may, under their respective charters, retain their own advisors to carry out their responsibilities.

Executive Sessions

The Company's independent directors meet privately in regularly scheduled executive sessions, without management present, to consider such matters as the independent directors deem appropriate. These executive sessions are required to be held no less than twice each year.

Board and Board Committee Performance Evaluation

The Corporate Governance and Nominating Committee assists the Board in evaluating its performance and the performance of the Board committees. Each committee also conducts an annual self-evaluation. The effectiveness of individual directors is considered each year when the directors stand for re-nomination.

Director Orientation and Education

The Company has developed an orientation program for new directors and provides continuing education for all directors. In addition, the directors are given full access to management and corporate staff as a means of providing additional information.

Director Nomination Process

The Corporate Governance and Nominating Committee reviews the composition of the full Board to identify the qualifications and areas of expertise needed to further enhance the composition of the Board, makes recommendations to the Board concerning the appropriate size and needs of the Board and, on its own or with the assistance of management, a search firm or others, identifies candidates with those qualifications. In considering candidates, the Corporate Governance and Nominating Committee will take into account all factors it considers appropriate, including breadth of experience, understanding of business and financial issues, ability to exercise sound judgment, diversity, leadership, and achievements and experience in matters affecting business and industry. The Corporate Governance and Nominating Committee considers the entirety of each candidate's credentials and believes that at a minimum each nominee should satisfy the following criteria: highest character and integrity, experience and understanding of strategy and policy-setting, sufficient time to devote to Board matters, and no conflict of interest that would interfere with performance as a director. Shareholders may recommend candidates for consideration for Board membership by sending the recommendation to the Corporate Governance and Nominating Committee, in care of the Secretary of the Company. Candidates recommended by shareholders are evaluated in the same manner as director candidates identified by any other means.

Director Retirement

It is the policy of the Board of Directors that each non-employee director must retire at the annual general meeting immediately following his or her 75th birthday. Directors who change the occupation they held when initially elected must offer to resign from the Board of Directors. At that time, the Corporate Governance and Nominating Committee reviews the continued appropriateness of Board membership under the new circumstances and makes a recommendation to the Board of Directors. Employee directors, including the CEO, must retire from the Board of Directors at the time of a change in their status as an officer of the Company, unless the policy is waived by the Board.

Director Independence

The Board of Directors has determined that all of our current directors and director nominees, except M.W. Lamach, who is an employee of the Company, are independent under the standards set forth in Exhibit I to our Corporate

Governance Guidelines, which are consistent with the NYSE listing standards. In determining the independence of directors, the Board evaluated transactions between the Company and entities with which directors were affiliated that occurred in the ordinary course of business and that were provided on the same terms and conditions available to other customers. A copy of Exhibit I to our Corporate Governance Guidelines is available on our website, www.ingersollrand.com, under the heading “Investor Relations—Corporate Governance.”

Communications with Directors

Shareholders and other interested parties wishing to communicate with the Board of Directors, the non-employee directors or any individual director (including our Lead Director and Compensation Committee Chair) may do so either by sending a communication to the Board and/or a particular Board member, in care of the Secretary of the Company, or by e-mail at irboard@irco.com. Depending upon the nature of the communication and to whom it is directed, the Secretary will: (a) forward the communication to the appropriate director or directors; (b) forward the communication to the relevant department within the Company; or (c) attempt to handle the matter directly (for example, a communication dealing with a share ownership matter).

Code of Conduct

The Company has adopted a worldwide Code of Conduct, applicable to all employees, directors and officers, including our Chief Executive Officer, our Chief Financial Officer and our Controller. The Code of Conduct meets the requirements of a “code of ethics” as defined by Item 406 of Regulation S-K, as well as the requirements of a “code of business conduct and ethics” under the NYSE listing standards. The Code of Conduct covers topics including, but not limited to, conflicts of interest, confidentiality of information, and compliance with laws and regulations. A copy of the Code of Conduct is available on our website located at www.ingersollrand.com under the heading “Investor Relations—Corporate Governance.” Amendments to, or waivers of the provisions of, the Code of Conduct, if any, made with respect to any of our directors and executive officers will be posted on our website.

Anti-Hedging Policy and Other Restrictions

The Company prohibits its directors and executive officers from (i) purchasing any financial instruments designed to hedge or offset any decrease in the market value of Company securities and (ii) engaging in any form of short-term speculative trading in Company securities. Directors and executive officers are also prohibited from holding Company securities in a margin account or pledging Company securities as collateral for a loan unless the Senior Vice President and General Counsel provides pre-clearance after the director or executive officer clearly demonstrates the financial capability to repay the loan without resort to the pledged securities.

Committees of the Board

Audit Committee

Members: Richard J. Swift (Chair)
Ann C. Berzin
Myles P. Lee
John P. Surma
Linda P. Hudson (nominee)

Key Functions:

Review annual audited and quarterly financial statements, as well as the Company's disclosures under "Management's Discussion and Analysis of Financial Conditions and Results of Operations," with management and the independent auditors.

Obtain and review periodic reports, at least annually, from management assessing the effectiveness of the Company's internal controls and procedures for financial reporting.

Review the Company's processes to assure compliance with all applicable laws, regulations and corporate policy.

Recommend the public accounting firm to be proposed for appointment by the shareholders as our independent auditors and review the performance of the independent auditors.

Review the scope of the audit and the findings and approve the fees of the independent auditors.

Approve in advance permitted audit and non-audit services to be performed by the independent auditors.

Satisfy itself as to the independence of the independent auditors and ensure receipt of their annual independence statement.

The Board of Directors has determined that each current member and each director nominee who will become a member of the Audit Committee upon election is "independent" for purposes of the applicable rules and regulations of the SEC, as defined in the NYSE listing standards and the Company's Corporate Governance Guidelines, and has determined that each current member and each director nominee who will become a member of the Audit Committee upon election meets the qualifications of an "audit committee financial expert," as that term is defined by rules of the SEC.

A copy of the charter of the Audit Committee is available on our website, www.ingersollrand.com, under the heading "Investor Relations—Corporate Governance."

Compensation Committee

Members: Tony L. White (Chair)
John Bruton
Jared L. Cohon
Gary D. Forsee
Constance J. Horner
Elaine L. Chao (nominee)

Key Functions:

Establish our executive compensation strategies, policies and programs.

Review and approve the goals and objectives relevant to the compensation of the Chief Executive Officer, evaluate the Chief Executive Officer's performance against those goals and objectives and set the Chief Executive Officer's compensation level based on this evaluation. The Compensation Committee Chair presents all compensation decisions pertaining to the Chief Executive Officer to the full Board of Directors.

Approve compensation of officers.

Review and approve executive compensation and benefit programs.

Administer the Company's equity compensation plans.

Review and recommend significant changes in principal employee benefit programs.

• Approve and oversee Compensation Committee consultants.

For a discussion concerning the processes and procedures for determining NEO and director compensation and the role of executive officers and compensation consultants in determining or recommending the amount or form of compensation, see “Compensation Discussion and Analysis” and “Compensation of Directors,” respectively.

The Board of Directors has determined that each member of the Compensation Committee is “independent” as defined in the NYSE listing standards and the Company’s Corporate Governance Guidelines. In addition, the Board of Directors has determined that each member of the Compensation Committee qualifies as a “Non-Employee Director” within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934 and an “outside director” within the meaning of Section 162(m) of the Code.

A copy of the charter of the Compensation Committee is available on our website, www.ingersollrand.com, under the heading “Investor Relations—Corporate Governance.”

Corporate Governance and Nominating Committee

Members: Gary D. Forsee (Chair)
John Bruton
Jared L. Cohon
Constance J. Horner
Tony L. White
Elaine L. Chao (nominee)

Key Functions:

• Identify individuals qualified to become directors and recommend the candidates for all directorships.

• Recommend individuals for election as officers.

• Review the Company’s Corporate Governance Guidelines and make recommendations for changes.

• Consider questions of independence of directors and possible conflicts of interest of directors as well as executive officers.

• Take a leadership role in shaping the corporate governance of the Company.

• Oversee the Company’s sustainability efforts.

The Board of Directors has determined that each current member and each director nominee who will become a member of the Corporate Governance and Nominating Committee is “independent” as defined in the NYSE listing standards and the Company’s Corporate Governance Guidelines.

A copy of the charter of the Corporate Governance and Nominating Committee is available on our website, www.ingersollrand.com, under the heading “Investor Relations—Corporate Governance.”

Finance Committee

Members: Ann C. Berzin (Chair)
Myles P. Lee
John P. Surma
Richard J. Swift
Linda P. Hudson (nominee)

Key Functions:

• Review proposed borrowings and issuances of securities.

• Consider and recommend for approval by the Board of Directors the repurchase of the Company’s shares.

• Review cash management policies.

• Review periodic reports of the investment performance of the Company’s employee benefit plans.

The Board of Directors has determined that each current member and each director nominee who will become a member of the Finance Committee is “independent” as defined in the NYSE listing standards and the Company’s Corporate Governance Guidelines.

A copy of the charter of the Finance Committee is available on our website, www.ingersollrand.com, under the heading “Investor Relations—Corporate Governance.”

Board, Committee and Annual Meeting Attendance

The Board of Directors and its committees held the following number of meetings during the fiscal year ended December 31, 2014:

Board	6
Audit Committee	9
Compensation Committee	7
Corporate Governance and Nominating Committee	6
Finance Committee	6

Each incumbent director attended 95% or more of the total number of meetings of the Board of Directors and the committees on which he or she served during the year. The Company’s non-employee directors held six independent director meetings without management present during the fiscal year 2014. It is the Board’s general practice to hold independent director meetings in connection with regularly scheduled Board meetings.

The Company expects all Board members to attend the annual general meeting, but from time to time other commitments prevent all directors from attending the meeting. Ten of our eleven Board members standing for re-election at the 2014 Annual General Meeting attended that meeting, which was held on June 5, 2014.

Compensation of Directors

Director Compensation

Our director compensation program is designed to compensate non-employee directors fairly for work required for a company of our size and scope and align their interests with the long-term interests of our shareholders. The program reflects our desire to attract, retain and use the expertise of highly qualified people serving on the Company's Board of Directors. Employee directors do not receive any additional compensation for serving as a director.

Our 2014 director compensation program for non-employee directors consisted of the following elements:

Compensation Element	Compensation Value
Annual Retainer (1/2 paid in cash and 1/2 paid in restricted stock units)*	\$ 285,000
Audit Committee Chair Cash Retainer	\$ 30,000
Compensation Committee Chair Cash Retainer	\$ 20,000
Corporate Governance and Nominating Committee Chair and Finance Committee Chair Cash Retainer	\$ 15,000
Audit Committee Member Cash Retainer (other than Chair)	\$ 7,500
Lead Director Cash Retainer	\$ 50,000
Additional Meetings or Unscheduled Planning Session Fees **	\$ 2,500 (per meeting or session)

* The number of restricted stock units granted are determined by dividing the grant date value of the award, \$142,500 by the average of the high and low closing price of the Company's common stock on the date of grant. Beginning in 2015, a director who retires, resigns or otherwise separates from the Company will receive a pro-rata cash retainer payment for the quarter in which such event occurs based on the number of days elapsed since the end of the immediately preceding quarter.

** The Board and each Committee, other than Audit, has 6 regularly scheduled meetings each year. The Audit Committee has 9 regularly scheduled meetings each year.

In addition, non-employee directors were previously eligible to receive a tax equalization payment if the Irish income taxes owed on their director compensation exceed the income taxes owed on such compensation in their country of residence. Without these tax equalization payments, a director would be subject to double taxation since they are already paying taxes on their director income in their country of residence. We believe these tax equalization payments were appropriate to ensure our ability to continue to attract highly qualified persons who do not reside in Ireland. In 2014, three non-employee directors received a tax equalization payment for the year 2013. In 2014, our Corporate Governance and Nominating Committee eliminated the tax equalization payments on retainers beginning with the retainers earned for the 2014 fiscal year.

Share Ownership Requirement

To align the interests of directors with shareholders, the Board of Directors has adopted a share ownership requirement of four times the annual cash retainer paid to the directors. A director cannot sell any shares of Company stock until he or she attains such level of ownership and any sale thereafter cannot reduce the total number of holdings below the required ownership level. Directors are required to retain this minimum level of Company share ownership until their resignation or retirement from the Board.

2014 Director Compensation

The compensation paid or credited to our non-employee directors for the year ended December 31, 2014, is summarized in the table below.

Name	Fees earned or paid in cash (\$)(a)	Equity / Stock Awards (\$)(b)	All Other Compensation (\$)(c)	Total (\$)
A. C. Berzin	165,000	142,503	235,331	542,834
J. Bruton	145,000	142,503	6,867	294,370
J. L. Cohon	145,000	142,503	—	287,503
G. D. Forsee	160,000	142,503	10,363	312,866
E. E. Hagenlocker	150,000	142,503	13,058	305,561
C. J. Horner	145,000	142,503	—	287,503
T. E. Martin	150,000	142,503	—	292,503
N. Peltz (d)	61,463	142,503	—	203,966
J. P. Surma	150,000	142,503	—	292,503
R. J. Swift	222,500	142,503	—	365,003
T. L. White	165,000	142,503	—	307,503

The amounts in this column represent the following annual cash retainer, the Committee Chair retainers, the (a) Audit Committee member retainer, the Lead Director retainer, and the Board, Committee and other meeting or session fees:

Name	Cash Retainer (\$)	Committee Chair Retainer (\$)	Audit Committee Member Retainer (\$)	Lead Director Retainer Fees (\$)	Board, Committee and Other Meeting or Session Fees (\$)	Total Fees earned or paid in cash (\$)
A. C. Berzin	142,500	15,000	7,500	—	—	165,000
J. Bruton	142,500	—	—	—	2,500	145,000
J. L. Cohon	142,500	—	—	—	2,500	145,000
G. D. Forsee	142,500	15,000	—	—	2,500	160,000
E. E. Hagenlocker	142,500	—	7,500	—	—	150,000
C. J. Horner	142,500	—	—	—	2,500	145,000
T. E. Martin	142,500	—	—	—	2,500	145,000
N. Peltz	61,463	—	—	—	—	61,463
J. P. Surma	142,500	—	7,500	—	—	150,000
R. J. Swift	142,500	30,000	—	50,000	—	222,500
T. L. White	142,500	20,000	—	—	2,500	165,000

Represents RSUs awarded in 2014 as part of each director's annual retainer. The amounts in this column reflect the aggregate grant date fair value of RSU awards granted for the year under Financial Accounting Standards Board (b)(FASB) Accounting Standards Codification (ASC) Topic 718 and do not reflect amounts paid to or realized by the directors. For a discussion of the assumptions made in determining the ASC 718 values see Note 11, "Share-Based Compensation," to the Company's consolidated financial statements contained in its 2014 Form 10-K.

For each non-employee director at December 31, 2014, the following table reflects unvested RSUs:

Name	Number of RSUs (#)
A. C. Berzin	2,382
J. Bruton	2,382
J. L. Cohon	2,382
G. D. Forsee	2,382
E. E. Hagenlocker	2,382
C. J. Horner	2,382
T. E. Martin	2,382
N. Peltz ⁽¹⁾	—
J. P. Surma	2,382
R. J. Swift	2,382
T. L. White	2,382

⁽¹⁾ Mr. Peltz resigned effective June 5, 2014 and vested in his RSUs at the time of his resignation.

Represents tax equalization payments made in 2014, and in the case of Mr. Bruton, reimbursement of Irish taxes for travel expenses.

(d) Nelson Peltz resigned effective June 5, 2014. Fees earned by Mr. Peltz were paid to Trian Fund Management, L.P. (“Trian”).

For each non-employee director at December 31, 2014, the following table reflects unexercised stock options, all of which are vested:

Name	Number of stock options
A. C. Berzin	—
J. Bruton	—
J. L. Cohon	20,160
G. D. Forsee	—
E. E. Hagenlocker	—
C. J. Horner	—
T. E. Martin	—
N. Peltz	—
J. P. Surma	—
R. J. Swift	—
T. L. White	—

COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Discussion and Analysis (“CD&A”) set forth below provides an overview of our executive compensation programs, including the philosophy and objectives of such programs, as well as a discussion of how awards are determined for our Named Executive Officers (“NEOs”). These NEOs include our Chairman and Chief Executive Officer (“CEO”), our Chief Financial Officer (“CFO”), and our three most highly compensated executive officers from the 2014 fiscal year. The executive officers serving as NEOs are:

NEO	Title
Mr. Michael W. Lamach	Chairman and Chief Executive Officer
Ms. Susan K. Carter,	Senior Vice President and Chief Financial Officer
Ms. Marcia J. Avedon, Ph.D.	Senior Vice President, Human Resources, Communications and Corporate Affairs
Mr. Didier P. M. Teirlinck, Ph.D.	Executive Vice President, Climate Segment
Mr. Robert G. Zafari	Executive Vice President, Industrial Segment

This discussion and analysis is divided into the following sections: (I) Executive Summary, (II) Compensation Philosophy and Design Principles, (III) Factors Considered in the Determination of Target Total Direct Compensation (“TDC”), (IV) Role of the Committee, Independent Advisor, and Committee Actions, (V) Compensation Program Descriptions and Compensation Decisions and (VI) Other Compensation and Tax Matters.

I. Executive Summary

At the end of 2013, the organization was restructured from four business sectors into two business segments, Climate and Industrial following the spin-off of our security businesses. In consideration of this reorganization and the refreshed business strategy, a comprehensive review of our compensation philosophy as well as the design of our executive compensation programs was conducted in 2014. The review confirmed that, consistent with our historical intent, the design of these programs allows our Company to attract, retain and focus the talents and energies of executives, including our NEOs, who are capable of meeting the Company’s current and future goals, most notably, the creation of sustainable shareholder value.

Overall, our executive compensation programs were designed by incorporating the following principles:

- (i) market competitiveness,
- (ii) pay for performance,
- (iii) mix of short and long-term incentives,
- (iv) internal parity,
- (v) shareholder alignment, and
- (vi) business strategy alignment.

Consistent with these principles, the Compensation Committee (the “Committee”) has adopted executive compensation programs with a strong link between pay and the achievement of short and long-term Company goals. The primary elements of the executive compensation programs are:

Total Direct Compensation

Element ¹	Objective of Element
Base Salary	Fixed cash compensation.
Annual Incentive (the Annual Incentive Matrix or “AIM”)	Variable cash incentive compensation. Any award earned is based on performance against pre-defined annual revenue (“Revenue”), Operating Income (“OI”), cash flow (“Cash Flow”) and OI margin percent objectives, as well as individual performance.
Long-Term Incentives (“LTI”)	Variable long-term incentive compensation. Performance is aligned with the Company’s stock price and is awarded in the form of stock options, RSUs and performance share units (“PSUs”). PSUs are only payable if the Company’s earnings per share (“EPS”) growth and total shareholder return (“TSR”) relative to companies in the S&P 500 Industrials Index exceed threshold performance against pre-defined objectives.

¹ See Section V, “Compensation Program Descriptions and Compensation Decisions”, for additional discussion of these elements of compensation.

As illustrated in the charts below, the Committee places significant emphasis on variable compensation (AIM and LTI) so that a substantial percentage of each NEO's target total direct compensation is contingent on the successful achievement of the Company's short-term and long-term goals.

2014 Results

During 2014, our first full year after the spin-off of our commercial and residential security businesses ("Allegion") and the reorganization of our Company, we achieved strong financial performance. The following table documents the results realized in 2014:

Metric	Performance
Revenue	Adjusted annual Revenue of \$12.875 billion, an increase of 4.2% over 2013
OI	Adjusted OI of \$1.423 billion, an increase of 19.8% over 2013
OI Margin	Adjusted OI margin of 11.05%, an increase of 1.45 percentage points over 2013
Cash Flow	Adjusted Cash Flow of \$853 million, a decrease of 1.1% from 2013
EPS	Adjusted EPS of \$3.30, an increase of 25% over 2013
3-Year EPS Growth	3-year EPS growth (2012 - 2014) of 19.37%, which ranks at the 88 th percentile of the companies in the S&P 500 Industrials Index
3-Year TSR	3-year TSR (2012-2014) of 153.66%, which ranks at the 91 st percentile of the companies in the S&P 500 Industrials Index

Based on our adjusted 2014 results for Revenue, OI, Cash Flow and OI margin, we achieved an AIM financial score of 102.41% of target for the Enterprise. At the Segment level, 2014 AIM financial scores were 164.60% of target for the Climate Segment and 61.86% of target for the Industrial Segment.

Based on our achievement of an average EPS growth rate of 19.37% and a TSR of 153.66% during the 2012 to 2014 performance period, PSUs under our Performance Share Program ("PSP") paid out at 200% of target (maximum payout allowed under the plan).

2014 Committee Actions

The Committee took the following actions in 2014:

Reviewed the executive compensation philosophy and strategy in relation to the Company's going-forward business strategy. The Committee concluded that the general design and construct of the programs aligned with the business strategy and was appropriate for the foreseeable future.

Given the spin-off of Allegion and the reorganization of our Company, reviewed and approved a new peer group to be used to benchmark executive compensation levels and program design in 2015.

Approved a modification to the definition of "major restructuring" in the Company's Major Restructuring Severance Plan to reflect the reorganization of the Company from four business sectors to two business segments.

Consideration of 2014 Advisory Vote on Executive Compensation

The Committee regularly reviews the philosophy, objectives and elements of our executive compensation programs in relation to our short and long-term business objectives. In undertaking this review, the Committee considers the views of shareholders as reflected in their annual advisory vote on our executive compensation proposal. At our 2014 annual general meeting, shareholders approved our executive compensation proposal by an overwhelming majority (over 97%). Based on the Committee's review and the support our executive compensation programs received from shareholders, the Committee determined it would be appropriate to maintain the core elements of our executive compensation programs.

II. Compensation Philosophy and Design Principles

The objective of our executive compensation programs is to enable us to attract, retain and focus the talents and energies of executive officers (including our NEOs) who are capable of meeting the Company's current and future goals, most notably the creation of sustainable shareholder value. Our compensation programs and decisions are driven by this objective. As we operate in an ever-changing environment, our Committee makes decisions with consideration of economic, technological, regulatory, investor and competitive factors as well as our executive compensation principles.

The design principles that govern our executive compensation programs are:

1. Market competitiveness

The compensation opportunities must serve to attract and retain high performing executives in a competitive environment for talent. Therefore, all of our executive compensation program targets are established using relevant market data to ensure their competitiveness. In aggregate, we structure our executive compensation to provide target total direct compensation ("TDC") at the 50th percentile of the markets in which we compete for talent. However, each executive's target TDC may be above or below the 50th percentile based on his or her experience and proficiency in performing the duties of his or her position.

2. Pay for performance

A strong pay for performance culture is paramount among the considerations that lead to our Company's success. As a result, a substantial percentage of each executive's TDC is contingent on, and variable with performance of the Company, the applicable business, and the individual. Company and business performance are measured against pre-established financial, operational and strategic objectives. Individual performance is measured against pre-established individual goals as well as demonstrated leadership competencies and behaviors consistent with our Company values. In addition, a portion of the long-term incentive is earned based upon earnings and shareholder value performance relative to peer companies.

3. Mix of short and long-term incentives

A proper mix between short and long-term incentives is important to encourage decision making that mitigates risk and balances the need to meet our Annual Operating Plan ("AOP") objectives while also taking into account the long-term interests of the Company and its shareholders. The mix of pay, including short and long-term incentives, is determined by considering the Company's pay for performance compensation philosophy and strategic objectives in addition to competitive market practice.

4. Internal parity

Each executive's target TDC opportunity is proportionate with the responsibility, scope and complexity of his or her role within the Company. Thus, similar jobs are assigned similar target compensation opportunities.

5. Shareholder alignment

Our executive compensation programs align the interests of our executives with those of our shareholders by rewarding the achievement of key financial targets such as revenue growth, EPS, and cash flow which should correlate with share price appreciation over time. In addition, our long-term incentives are tied to total shareholder returns and increase in value as share price increases. Other program requirements, including share ownership guidelines for executives and vesting schedules on equity awards further align executives' and shareholders' interests.

6. Business strategy alignment

Our executive compensation programs provide flexibility to align with changing Company or business unit strategies. In addition, the programs allow for individuals within the Company's businesses to focus on specific financial

measures to meet the short and long-term plans of the particular business for which they are accountable. It is not only possible but also desirable for certain leaders to earn substantial awards in years when their business unit outperforms the Company as a whole. Conversely, if a business fails to meet its performance goals, that business' leader may earn a lesser award in that year than his or her peers in a business that met or exceeded its goals. To provide a balanced incentive, all executives have a significant portion of their compensation tied to Company performance.

III. Factors Considered in the Determination of Target Total Direct Compensation ("TDC")

Our Committee reviews and evaluates our executive compensation levels and practices against those companies with which we compete for executive talent. These reviews are conducted throughout the year using a variety of methods such as:

- the direct analysis of the proxy statements of other diversified industrial companies (refer to peer group below),

a review of compensation survey data of other industrial companies of similar size published by independent consulting firms,

- a review of customized compensation survey data provided by independent consulting firms, and
- feedback received from external constituencies.

The Committee does not rely on a single source of information when making executive compensation decisions. Many of the companies included in these compensation surveys are also included in the S&P 500 Industrials Index referred to in our 2014 Form 10-K under the caption “Performance Graph.”

The Committee, with the assistance of its independent advisor, develops a peer group that it uses to evaluate executive compensation programs and levels. The peer group is comprised of global diversified companies that have comparable revenue and/or industry fit with our lines of business and are those with which we compete for both business and talent. The following peer group was adopted in August 2012 and used for benchmarking with respect to the 2014 compensation matters:

3M	Eaton Corp	Johnson Controls Inc.	Pentair
Cummins, Inc.	Emerson Electric	Paccar Inc.	Stanley Black & Decker
Danaher Corp	Honeywell International	Parker Hannifin Corp	Textron
Dover	Illinois Tool Works	PPG Industries	Tyco International

Given the spin-off of Allegion and the reorganization of our Company, in 2014 the Committee reviewed the compensation peer group used to benchmark 2015 compensation matters, and based on their review, added SPX Corporation. The addition of SPX Corporation increased the number of companies in the peer group to 17 (up from 16) and reduced the median revenue of the peer group from \$16.1 billion to \$15.1 billion for fiscal year 2013.

In addition, the Committee annually reviews tally sheets on the NEOs in order to understand fully all elements of current and potential future compensation when making compensation decisions.

IV. Role of the Committee, Independent Advisor and Committee Actions

Our Committee, which is composed solely of independent directors, oversees our compensation plans and policies, administers our equity-based programs and reviews and approves all forms of compensation relating to our executive officers, including the NEOs.

The Committee exclusively decides the compensation elements and the amounts to be awarded to our CEO. Our CEO does not make any recommendations regarding his own compensation and is not informed of these awards until the decisions have been finalized. Our CEO makes compensation recommendations related to our other NEOs and executive officers. The Committee considers these recommendations when approving the compensation elements and amounts to be awarded to our other NEOs.

Our Committee is responsible for reviewing and approving amendments to our executive compensation and benefit plans. In addition, our Committee is responsible for reviewing our major broad-based employee benefit plans and making recommendations to our Board of Directors for significant amendments to, or termination of, such plans. The Committee’s duties are described in the Committee’s Charter, which is available on our website at www.ingersollrand.com.

Our Committee has the authority to retain an independent advisor for the purpose of reviewing and providing guidance related to our executive compensation and benefit programs. The Committee is directly responsible for the compensation and oversight of the independent advisor. For 2014, the Committee continued to engage Hay Group, Inc. (“Hay Group”) to serve as its independent advisor. Hay Group also provided the Corporate Governance and Nominating Committee advice on director compensation matters. The Committee has determined that the Hay Group is independent and does not have a conflict of interest because (a) Hay Group did not perform any other services for the Company, (b) the fees received by Hay Group for its services for the Compensation and Corporate Governance and Nominating Committees were nominal as a percentage of Hay Group’s total revenues, (c) Hay Group has adopted policies and procedures that are designed to prevent conflicts of interest, (d) neither any member of the Committee nor any executive officer has a business or personal relationship with Hay Group, and (e) neither Hay Group nor its consultants that work with the Company directly own stock in the Company.

In addition to the actions taken in 2014, which are described in the Executive Summary, our Committee has adopted a number of changes over the past few years, including:

- Diversified and expanded the metrics associated with our AIM and PSP programs to better align with business strategies and shareholder interests;

- Adopted a claw-back/recoupment policy. Our current policy will be revised, if necessary, to comply with the requirements of the Dodd-Frank Act when the final regulations are issued;

- Incorporated provisions in the 2007 and 2013 Incentive Stock Plans to replace full payout at target of outstanding PSP awards in the event of a Change in Control of the Company with prorated PSP payout at target based on the point in the performance period when the Change in Control occurs; and

Closed the Ingersoll-Rand Company Elected Officer Supplemental Pension Program (“EOSP”) to new participants effective April 30, 2011.

V. Compensation Program Descriptions and Compensation Decisions

The following table provides a summary of the elements, objectives, risk mitigation factors and other key features of our total direct compensation program. Each of these elements is described in detail below:

Element	Objective of Element including Risk Mitigation Factors	Key Features Relative to NEOs
Base Salary	To provide a sufficient and stable source of cash compensation. To avoid encouraging excessive risk-taking, it is important that an appropriate level of cash compensation is not variable.	Targeted, on average, at the 50th percentile of our peer group. Adjustments are determined by the Committee based on an evaluation of the NEO’s proficiency in fulfilling his or her responsibilities, as well as performance against key objectives and behaviors. Only 10% of the CEO’s target total direct compensation and only 23% on average for the other NEOs is comprised of base salary.
Annual Incentive Matrix (“AIM”) Program	To serve as an annual cash award tied to the achievement of pre-established performance objectives. Structured to take into consideration the unique needs of the various business units. Amount of compensation earned cannot exceed a maximum payout of 200% of individual target levels and is also subject to a claw-back in the event of a financial restatement.	Each NEO has an AIM target expressed as a percentage of base salary. Targets are set based on the compensation levels of similar jobs in comparable companies, as well as on the NEO’s experience and proficiency level in performing the duties of the role. Actual AIM payouts are dependent on business and/or enterprise financial and individual performance. The financial metrics used to determine the awards for 2014 were Revenue, OI, and Cash Flow, modified (up or down) based on OI Margin performance. 16% of the CEO’s target total direct compensation is comprised of AIM and 21%, on average, for the other NEOs.
Performance Share Program (“PSP”)	To serve as a long-term incentive tied to the achievement of pre-established performance objectives relative to companies in the S&P 500 Industrials Index. To promote long-term strategic planning and discourage an overemphasis on attaining short-term goals. Amount earned cannot exceed a maximum payout of 200% of individual target levels and is also subject to a claw-back in the event of a financial restatement.	Earned over a 3-year performance period. The number of PSUs earned is based on relative TSR and relative EPS growth compared to companies within the S&P 500 Industrials Index (with equal weight given to each metric). Actual value of the PSUs earned depends on our share price at the time of payment. 37% of the CEO’s target total direct compensation is comprised of PSP and 28%, on average, for the other NEOs.

Stock Options /
Restricted Stock Units
("RSUs")

Aligns the interests of the
NEOs and shareholders.
Awards provide a balanced
approach between risk and
retention.
Awards are subject to a
claw-back in the event of a
financial restatement.

Stock options and RSUs are granted annually, with stock
options having an exercise price equal to the fair market
value of ordinary shares on the date of grant.
Both stock options and RSUs typically vest ratably over
three years, one-third per year.
Stock options expire on the 10th anniversary (less one day)
of the grant date (unless employment terminates sooner).
37% of the CEO's target total direct compensation is
comprised of a mix of stock options and RSUs and 28%,
on average, for the other NEOs.

Base Salary

Our Committee generally targets base salaries for the NEOs around the median for executives in our peer group or other relevant comparative companies who have similar roles and responsibilities. However, the Committee will also consider each NEO's experience, proficiency, performance and potential to impact future business results, as well as behavior against competencies and key Company values when making base salary decisions.

The table below reflects the base salary adjustments for the NEOs for the 2014 performance period. When determining base salary adjustments, each NEO is evaluated on the results achieved and the behaviors demonstrated to generate these results.

(dollar amounts annualized)

Name	2013	2014	Percentage Change (%)
M. W. Lamach	\$ 1,250,000	\$ 1,250,000	—
S. K. Carter	\$ 635,000	\$ 654,000	3.0%
M. J. Avedon	\$ 528,000	\$ 555,000	5.1%
D. P. M. Teirlinck ⁽¹⁾	\$ 655,000	\$ 655,000	—
R. G. Zafari ⁽¹⁾	\$ 550,000	\$ 550,000	—

(1) Messrs. Teirlinck and Zafari received based salary increases in December 2013 in conjunction with their promotion to EVP, Segment roles. There were no base salary increases in 2014 for Messrs. Teirlinck and Zafari.

Annual Incentives (Annual Incentive Matrix or "AIM")

The AIM program is an annual cash incentive program designed to reward NEOs for Revenue growth, increases in OI, the delivery of strong Cash Flow and individual contributions to the Company. We believe that our AIM design provides participants with clarity as to how they can earn a cash incentive based on strong performance relative to each metric. The Committee establishes a target award for each NEO that is expressed as a percentage of base salary. Individual AIM payouts are calculated as the product of a financial performance score and an individual performance score, both of which are based on achievement relative to pre-established performance objectives adopted by the Committee. Individual AIM awards are calculated by multiplying individual AIM targets by an AIM Payout Percentage calculated as illustrated in the table below:

Financial Score: Core Financial Metrics	x	Multiplier	=	Adjusted Financial Score (0% to 200%)	x	Individual Performance Score (0% to 150%)	=	AIM Payout Percentage (0% to 200%)
1/3 Revenue		Operating Margin Percent		Financial Score x Multiplier		Performance against Individual Objectives		Adjusted Financial Score x Individual Performance Score
1/3 Operating Income								
1/3 Cash Flow								

Financial Performance: AIM incentive opportunity is tied to pre-established goals for three equally-weighted performance metrics ("Core Financial Metrics"): Revenue, OI, and Cash Flow. Threshold performance for each metric must be achieved in order for any incentive to be payable for that metric. The financial AIM payout is the sum of the calculated payout percentage for each metric, adjusted by an OI margin percentage multiplier ("Multiplier"), which can range from 85% to 115%.

The Committee retains the authority to adjust the Company's reported financial results for the impact of changes in accounting principles, extraordinary items and unusual or non-recurring gains or losses, including significant differences from the assumptions contained in the financial plan upon which the incentive targets were established. Adjustments to reported financial results are intended to better reflect an executives' line of sight and ability to affect performance results, align award payments with decisions which support the AOP, avoid artificial inflation or deflation of awards due to unusual or non-recurring items in the applicable period and emphasize the Company's preference for long-term and sustainable growth.

2014 AIM financial performance goals for the NEOs are summarized in the following table:

	Pre-Established Financial Targets (\$ million)*			Payout as % of Target**	OI Margin	OI Margin Multiplier**
	Revenue	OI	Cash Flow			
Enterprise						
Threshold	\$12,159.7	\$1,226.7	\$810.0	30%	10.1%	85%
Target	\$12,799.7	\$1,363.0	\$900.0	100%	10.7%	100%
Maximum	\$13,439.7	\$1,644.9	\$1,100.0	200%	12.2%	115%
Climate Segment						
Threshold	\$9,338.2	\$977.4	\$977.4	30%	10.5%	85%
Target	\$9,829.7	\$1,086.0	\$1,086.0	100%	11.0%	100%
Maximum	\$10,321.2	\$1,326.4	\$1,326.4	200%	12.9%	115%
Industrial Segment						
Threshold	\$2,821.5	\$432.9	\$432.9	30%	15.3%	85%
Target	\$2,970.0	\$481.0	\$481.0	100%	16.2%	100%
Maximum	\$3,118.5	\$553.2	\$553.2	200%	17.7%	115%

* Reflects the financial goals for the Enterprise and segments to which incentive opportunity for our 2014 NEOs was tied.

** Results are interpolated between performance levels.

For 2014 AIM purposes, the CEO, CFO and SVP of Human Resources, Communication and Corporate Affairs were measured on the basis of the Enterprise financial metrics. The other two NEOs were measured based on a combination of Enterprise financial objectives (50% weighting) and their respective 2014 Segment financial objectives (50% weighting). We believe this weighting appropriately focuses segment leaders on achieving the pre-established objectives for their business as well as aligning their interests with Enterprise goals to help deliver sustainable shareholder value.

The table below summarizes 2014 performance relative to performance targets and corresponding 2014 AIM payout levels.

(in millions)	Financial Targets	Adjusted Financial Performance	Payout as a % of Target	Aggregate Payout as % of Target	OI Margin Multiplier	AIM Financial Payout
Enterprise						
Revenue	\$12,799.7	\$12,875.4	112%			
OI	\$1,363.0	\$1,422.5	121%			
Cash Flow	\$900.0	\$852.6	63%	98.69%	103.77%	102.41%
OI Margin	10.7%	11.05%	N/A			
Climate Segment						
Revenue	\$9,829.7	\$9,863.6	107%			
OI	\$1,086.0	\$1,196.9	146%			
Cash Flow	\$1,086.0	\$1,327.4	200%	151.01%	109.00%	164.60%
OI Margin	11.1%	12.13%	N/A			
Industrial Segment						
Revenue	\$2,970.0	\$3,011.7	128%			
OI	\$481.0	\$451.4	57%			
Cash Flow	\$481.0	\$435.2	33%	72.78%	85.00%	61.86%
OI Margin	16.2%	14.99%	N/A			

Individual Performance: Individual objectives are established annually and include strategic initiatives as well as financial and non-financial metrics. Each NEO is evaluated based upon actual results against established measures and our core competencies. At the end of the fiscal year the CEO evaluates each NEO's overall performance against

individual objectives and submits a recommendation to the Committee. The Committee evaluates the CEO's performance against individual objectives. Based on its evaluation of the CEO and the CEO's recommendation for other NEOs, the Committee determines the individual performance score for each NEO, which can range from 0% to 150%.

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In determining the individual factor for each NEO's AIM award, the Committee considered pre-established individual performance objectives, including the following:

- Successful achievement of milestones to further implement the business operating system and operational excellence initiatives.

- Execution of key growth initiatives including product management excellence initiatives, enterprise sales excellence initiatives and innovation programs.

- Accomplishments to further implement the information technology strategy and system launches.

- Improvements in employee engagement, talent development and retention.

Determination of Payout: The actual AIM payout is determined by multiplying the NEO's target award by the financial performance score and multiplying that result by the individual performance score. AIM payouts cannot exceed 200% of the target award. If the overall AIM payout score is less than 30%, no award is payable. In that event, the CEO and the Committee may establish a discretionary pool (equal to 30% of the target payout levels) for top performers and/or other deserving employees in an amount determined to be appropriate based on their performance against objectives. In determining the 2014 performance levels for 2014 AIM purposes, the Committee approved certain adjustments to financial results at the enterprise and segment levels to (a) exclude the impact of spin-off related and restructuring payments made in 2014 from enterprise Free Cash Flow, (b) adjust operating income and cash flow upwards to offset the impact of acquisitions during the year, (c) adjust revenue and operating income downward and cash flow upward to offset the financial impact of unplanned regulatory changes associated with energy efficiency implementation requirements issued during 2014, and (d) adjust cash flow upward to offset the impact of debt refinancing in 2014. None of these events had been contemplated when the 2014 performance goals were determined. Prior to the Committee approving these adjustments, they were also reviewed with the Audit Committee.

The Committee approved the following AIM awards for NEOs based on achieving both the 2014 financial and individual objectives:

Name	AIM Target			AIM Payout Percent for 2014	Individual Performance Score	AIM Award for 2014
M. W. Lamach	160	% of	\$1,250,000	102.41%	100%	\$2,048,200
S. K. Carter	100	% of	\$654,000	102.41%	100%	\$669,761
M. J. Avedon	85	% of	\$555,000	102.41%	100%	\$483,119
D. P. M. Teirlinck	90	% of	\$655,000	133.51%	100%	\$787,041
R. G. Zafari	85	% of	\$550,000	82.14%	100%	\$384,005

Long-Term Incentive Program

Our long-term incentive program is comprised of PSUs, stock options and RSUs. It is designed to further align the executives' interests with the interests of our shareholders. This approach enables us to develop and implement long-term strategies that we believe are in the best interest of shareholders.

Performance Share Program ("PSP"): Our PSP is an equity-based incentive compensation program that provides our NEOs and other key executives with an opportunity to earn PSUs based on the Company's performance relative to other companies in the S&P 500 Industrials Index. PSUs are earned over a 3-year performance period based equally on our relative EPS growth (from continuing operations) and TSR as compared to the companies within the S&P 500 Industrials Index. The actual number of PSUs earned for grants made in 2014 (which can range from 0% to 200% of target) is based on the following thresholds:

Ingersoll Rand's Performance Relative to the Companies within the S&P 500 Industrials Index	% of Target PSUs Earned*
< 25 th Percentile	0%
25 th Percentile	25%
50 th Percentile	100%
≥ 75 th Percentile	200%

* Results are interpolated between percentiles achieved.

The NEOs' PSP target awards, expressed as a dollar amount, are set by assessing competitive market values for executives in our peer group with similar roles and responsibilities. The dollar target is converted to share equivalent PSUs based on the fair market value of the Company's shares on the date that the award is granted. Our Committee retains the authority and discretion to make downward adjustments to the calculated PSP award payouts or not to grant any award payout regardless of actual performance. EPS is calculated in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP"), subject to adjustments for extraordinary, unusual or infrequent items; the impact of any change in accounting principles; goodwill and other intangible asset impairments; and gains or charges associated with discontinued operations or with obtaining or losing control of a business. As a result, expense for outstanding PSP awards is recorded using fixed accounting.

EPS growth is measured as the average of the annual EPS growth in each of the three years of the performance cycle. TSR is measured as the total stock price appreciation and dividends earned during the three years of the performance cycle. To account for stock price volatility, a 30-day average stock price at the beginning and ending periods is used. Dividend equivalents are accrued on outstanding PSU awards at the same time and at the same rate as dividends are paid to shareholders, but are only paid upon vesting on the number of PSUs actually earned and vested. Dividend equivalents are payable in cash at the time the associated PSUs are distributed unless the NEO elected to defer the PSUs into our executive deferred compensation plan, in which case the dividends are also deferred.

Stock Options/Restricted Stock Units: We grant our NEOs an equal mix of stock options and RSUs. Our Committee believes that this mix provides an effective balance between risk and retention for our NEOs and conserves share usage under our incentive stock plan. Stock options are considered "at risk" since there is no value unless the stock price appreciates during the term of the option period. RSUs, on the other hand, provide strong retentive value because they have value even if our stock price does not grow during the restricted period. Our Committee annually reviews our equity mix and grant policies to ensure they are aligned with our pay for performance philosophy, our executive compensation objectives and the interests of our shareholders.

Stock option and RSU targets are expressed in dollars. The dollar target is converted to a number of shares based on the fair market value of the Company's shares on the date that the award is granted. In order to determine the target stock option and RSU awards for our NEOs, the Committee considers factors such as market competitiveness with our peer group, demonstrated potential to drive future business results and sustained individual performance.

Both stock options and RSUs generally vest ratably, one third per year, over a three year period following the grant. Dividend equivalents are accrued on outstanding RSU awards at the same time and at the same rate as dividends are paid to shareholders. Dividend equivalents on RSUs are only payable if the underlying RSU award vests. At the time of vesting, one ordinary share is issued for each RSU and any accrued dividend equivalents are paid in cash.

2014 Equity Awards

In 2014, the Committee approved the PSU, stock option and RSU awards based on its evaluation of market competitiveness and each NEO's demonstrated potential to drive future business results and sustained individual performance. The values in the table below reflect equity-based awards approved by the Committee. These values differ from the corresponding values reported in the Summary Compensation Table and the Grants of Plan-Based Awards Table due to different methodologies used in assigning the economic value of equity-based awards required for accounting and proxy statement reporting purposes. The Committee makes its determination based on expected grant date value while the accounting and proxy statement values are determined as of the grant date in accordance with GAAP requirements. The difference is most significant for the PSU awards which are earned, in part, based on TSR relative to the S&P 500 Industrials Index over a three-year performance period. The accounting and proxy report values are greater because they take into account the expected payout distribution from 0-200% of target.

Name	Target Value 2014-16 PSU Award (\$)	Stock Option Award (\$)	RSU Award (\$)
M. W. Lamach	4,625,000	2,312,500	2,312,500
S. K. Carter	950,000	475,000	475,000
M. J. Avedon	550,000	275,000	275,000

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D. P. M. Teirlinck	825,000	412,500	412,500
R. G. Zafari	600,000	300,000	300,000

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Performance Share Units Payout

As discussed above, PSUs for the 2012 - 2014 performance period were earned based on the Company's EPS growth (from continuing operations) and TSR performance relative to all of the companies in the S&P 500 Industrials Index. EPS growth is measured as the average of the annual EPS growth in each of the three years of the performance cycle. The rate of EPS growth was 19.37% for the 2012 to 2014 period, which ranked at the 88th percentile of the companies in the S&P 500 Industrials Index. 2013 EPS growth was calculated including earnings from the residential and commercial security business spun-off to form Allegion. 2014 EPS growth was calculated based on 2013 EPS excluding the residential and commercial security business spun-off to form Allegion.

TSR is measured as the total stock price appreciation and dividends earned during the three years of the performance cycle. To account for stock price volatility, a 30-day average stock price at the beginning and ending periods is used. TSR was 153.66% for the 2012 to 2014 period, which ranked at the 91st percentile of the companies in the S&P 500 Industrials Index. The TSR calculation includes \$14.63 for the Allegion share dividend associated with the spin-off of the residential and commercial security business.

PSUs for the 2012 to 2014 performance cycle paid out at 200% of target levels as summarized in the table below.

Performance Metric	Ingersoll Rand Performance	Percentile Rank	Metric Payout	Weighting	Payout Level
Relative EPS Growth	19.37%	88 th %ile	200%	50%	100%
Relative TSR	153.66%	91 st %ile	200%	50%	100%
Total Award Payout Percentage:					200%

2015 Compensation Decisions

The Committee annually reviews the total direct compensation for each NEO and, using its discretion based on its compensation philosophy and design principles, may revise such compensation. For 2015, the Committee has set the base salary and target AIM award for each NEO as follows:

Name	Base Salary (\$)	Change From 2014 (%)	Target AIM Award (%)
M. W. Lamach	\$1,300,000	4.0	% 160
S. K. Carter	\$675,000	3.2	% 100
M. J. Avedon	\$575,000	3.6	% 85
D. P. M. Teirlinck	\$685,000	4.6	% 90
R. G. Zafari	\$570,000	3.6	% 85

The Committee established the following target long-term incentives including PSU awards for the 2015 - 2017 performance period and granted the following stock option and RSU awards for each NEO in 2015:

Name	Target 2015 Long-Term Incentive Value ⁽¹⁾ (\$)	Shares Underlying Stock Option Awards ⁽²⁾ (#)	RSU Shares ⁽³⁾ (#)	Target 2015-17 PSU Shares (#) ⁽³⁾
M. W. Lamach	9,250,000	158,499	34,487	68,974
S. K. Carter	1,950,000	33,414	7,271	14,541
M. J. Avedon	1,200,000	20,563	4,474	8,948
D. P. M. Teirlinck	1,750,000	29,987	6,525	13,049
R. G. Zafari	1,250,000	21,419	4,661	9,321

(1) The target long-term incentive value is delivered 25% in stock options, 25% in RSUs and 50% in PSUs.

(2) The number of stock options was determined based on the Black-Scholes ratio on December 31, 2014 and the fair market value of our ordinary shares on the date of grant.

(3) The number of RSUs and target PSUs were determined using the fair market value of our ordinary shares on the date of grant.

VI. Other Compensation and Tax Matters

Retirement Programs and Other Benefits

We maintain qualified and nonqualified defined benefit pension plans for our employees, including the NEOs, to provide for fixed benefits upon retirement based on the individual's age and number of years of service. These plans include the Pension Plan, the Trane Pension Plan, the Supplemental Pension Plans and the EOSP or the KMP. Refer to the Pension Benefits table and accompanying narrative for additional details on these programs.

We offer a qualified defined contribution (401(k)) plan called the Ingersoll-Rand Company Employee Savings Plan (the "ESP") to our salaried non-union and hourly U.S. workforce, including the NEOs. The ESP is a plan that provides a dollar-for-dollar Company match on the first six percent of the employee's eligible compensation that the employee contributes to the ESP. The ESP has a number of investment options and is an important component of our retirement program.

We also have a nonqualified defined contribution plan. The Ingersoll-Rand Company Supplemental Employee Savings Plan (the "Supplemental ESP") is an unfunded plan that makes up matching contributions that cannot be made to the ESP due to Internal Revenue Code limitations. The Supplemental ESP is deemed to be invested in the funds selected by the NEOs, which are the same funds available in the ESP except for a self-directed brokerage account, which is not available in the Supplemental ESP.

In June 2012, our Board of Directors approved significant changes to our broad-based, qualified retirement programs with the intent to move from a combined defined benefit/defined contribution approach to a fully defined contribution plan approach over time. Employees active prior to July 1, 2012 were given a choice between continuing to participate in the defined benefit plan until December 31, 2022, or moving to an enhanced version of the ESP effective January 1, 2013. Employees hired or rehired on or after July 1, 2012 were automatically covered under the enhanced version of the ESP. Under the enhanced version of the ESP, employees will receive a basic employer contribution equal to two percent of eligible compensation in addition to the Company's matching contribution while ceasing to accrue benefits under the defined benefit plan (employees of our Club Car business are generally not eligible for the basic employer contribution). Effective as of December 31, 2022, accruals in the defined benefit plan will cease for all employees. The Committee approved corresponding changes to the applicable nonqualified defined benefit and contribution pension plans. Additional details on the changes can be found in the narrative accompanying the Pension Benefits table.

Our Ingersoll Rand Executive Deferred Compensation Plan (the "EDCP Plan I") and the Ingersoll Rand Executive Deferred Compensation Plan II (the "EDCP Plan II" and, together with the EDCP Plan I, the "EDCP Plans") allow eligible employees to defer receipt of a part of their annual salary, AIM award and/or PSP award in exchange for investments in ordinary shares or mutual fund investment equivalents. Refer to the Nonqualified Deferred Compensation table for additional details on the EDCP Plans.

We provide an enhanced, long-term disability plan to certain executives. The plan provides for a higher monthly maximum than the standard group plan and a more favorable definition of disability and has an underlying individual policy that is portable when the executive terminates.

In light of the American Jobs Creation Act of 2004 governing Section 409A of the Code, "mirror plans" for several of our nonqualified plans, including the Ingersoll-Rand Company Supplemental Pension Plan ("Supplemental Pension Plan I") and the EDCP I, were created. The mirror plans are the Ingersoll-Rand Company Supplemental Pension Plan II ("Supplemental Pension Plan II" and, together with the Supplemental Pension Plan I, the "Supplemental Pension Plans") and the EDCP II. The purpose of these mirror plans is not to provide additional benefits to participants, but merely to preserve the tax treatment of the plans that were in place prior to December 31, 2004. In the case of the Supplemental Plans, the mirror plan benefits are calculated by subtracting the original benefit value to avoid duplication of the benefit. For the EDCP Plans, balances accrued through December 31, 2004 are maintained separately from balances accrued after that date.

We provide our NEOs with other benefits that we believe are consistent with prevailing market practice and those of our peer companies. These other benefits and their incremental cost to the Company are reported in "All Other Compensation" shown in the Summary Compensation Table.

Severance Arrangements

In connection with external recruiting of certain officers, we generally enter into employment arrangements that provide for severance payments upon certain termination events, other than in the event of a change in control (which is covered by separate agreements with the officers). Mr. Lamach, Ms. Carter and Ms. Avedon have such arrangements. In 2012 we adopted a Severance Plan, amended outstanding award agreements and adopted new equity award agreements to provide certain employees, including our NEOs, with certain benefits in the event of a termination of employment without cause or for good reason under a Major Restructuring (as defined in the Post-Employment Section below). In addition, although we do not have a formal severance policy for our executives (other than in the event of a Major Restructuring), we do have guidelines that in most cases would

provide for severance in the event of termination without cause. The severance payable under employment agreements for Mr. Lamach, Ms. Carter and Ms. Avedon and the benefits available in connection with a Major Restructuring and under the severance guidelines are further described in the Post-Employment Benefits section of the proxy statement.

Change-In-Control Provisions

We have entered into change-in-control agreements with our NEOs. Payments are subject to a double trigger, meaning that payments would be received only if an officer is terminated without cause or resigns for “good reason” within two years following a change in control. We provide change-in-control agreements to our NEOs to focus them on the best interests of shareholders and assure continuity of management in circumstances that reduce or eliminate job security and might otherwise lead to accelerated departures. Our incentive stock plans provide for the accelerated vesting of outstanding stock awards in the event of a change in control of the Company. Refer to the Post-Employment Benefits section of this proxy statement for a more detailed description of the change-in-control provisions.

Tax and Accounting Considerations

Section 162(m) of the Code imposes a limit of \$1,000,000 on the amount that we may deduct for federal income tax purposes in any one year for compensation paid to our CEO and any of our three other highest-paid NEOs, other than our CFO, who are employed as of the end of the year. However, to the extent compensation is “performance-based” within the meaning of Section 162(m), the Section’s limitations will not apply. We intend most of the variable compensation (i.e., AIM, PSP and stock options) paid to NEOs to qualify as performance-based within the meaning of Section 162(m) so as to be tax deductible by us, which benefits our shareholders. In order to qualify as performance based, the compensation must, among other things, be paid pursuant to a shareholder approved plan upon the attainment of objective performance criteria. Our Committee believes that tax deductibility of compensation is an important factor, but not the sole factor, in setting executive compensation policies and in rewarding superior executive performance. Accordingly, although our Committee generally intends to avoid the loss of a tax deduction due to Section 162(m), it reserves the right, in appropriate circumstances, to pay amounts that are not deductible. In determining variable compensation programs, we consider other tax and accounting implications of particular forms of compensation, such as the implications of Section 409A of the Code governing deferred compensation arrangements and favorable accounting treatment afforded certain equity based plans that are settled in shares. However, the forms of variable compensation we utilize are determined primarily by their effectiveness in creating maximum alignment with our key strategic objectives and the interests of our shareholders.

Senior Executive Performance Plan (“SEPP”)

The SEPP is a shareholder approved plan that funds the annual cash incentive awards that may be granted to each of the NEOs. Under the SEPP, the maximum amount of cash incentive that can be paid to the CEO is 0.6% of Consolidated OI from Continuing Operations (as defined in the SEPP) and the maximum amount of cash incentive that can be paid to any other covered executive is 0.3% of Consolidated OI from Continuing Operations. Our Committee generally exercises its discretion to pay less than the maximum amount to the NEOs, after considering the factors described in the AIM Program.

Timing of Awards

Our regular annual equity grants are made by our Committee at a meeting held after the annual earnings release. The timing of this meeting allows management to review the prior year’s performance and assemble all of the necessary information for our Committee’s consideration. The date is never selected or changed to increase the value of equity awards for executives.

Claw-back /Recoupment Policy

To further align the interests of our employees and our shareholders, we have a claw-back /recoupment policy to ensure that any fraud or intentional misconduct leading to a restatement of our financial statements would be properly addressed. The policy provides that if it is found that an employee committed fraud or engaged in intentional misconduct that resulted, directly or indirectly, in a need to restate our financial statements, then our Committee has the discretion to direct the Company to recover all or a portion of any cash or equity incentive compensation paid or value realized, and/or to cancel any stock-based awards or AIM award granted to an employee on or after the effective date of the policy. Our Committee may also request that the Company seek to recover any gains realized on or after the effective date of the policy for equity or cash awards made prior to that date (including AIM, stock options, PSUs

and RSUs). Application of the claw-back /recoupment policy is subject to a determination by our Committee that: (i) the cash incentive or equity compensation to be recouped was calculated on, or its realized value affected by, the financial results that were subsequently restated; (ii) the cash incentive or equity award would have been less valuable than what was actually awarded or paid based on the application of the correct financial results; and (iii) the employee to whom the policy applied engaged in fraud or intentional misconduct. This policy will be revised if required under the Dodd-Frank Act once the regulations implementing the claw-back policy requirements of that law have been issued.

Share-Ownership Guidelines

We impose share ownership requirements on each of our officers. These share ownership requirements are designed to emphasize share ownership by our officers and to further align their interests with our shareholders. Each officer must achieve and maintain ownership of ordinary shares or ordinary share equivalents at or above a prescribed level. The requirements are as follows:

Position	Number of Active Participants as of the Record Date	Individual Ownership Requirement (Shares and Equivalents)
Chief Executive Officer	1	150,000
Executive Vice Presidents	2	75,000
Senior Vice Presidents	6	40,000
Corporate Vice Presidents	8	15,000

This equates to ownership of approximately eight times base salary for the CEO and the Executive Vice Presidents and in excess of four times base salary for the Senior Vice Presidents.

Our share-ownership program requires the accumulation of ordinary shares (or ordinary share equivalents) over a five-year period following the date the person becomes subject to share-ownership requirements at the rate of 20% of the required level each year. Executives who are promoted, and who have their ownership requirement increased, have three years to achieve the new level from the date of promotion. However, given the significant increase in the ownership requirement for an individual who is promoted to CEO, that individual has five years from the date of the promotion to achieve the new level. Ownership credit is given for actual ordinary shares owned, deferred compensation that is invested in ordinary shares within our EDCP Plans, ordinary share equivalents accumulated in our qualified and nonqualified employee savings plans as well as unvested RSUs. Stock options, SARs and unvested PSUs do not count toward meeting the share-ownership target. If executives fall behind their scheduled accumulation level during their applicable accumulation period, or if they fail to maintain their required level of ownership after their applicable accumulation period, their right to exercise stock options will be limited to “buy and hold” transactions and any shares received upon the vesting of RSU and PSU awards must be held until the required ownership level is achieved. As of the Record Date, all of our executives subject to the share-ownership guidelines were in compliance with these requirements.

COMPENSATION COMMITTEE REPORT

We have reviewed and discussed with management the Compensation Discussion and Analysis contained in this Proxy Statement. Based on our review and discussion, we recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement as well as the Company’s Annual Report on Form 10-K for the year ended December 31, 2014.

COMPENSATION COMMITTEE

Tony L. White (Chair)

John Bruton

Jared L. Cohon

Gary D. Forsee

Constance J. Horner

SUMMARY OF REALIZED COMPENSATION

The table below is a summary of the compensation actually realized by our CEO for 2014, 2013 and 2012. This information is intended as a supplement to and not as a substitute for the information shown on the Summary Compensation Table. The information required to be shown on the Summary Compensation Table includes elements of compensation that may or may not actually be realized by the NEOs at a future date. We believe this table enhances our shareholders' understanding of our CEO's compensation.

Year	Salary (\$)	Performance-based Cash Compensation (1)(\$)	Equity Compensation (2)(\$)	Other Compensation (3)(\$)	Total Realized Compensation (\$)
2014	\$1,250,000	\$2,650,000	\$15,106,336	\$394,328	\$19,400,664
2013	\$1,237,500	\$1,821,270	\$19,720,521	\$319,785	\$23,099,076
2012	\$1,175,000	\$1,522,950	\$171,246	\$311,363	\$3,180,559

(1) Represents the AIM award paid in the applicable year and earned in the immediately previous year.

(2) Represents amount realized upon the exercise of stock options and the vesting of RSUs and PSUs, before payment of applicable withholding taxes and brokerage commissions, and includes the value of dividend equivalents paid on such awards. For 2014, this includes the following amounts:

	Value Realized	Total Shareholder Return ("TSR") Over the Period Outstanding *
Stock Options Exercise:		
February 1, 2006 Grant	\$1,400,236	TSR for 2006-2014 was 126%
February 7, 2007 Grant	\$1,121,317	TSR for 2007-2014 was 131%
February 15, 2008 Grant	\$1,498,372	TSR for 2008-2014 was 92%
	\$4,019,925	
Restricted Stock Units Vesting:		
February 24, 2012 Grant	\$1,134,496	TSR for 2012-2014 was 173%
February 22, 2013 Grant	\$1,049,467	TSR for 2013-2014 was 77%
	\$2,183,963	
Performance Stock Units Earned:		
2011-2013 Performance Period	\$8,902,447	TSR for 2011-2013 was 71%

* TSR calculated using closing stock price at the beginning and end of each period.

(3) Represents the amounts imputed as income under applicable IRS rules and regulations.

EXECUTIVE COMPENSATION

The following table provides summary information concerning compensation paid by the Company or accrued on behalf of our NEOs for services rendered during the years ended December 31, 2014, 2013 and 2012.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)(a)	Bonus (\$)(b)	Stock Awards (\$)(c)	Option Awards (\$)(d)	Non-Equity Incentive Plan Compensation (\$)(e)	Change in Pension Value and Nonqualified Deferred Earnings Compensation (\$)(f)	All Other Compensation (\$)(g)	Total Compensation (\$)
M. W. Lamach Chairman and Chief Executive Officer	2014	1,250,000	—	7,493,591	2,096,815	2,048,200	6,026,605	502,295	19,417,506
	2013	1,237,500	250,000	7,176,489	2,265,976	2,650,000	917,847	490,026	14,987,838
	2012	1,175,000	—	6,288,586	1,697,045	1,571,270	4,920,650	483,868	16,136,419
S. K. Carter Senior Vice President and Chief Financial Officer	2014	649,250	—	1,539,248	430,701	669,761	168,481	139,335	3,596,776
	2013	163,790	960,000	2,302,436	65,408	218,050	29,347	364,657	4,103,688
M. J. Avedon Senior Vice President, Human Resources, Communications and Corporate Affairs	2014	548,250	—	891,174	249,361	483,119	985,227	114,066	3,271,197
	2013	523,500	100,000	902,256	275,006	615,125	46,862	87,814	2,550,563
	2012	503,400	—	960,778	259,277	371,657	603,324	99,207	2,797,643
D. P. M. Teirlinck Executive Vice President, Climate Segment	2014	655,000	—	1,336,792	374,026	787,041	1,159,571	150,536	4,462,966
	2013	604,167	—	1,939,504	362,505	855,547	356,770	186,124	4,304,617
	2012	580,000	—	1,179,131	1318,197	225,695	750,764	117,538	3,171,325
R. G. Zafari Executive Vice President, Industrial Segment	2014	550,000	—	972,208	272,024	384,005	815,343	94,916	3,088,496
	2013	492,250	—	1,652,530	284,102	397,354	392,678	88,626	3,307,540
	2012	470,000	—	873,473	235,706	319,679	844,683	91,083	2,834,624

(a)

Pursuant to the EDCP Plans, a portion of a participant's annual salary may be deferred into a number of investment options. In 2014 there were no salary deferrals by any NEO into the EDCP Plans.

(b) The amounts in this column for 2013 reflect completion recognition bonuses that were awarded in December, 2013 to certain individuals, including Mr. Lamach and Ms. Avedon, whose contributions were critical to the successful completion of the spin-off of the companies commercial and residential securities business. Ms. Carter, as part of her employment offer, received a cash payment of \$960,000 in 2013 in consideration of the bonus and performance share plan payments forfeited at her prior employer. In the event Ms. Carter voluntarily leaves the company within two years of her hire date, she would have to repay this amount to the Company.

The amounts in this column reflect the aggregate grant date fair value of PSU awards and any RSU awards granted for the year under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718 and do not reflect amounts paid to or realized by the NEOs. For a discussion of the assumptions made in determining the ASC 718 values see Note 11, "Share-Based Compensation," to the Company's consolidated financial statements contained in its 2014 Form 10-K. The ASC grant date fair value of the PSU award is spread over the number of months of service required for the grant to become non-forfeitable, disregarding any adjustments for potential forfeitures. In determining the aggregate grant date fair value of the PSU awards, the awards are valued assuming target level performance achievement. If the maximum level performance achievement is assumed, the aggregate grant date fair value of the PSU awards would be as follows:

Name	Maximum Grant Date Value Of 2014-16 PSU Awards (\$)
M. W. Lamach	10,362,112
S. K. Carter	2,128,476
M. J. Avedon	1,232,318
D. P. M. Teirlinck	1,848,477
R. G. Zafari	1,344,371

Amounts in 2013 for Messrs. Teirlinck and Zafari include \$814,968 from special RSU awards granted to them on December 6, 2013 in connection with the reorganization of the company or their respective promotions.

Ms. Carter's 2013 AIM award was prorated to reflect her September 27, 2013 employment date. The amounts in this column reflect the aggregate grant date fair value of stock option grants for financial reporting purposes for the year under ASC 718 and do not reflect amounts paid to or realized by the NEOs. For a discussion of the assumptions made in determining the ASC 718 values see Note 11, "Share-Based Compensation," to the Company's consolidated financial statements contained in its 2014 Form 10-K. Please see "2014 Grants of Plan-Based Awards" and "Outstanding Equity Awards at December 31, 2014" for additional detail.

This column reflects the amounts earned as annual awards under the AIM program. Unless deferred into the EDCP Plans, AIM program payments are made in cash. In 2014, Mr. Zafari was the only NEO who elected to defer a percentage (15%) of his AIM award into the EDCP Plans. Amounts shown in this column are not reduced to reflect deferrals of AIM awards into the EDCP Plans.

Amounts reported in this column reflect the aggregate increase in the actuarial present value of the benefits under the qualified Ingersoll Rand Pension Plan Number One (the "Pension Plan"), Supplemental Pension Plans, Ingersoll-Rand Company Key Management Supplemental Program (the "KMP") and EOSP, as applicable. The change in pension benefits value is attributable to the additional year of service and age, the annual AIM award and any annual salary increase. Amounts are higher for those NEOs who are older and closer to retirement than for those who are younger and further from retirement since the period over which the benefit is discounted to determine its present value is shorter and the impact of discounting is therefore reduced.

Other external factors, outside the influence of the plan design, also impact the values shown in this column. For all the NEOs, the amounts in this column for 2012 and 2014 were impacted by decreasing interest rates (rates for ten-year Constant Maturities for US Treasury Securities), which cause the value of the lump sum distributions under the EOSP and the KMP to increase and in 2013 by increasing interest rates which cause the value of the lump sum distributions under the EOSP and the KMP to decrease. The 2014 change in value attributable to the change in interest rates is as follows for each of the NEOs: Lamach (\$1,887,297), Carter (\$15,034), Avedon (\$259,400), Teirlinck (\$121,415) and Zafari (\$193,966). In addition, 2014 amounts for all NEOs were impacted by a change to the applicable mortality table as defined by the Internal Revenue Code that is used to estimate life expectancy. The change in value for each of the NEOs attributable to Changes in the applicable mortality table is as follows: Lamach (\$1,357,339), Carter (\$14,682), Avedon (\$213,190), Teirlinck (\$242,397) and Zafari (\$259,258).

There was no above market interest earned by the NEOs during 2014.

(g) The following table summarizes the components of this column for fiscal year 2014:

Name	Company Contributions (\$)(1)	Company Cost for Life Insurance (\$)	Company Cost for Long Term Disability (\$)	Tax Assistance (\$)(2)	Other Benefits (\$)(3)	Total (\$)
M. W. Lamach	234,000	3,312	1,285	118,757	144,941	502,295
S. K. Carter	73,947	3,019	1,697	3,762	56,910	139,335
M. J. Avedon	69,803	1,319	1,824		41,120	114,066
D. P. M. Teirlinck	90,633	2,864	2,528	374	54,137	150,536
R. G. Zafari	56,841	2,276	2,029	93	33,677	94,916

(1) Represents Company contributions under the Company's ESP and Supplemental ESP plans.

The amount for Mr. Lamach represents tax equalization payments related to Irish taxes owed on \$315,000, which is the portion of his income that is allocated to his role as a director of the Company. Without these payments, Mr. Lamach would be subject to double taxation on this amount since he is already paying U.S. taxes on this income.

(2) The amount for (i) Ms. Carter represents payments made on her behalf for taxes related to relocation costs and (ii) Messrs. Teirlinck and Zafari represent payments of taxes on their behalf related to Company contributions made to the Belgium social scheme.

Represents: (i) the incremental cost to the Company of personal use of the Company aircraft (whether leased or owned) by the CEO. For security and safety reasons and to maximize his availability for Company business, the Board of Directors requires the CEO to travel on Company-provided aircraft for business and personal purposes, unless commercial travel is deemed a minimal security risk by the Company. The incremental cost to the Company of personal use of leased aircraft used by the Company is calculated based on the hourly average variable operating costs to the Company. Variable operating costs include fuel, maintenance, on-board catering and landing fees. The hourly average variable cost is multiplied by the amount of time flown for personal use to derive the incremental cost. The incremental cost to the Company of personal use of the Company's aircraft is calculated by multiplying the flight time by a variable fuel charge and the average fuel price per gallon and adding any ground costs such as landing and parking fees as well as crew charges for travel expenses. Both methodologies exclude fixed costs that do not change based on usage, such as pilots' and other employees' salaries, management fees and training, hangar and insurance expenses. We impose an annual limit of \$150,000 on the CEO's non-business use of Company-provided aircraft. For 2014, the amount for Mr. Lamach includes \$121,854 for personal use of

(3) Company-provided aircraft; (ii) the following relocation costs for Ms. Carter \$36,159, (iii) the following incremental cost of the Company-leased cars, calculated based on the lease, insurance, fuel and maintenance costs to the Company (and for Ms. Avedon and Mr. Teirlinck, it also includes the difference between the resale value and the book value for the Company cars they purchased under the program): Mr. Lamach, \$13,638; Ms. Carter \$8,931; Ms. Avedon, \$28,613; Mr. Teirlinck, \$31,784; and Mr. Zafari, \$21,056; (iv) additional incremental costs associated with the use of the Company aircraft. Under the Company's aircraft use policy, the Compensation Committee has determined that business use includes travel that is related to the Company's business or benefits the Company, such as travel to meetings of other boards on which the CEO sits. For 2014, the amount for Mr. Lamach includes \$35,975 for such business-related travel; (v) the following costs for financial counseling services, which may include tax preparation and estate planning services: Mr. Lamach, \$9,449; Ms. Carter \$10,000; Ms. Avedon \$9,449; Mr. Teirlinck, \$5,000; and Mr. Zafari, \$5,000; (vi) the following costs for medical services provided through an on-site physician under the Executive Health Program: Mr. Lamach, \$0; Ms. Carter, \$1,820; Ms. Avedon \$3,058; Mr. Teirlinck, \$1,817; and Mr. Zafari, \$3,737; (vii) the payments of \$15,536 and \$3,884 to permit Messrs. Teirlinck and Zafari to remain covered under the Belgium social scheme and have access to the country's health plan should they return to Europe.

2014 Grants of Plan-Based Awards

The following table shows all plan-based awards granted to the NEOs during fiscal 2014. This table is supplemental to the Summary Compensation Table and is intended to complement the disclosure of equity awards and grants made under non-equity incentive plans in the Summary Compensation Table.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Plan Awards			Estimated Future Payouts All Under Equity Incentive Plan Awards			Other Stock Awards: Number of Shares of Stock or Units	All Other Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards
		Threshold	Target	Maximum	Threshold	Target	Maximum				
		(\$)(a)	(\$)(a)	(\$)(a)	(#)(b)	(#)(b)	(#)(b)	(#)(c)	(#)(c)	(\$/Sh)(d)	(\$)(e)
M. W. Lamach											
AIM	2/25/2014	600,000	2,000,000	4,000,000	—	—	—	—	—	—	—
PSUs (2014-16)	2/25/2014	—	—	—	19,328	77,309	154,618	—	—	—	5,181,056
Options	2/25/2014	—	—	—	—	—	—	—	146,733	59.8250	2,096,815
RSUs	2/25/2014	—	—	—	—	—	—	38,655	—	—	2,312,535
S. K. Carter											
AIM	2/25/2014	196,200	654,000	1,308,000	—	—	—	—	—	—	—
PSUs (2014-16)	2/25/2014	—	—	—	3,970	15,880	31,760	—	—	—	1,064,238
Options	2/25/2014	—	—	—	—	—	—	—	30,140	59.8250	430,701
RSUs	2/25/2014	—	—	—	—	—	—	7,940	—	—	475,011
M. J. Avedon											
AIM	2/25/2014	141,525	471,750	943,500	—	—	—	—	—	—	—
PSUs (2014-16)	2/25/2014	—	—	—	2,299	9,194	18,388	—	—	—	616,159
Options	2/25/2014	—	—	—	—	—	—	—	17,450	59.8250	249,361
RSUs	2/25/2014	—	—	—	—	—	—	4,597	—	—	275,016
D. P. M. Teirlinck											
AIM	2/25/2014	176,850	589,500	1,179,000	—	—	—	—	—	—	—
PSUs (2014-16)	2/25/2014	—	—	—	3,448	13,791	27,582	—	—	—	924,238
Options	2/25/2014	—	—	—	—	—	—	—	26,174	59.8250	374,026
RSUs	2/25/2014	—	—	—	—	—	—	6,896	—	—	412,553
R. G. Zafari											
AIM	2/25/2014	140,250	467,500	935,000	—	—	—	—	—	—	—
PSUs (2014-16)	2/25/2014	—	—	—	2,508	10,030	20,060	—	—	—	672,186

Options	2/25/2014	—	—	—	—	—	—	19,036	59.8250	272,024
RSUs	2/25/2014	—	—	—	—	—	5,015	—	—	300,022

The target award levels established for the AIM program are established annually in February and are expressed as a percentage of the NEO's base salary. Refer to Compensation Discussion and Analysis under the heading "Annual Incentive Matrix Program" for a description of the Compensation Committee's process for establishing AIM program target award levels. The amounts reflected in the "Estimated Future Payouts Under Non-Equity Incentive Plan Awards" columns represent the threshold, target and maximum amounts for awards under the AIM program that were paid in March 2015, based on performance in 2014. Thus, the amounts shown in the "threshold, target and maximum" columns reflect the range of potential payouts when the target award levels were established in February 2014 for all NEOs. The AIM program pays \$0 for performance below threshold. The actual amounts paid pursuant to those awards are reflected in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table.

The amounts reflected in the "Estimated Future Payouts Under Equity Incentive Plan Awards" columns represent the threshold, target and maximum amounts for PSU awards. The PSP pays \$0 for performance below threshold. For a description of the Compensation Committee's process for establishing PSP target award levels and the terms of PSU awards, please refer to Compensation Discussion and Analysis under the heading "Long-Term Incentive Program" and the "Post-Employment Benefits" section below.

The amounts in these columns reflect the stock option and RSU awards. Awards in 2014 were granted in February 2014. For a description of the Compensation Committee's process for determining stock option and RSU awards and the terms of such awards, see Compensation Discussion and Analysis under the heading "Long-Term Incentive Program" and the "Post-Employment Benefits" section below.

Stock options were granted under the Company's Incentive Stock Plan of 2013 (the "2013 Plan"), which requires options to be granted at an exercise price equal to or greater than the fair market value of the Company's ordinary shares on the date of grant. The fair market value is defined in the 2013 Plan as the average of the high and low trading price of the Company's ordinary

shares listed on the NYSE on the grant date. The closing price on the NYSE of the Company's ordinary shares was \$59.65 on the February 2014 grant date.

Amounts in this column include the grant date fair value of the equity awards calculated in accordance with ASC 718. The Company cautions that the actual amount ultimately realized by each NEO from the stock option awards will likely vary based on a number of factors, including stock price fluctuations, differences from the valuation assumptions used and timing of exercise or applicable vesting. For a description of the assumptions made in (e) valuing the equity awards see Note 11, "Share-Based Compensation" to the Company's consolidated financial statements contained in its 2014 Form 10-K. For PSUs, the grant date fair value has been determined based on achievement of target level performance, which is the performance threshold the Company believes is the most likely to be achieved under the grants.

Outstanding Equity Awards at December 31, 2014

Name	Grant Date	Option Awards (a)			Stock Awards (a)			Equity Incentive Plan Awards:	Equity Incentive Plan Awards:
		Number of Securities Underlying Unexercised Options (#) (b)	Number of Securities Underlying Unexercised Options (#) (b)	Option Exercise Price (\$)	Option Expiration Date (d)	Number of Units or Shares that have Not Vested (e)	Value of Shares or Units of Stock that have Not Vested (\$) (f)	Number of Unearned Shares, Units or Rights that have Not Vested (#) (g)	Market or Payout Value of Unearned Shares, Units or Rights that have Not Vested (\$) (f)
M. W. Lamach	6/6/2008	100,000	—	34.6558	6/5/2018	—	—	—	—
	2/16/2010	250,000	—	25.2192	2/15/2020	—	—	—	—
	2/14/2011	140,351	—	37.7420	2/13/2021	—	—	—	—
	2/14/2011	88,083	—	37.7116	2/13/2021	—	—	—	—
	2/24/2012	41,351	—	32.4643	2/23/2022	—	—	—	—
	2/24/2012	51,903	51,903	32.4256	2/23/2022	18,507	1,173,159	111,025	7,037,575
	2/22/2013	55,469	110,938	41.9062	2/21/2023	34,801	2,206,035	104,400	6,617,916
	2/25/2014	—	146,733	59.8250	2/24/2024	38,655	2,450,340	77,309	4,900,618
S. K. Carter	10/1/2013(c)	—	4,016	51.9167	9/30/2023	18,577	1,177,596	7,898	500,654
	10/1/2013	—	—	—	—	—	—	13,966	885,305
	2/25/2014	—	30,140	59.8250	2/24/2024	7,940	503,317	15,880	1,006,633
M. J. Avedon	2/15/2008	13,987	—	31.1121	2/14/2018	—	—	—	—
	2/16/2010	15,815	—	25.2192	2/15/2020	—	—	—	—
	2/14/2011	6,826	—	37.7116	2/13/2021	—	—	—	—
	2/14/2011	10,877	—	37.7420	2/13/2021	—	—	—	—
	2/24/2012	6,317	—	32.4643	2/23/2022	—	—	—	—
	2/24/2012	7,930	7,930	32.4256	2/23/2022	2,829	179,330	16,963	1,075,285
	2/22/2013	6,973	13,947	41.9062	2/21/2023	4,376	277,395	13,126	832,057
	2/25/2014	—	17,450	59.8250	2/24/2024	4,597	291,404	9,194	582,808
D. P. M. Teirlinck	2/24/2012	—	9,733	32.4256	2/23/2022	3,471	220,027	20,818	1,319,653
	2/22/2013	—	18,384	41.9062	2/21/2023	5,768	365,634	17,302	1,096,774
	12/6/2013	—	—	—		13,230	838,650	—	—
	2/25/2014	—	26,174	59.8250	2/24/2024	6,896	437,137	13,791	874,211
R. G. Zafari	2/1/2006	7,500	—	31.4502	1/31/2016	—	—	—	—

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2/24/2012	—	7,210	32.4256	2/23/2022	2,572	163,039	15,422	977,601
2/22/2013	—	13,947	41.9062	2/21/2023	4,376	277,395	13,126	832,057
12/6/2013	—	—	—	—	13,230	838,650	—	—
2/25/2014	—	19,036	59.8250	2/24/2024	5,015	317,901	10,030	635,802

In connection with the spin-off of our commercial and residential security businesses in December 2013 (the (a) “Spin-off”), certain adjustments were made to outstanding equity awards held by our employees, including the NEOs, as described below:

Vested and exercisable stock options and SARs were adjusted such that the holder of such awards was also afforded the right to options in the number of shares of Allegion plc (“Allegion”) that he or she would have received had the ordinary shares of the Company subject to the vested and exercisable stock options and SARs been outstanding shares as of the record date for the Spin-off. The aggregate exercise price of the stock options and SARs was allocated between the adjusted awards in shares of the Company and Allegion in order to preserve the intrinsic value of the awards immediately before and after the Spin-off.

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Unvested stock options were adjusted wholly into stock options in the ordinary shares of the Company such that the number of shares and the exercise price of the options were adjusted to preserve their intrinsic value based on the value of the shares immediately before and after the Spin-off.

PSUs and RSUs were adjusted such that the number of ordinary shares of the Company subject to the PSU and RSU awards was adjusted based on the value of the shares immediately before and after the Spin-off to preserve their intrinsic value. In addition, with respect to the PSU performance metrics, for purposes of calculating EPS growth, 2013 EPS was calculated as the combined 2013 full year reported EPS for the Company and Allegion; for purposes of calculating TSR in the outstanding award cycles, the stock price of Allegion immediately after the Spin-off, adjusted for the distribution ratio of 1 share of Allegion for every 3 shares of the Company, will be treated as a dividend.

These columns represent stock option and SARs awards. Except as noted in (c) below, these awards generally (b) become exercisable in three equal installments beginning on the first anniversary after the date of grant, subject to continued employment or retirement.

(c) Ms. Carter's option grant dated October 1, 2013, vests and becomes exercisable on the 3^d anniversary of the grant date.

(d) All of the options granted to the NEOs expire on the tenth anniversary (less one day) of the grant date.

This column represents unvested RSUs. Except as described in the following sentence, RSUs generally become (e) exercisable in three equal installments beginning on the first anniversary after the date of grant, subject to continued employment or retirement. In the case of Ms. Carter's grant dated October 1, 2013 and Messrs. Zafari and Teirlinck's grants dated December 6, 2013, 100% of the grant vests on the third anniversary of the grant date.

(f) The market value was computed based on \$63.39, the closing market price of the Company's ordinary shares on the NYSE at December 31, 2014.

This column represents unvested and unearned PSUs. PSUs vest upon the completion of a three-year performance (g) period. The actual number of shares an NEO will receive, if any, is subject to achievement of the performance goals as certified by the Compensation Committee, and continued employment.

2014 Option Exercises and Stock Vested

The following table provides information regarding the amounts received by each NEO upon exercise of stock options, the vesting of RSUs or the vesting of PSUs during the fiscal year ended December 31, 2014:

Name	Option Awards		Stock Awards		
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$) (a)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) (b)	
M. W. Lamach	145,040	4,019,926	181,020	10,832,125	(b)
S. K. Carter	—	—	—	—	
M. J. Avedon	20,000	588,984	31,609	1,888,694	(c)
D. P. M. Teirlinck	27,731	749,195	40,668	2,429,911	(c)
R. G. Zafari	84,856	2,514,728	23,415	1,398,799	(d)(e)

This column reflects the aggregate dollar amount realized by the NEO upon the exercise of the stock options by (a) determining the difference between the market price of the Company's ordinary shares at exercise and the exercise price of the stock options.

Reflects the value of the RSUs that vested on February 22, 2014 and February 24, 2014 and PSUs that vested on (b) February 25, 2014, based on the average of the high and low stock price of the Company's ordinary shares on the vesting date.

Reflects the value of the RSUs that vested on February 14, 2014, February 22, 2014 and February 24, 2014 and (c) PSUs that vested on February 25, 2014 based on the average of the high and low stock price of the Company's ordinary shares on the vesting date.

Reflects the value of the RSUs that vested on February 14, 2014, February 22, 2014 and February 24, 2014 and (d) PSUs that vested on February 25, 2014 (other than with respect to shares that were deferred as described in footnote (e) below), based on the average of the high and low stock price of the Company's ordinary shares on the vesting date.

Mr. Zafari elected to defer a portion of the shares acquired upon the vesting of his PSU award on February 25, (e) 2014 into the Company's EDCP II. Mr. Zafari deferred 4,222 shares having a value of \$252,581. Mr. Zafari's cash dividends of \$6,425.24 that had accrued on the PSU award were also deferred under the EDCP II. Please see "2014 Nonqualified Deferred Compensation" for more information about the terms of the Company's EDCP Plans.

2014 Pension Benefits

The NEOs participate in one or more of the following defined benefit plans, but not in all of the following defined benefit plans:

- the Pension Plan;
- the Supplemental Pension Plans; and
- the EOSP or the KMP.

The Pension Plan is a funded, tax qualified, non-contributory (for all but a small subset of participants) defined benefit plan that covers the majority of the Company's salaried and non union hourly U.S. employees who were hired or re-hired prior to June 30, 2012. The Pension Plan provides for normal retirement at age 65. The formula to determine the lump sum benefit under the Pension Plan is: 5% of final average pay (the five highest consecutive years out of the last ten years of eligible compensation) multiplied by years of credited service. A choice for distribution between an annuity and a lump sum option is available. The Pension Plan was closed to new participants after June 30, 2012 and no further benefits will accrue to any Pension Plan participant for service performed after December 31, 2022. In addition, any employee who was a Pension Plan participant on June 30, 2012 was provided the option to waive participation in the Pension Plan effective January 1, 2013, and, in lieu of participation in the Pension Plan, receive a non-elective employer contribution equal to 2% of eligible compensation in the ESP.

The Supplemental Pension Plans are unfunded, nonqualified, non-contributory defined benefit restoration plans. Since the Code limits the annual compensation and benefits recognized when calculating benefits under the qualified Pension Plan, the Supplemental Pension Plans restore what is lost in the Pension Plan due to these limits. The Supplemental Pension Plans cover all employees of the Company who participate in the Pension Plan and who are impacted by the Code compensation and benefits limits. A participant must meet the vesting requirements of the qualified Pension Plan to vest for benefits under the Supplemental Pension Plans. Benefits under the Supplemental Pension Plans are available only as a lump sum distribution after termination and paid in accordance with Section 409A of the Code. As a result of the 2012 changes to the Pension Plan, the Supplemental Pension Plans were closed to employees hired on or after June 30, 2012, and no further benefits will accrue to any Supplemental Plan participant for service performed after December 31, 2022.

NEOs participate in either the EOSP or the KMP. The EOSP, which was closed to new participants effective April 2011, is an unfunded, nonqualified, non-contributory defined benefit plan, designed to replace a percentage of an officer's final average pay based on his or her age and years of service at the time of retirement. Final average pay is defined as the sum of the officer's current annual base salary plus the average of his or her three highest AIM awards during the most recent six years. No other elements of compensation (other than base salary and AIM awards) are included in final average pay. The EOSP provides a benefit pursuant to a formula in which 1.9% of an officer's final average pay is multiplied by the officer's years of service (up to a maximum of 35 years) and then reduced by the value of other retirement benefits the officer will receive that are provided by the Company under certain qualified and nonqualified retirement plans as well as Social Security. If additional years of service were granted to an officer as part of his or her employment agreement, those additional years of service are reflected in the Pension Benefits table below. Vesting occurs, while the officer is employed by the Company, at the earlier of the attainment of age 55 and the completion of 5 years of service or age 62. Unreduced benefits under the EOSP are available at age 62 and benefits are only available as a lump sum after termination and paid in accordance with Section 409A of the Code. Each NEO, other than Ms. Carter who was hired after the plan was closed, participates in the EOSP.

The KMP is an unfunded, nonqualified, non-contributory defined benefit plan available to certain key management employees. The KMP is designed to replace a percentage of a key employee's final average pay based on his or her age and years of service at the time of retirement. Final average pay is defined as the sum of the key employee's current annual base salary plus the average of the employee's three highest AIM awards during the most recent six years. No other elements of compensation (other than base salary and AIM awards) are included in final average pay. The KMP provides a benefit pursuant to a formula in which 1.7% of a key employee's final average pay is multiplied by years of service (up to a maximum of 30 years) and then reduced by the value of other retirement benefits the key employee will receive that are provided by the Company under certain qualified and nonqualified retirement plans as well as

Social Security. Vesting occurs at the earlier of the attainment of age 55 and the completion of 5 years of service or age 65. Benefits are only available as a lump sum after termination and paid in accordance with Section 409A of the Code. Ms. Carter is the only NEO who participates in the KMP.

The table below represents the estimated present value of defined benefits for the plans in which each NEO participates.

Name	Plan Name	Number of Years Credited Service (#)		Present Value of Accumulated Benefit (\$)	Payments During Last Fiscal Year (\$)
		(a)		(b)	
M.W. Lamach	Pension Plan	10.917		120,917	—
	Supplemental Pension Plan II	10.917		1,190,924	—
	EOSP	28	(c)	19,736,930	—
S.K. Carter	KMP	1.333		197,828	—
M. J. Avedon	Pension Plan	7.92		94,388	—
	Supplemental Pension Plan II	7.92		245,215	—
	EOSP	8.00	(d)	2,966,408	—
D.P.M. Teirlinck	Pension Plan	6.33	(e)	90,496	—
	Supplemental Pension Plan II	6.33	(e)	290,161	—
	EOSP	10	(f)	3,378,282	—
R. G. Zafari	Pension Plan	4.42	(e)	59,168	—
	Supplemental Pension Plan II	4.42	(e)	148,511	—
	EOSP	14.75	(f)	3,812,725	—

Under the EOSP or the KMP, for officers covered prior to May 19, 2009, a full year of service is credited for any year in which they work at least one day. In the Pension Plan, the Supplemental Pension Plans, the EOSP and the KMP for officers covered on or after May 19, 2009, the number of years of credited service is based on elapsed time (i.e., credit is given for each month in which a participant works at least one day). The years of credited service used for calculating benefits under the Pension Plan, EOSP, KMP and Supplemental Pension Plan II are the years of credited service through December 31, 2014.

The amounts in this column reflect the estimated present value of each NEO's accumulated benefit under the plans indicated. The calculations reflect the value of the benefits assuming that each NEO was fully vested under each plan. The benefits were computed as of December 31, 2014, consistent with the assumptions described in Note 9, "Pensions and Postretirement Benefits Other than Pensions," to the consolidated financial statements in the 2014 Form 10-K.

Mr. Lamach's credited years of service exceed his actual years of service by 17 years pursuant to the provisions of his employment arrangement. Crediting additional years of service to a nonqualified pension program such as the EOSP was not uncommon in 2004 when Mr. Lamach joined the Company and was used to compensate him for benefits he was forfeiting at his prior employer. Mr. Lamach's benefit under the EOSP is reduced by the pension benefit he received from his former employer in July 2013, updated with interest. The increase in present value of benefits due to those additional years of credited service is \$13,032,052.

Ms. Avedon, pursuant to the provisions of her employment arrangement, receives double credit for the first five years of employment (3.8% versus 1.9%) in determining her benefit. The increase in present value of benefits due to this provision is \$1,300,591.

Service in the Pension Plan and the Supplemental Pension Plan II for Messrs. Teirlinck and Zafari began in September 2008 and August 2010, respectively, when they transferred to the United States.

Benefits for Messrs. Teirlinck and Zafari under the EOSP use all their service with the Company, not just the service in the United States. The benefit will be reduced by any and all benefits accrued or accumulated while covered under any non-U.S. plan in respect to any period of service that is counted as a year of service in this plan. The value of these non-U.S. benefits is not readily accessible until retirement, and therefore the amount shown for

EOSP reflects the value of this benefit prior to these reductions.

2014 Nonqualified Deferred Compensation

The Company's EDCP Plans are unfunded, nonqualified plans that permit certain employees, including the NEOs, to defer receipt of up to 50% of their annual salary and up to 100% of their AIM awards, PSP awards and RSUs received upon commencement of employment. Elections to defer must be made prior to the beginning of the performance period. The Company has established a nonqualified grantor trust with a bank as the trustee to hold certain assets as a funding vehicle for the Company's obligations under the EDCP Plans. These assets are considered general assets of the Company and are available to its creditors in the event of the Company's insolvency. Amounts held in the trust are invested by the trustee using various investment vehicles.

Participants are offered certain investment options (approximately 60 mutual fund investments and ordinary share equivalents), and can choose how they wish to allocate their cash deferrals among those investment options.

Participants are 100% vested in all amounts deferred, and bear the risk of any earnings and losses on such deferred amounts.

Generally, deferred amounts may be distributed following termination of employment or at the time of a scheduled in-service distribution date chosen by the participant. If a participant has completed five or more years of service at the time of termination, or is terminated due to long-term disability, death or retirement, the distribution is paid in accordance with the participant's election. If a participant terminates without meeting these requirements, the account balance for all plan years will be paid in a lump sum in the year following the year of termination. A participant can elect to receive distributions at termination over a period of five, 10, or 15 annual installments, or in a single lump sum. A participant can elect to receive scheduled in-service distributions in future years that are at least two years after the end of the plan year for which they are deferring. In-service distributions can be received in two to five annual installments, or if no election is made, in a lump sum. For those participants who have investments in ordinary shares, the distribution of these assets will be in the form of ordinary shares, not cash.

The following table provides information regarding contributions, distributions, earnings and balances for each NEO under our nonqualified deferred compensation plans.

Name	Executive Contributions in Last Fiscal Year (\$) (a)	Registrant Contributions in Last Fiscal Year (\$) (b)	Aggregate Earnings in Last Fiscal Year (\$) (c)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last Fiscal Year End (\$) (d)
M. W. Lamach					
EDCP II	—	—	165,910	—	3,741,545
Supplemental ESP	—	218,400	78,819	—	1,791,463
S. K. Carter					
Supplemental ESP	—	48,584	1,140	—	49,724
M. J. Avedon					
EDCP II	—	—	184,888	—	4,169,542
Supplemental ESP	—	54,203	7,517	—	385,703
D. P. M. Teirlinck					
EDCP II	—	—	237,868	—	5,364,336
Supplemental ESP	—	75,033	30,050	—	478,989
R. G. Zafari					
EDCP II	262,078	—	20,401	—	419,504
Supplemental ESP	—	41,241	10,314	—	232,710

(a) The annual deferrals (salary, AIM & PSP) are all reflected in the Salary column, the Non-Equity Incentive Plan column and the Stock Awards column, respectively of the Summary Compensation Table.

(b) All of the amounts reflected in this column are included in the All Other Compensation column of the Summary Compensation Table.

(c)

Amounts in this column include gains and losses on investments, as well as dividends on ordinary shares or ordinary share equivalents. None of the earnings or losses reported in this column are included in the Summary Compensation Table.

The following table reflects the amounts reported in this column previously reported as compensation to the NEOs in the Company's Summary Compensation Table in proxy statements for prior years. Each of Messrs. Lamach, (d)Teirlinck and Zafari and Ms. Carter and Ms. Avedon first became NEOs and therefore had their compensation reported in the Company's proxy statements for fiscal years 2005 (Lamach), 2014 (Carter), 2010 (Avedon), 2010 (Teirlinck) and 2012 (Zafari).

Name	EDCP Plans (\$)	Supplemental ESP (\$)
M. W. Lamach	1,529,086	771,033
S. K. Carter	—	—
M. J. Avedon	376,016	110,543
D. P. M. Teirlinck	3,213,525	171,157
R. G. Zafari	354,098	113,866

Post-Employment Benefits

The following discussion describes the compensation to which each NEO would be entitled in the event of termination of such executive's employment, including termination following a change in control.

Employment Arrangements and Severance. All of the NEOs are entitled to certain benefits upon termination of their employment following a change in control. Mr. Lamach, Ms. Carter and Ms. Avedon are entitled to severance in the event of their involuntary termination without cause pursuant to the terms of their employment agreements. Under the terms of his employment agreement, Mr. Lamach is eligible for 24 months of base annual salary plus a prorated AIM award earned for the year of termination as determined and paid at the conclusion of the full performance year in accordance with the terms of the AIM program. In addition, any unvested PSP awards from completed performance periods would vest and Mr. Lamach would also receive prorated PSP awards (not to exceed target) for the open performance periods at the end of the respective performance periods. These awards would be based on actual performance in accordance with the terms of the PSP program. Under the terms of her employment agreement, Ms. Carter is eligible for 12 months of base salary plus a prorated AIM award (not to exceed target) earned for the year of termination as determined and paid at the conclusion of the full performance year in accordance with the terms of the AIM program. Ms. Avedon is eligible for 12 months of base salary plus an AIM award equal to the target amount. In addition, any unvested PSP awards from completed performance periods would vest and Ms. Avedon would also receive prorated PSP awards (not to exceed target) for the open performance periods at the end of the respective performance periods. These awards would be based on actual performance in accordance with the terms of the PSP program.

In the event of a change in control or termination due to a Major Restructuring, severance for Mr. Lamach, Ms. Carter and Ms. Avedon would be determined pursuant to the terms of the change-in-control agreements or the Major Restructuring Severance Plan described below in lieu of severance under the terms of the employment agreements. Although the Company does not have a formal severance policy for officers, NEOs who are terminated by the Company other than for cause will generally be entitled to received up to 12 months' base salary as severance and, depending on the circumstances and timing of the termination, a pro-rated portion of their AIM award, not to exceed target. In addition, the Company's equity award agreements provide for the following upon the occurrence of one of the specified events in the table below:

	Stocks Options	RSUs	PSUs
Retirement	Continue to vest on the same basis as active employees and remain exercisable for a period of five years (or three years in the case of retirement for awards granted prior to 2007) following termination.	Continue to vest on the same basis as active employees.	
Group Termination	Immediately vest in the portion of the awards that would have vested within twelve months of termination and remain exercisable for a period of three years following termination.	Immediately vest in the portion of the awards that would have vested within twelve months of termination.	Vest pro-rata based on the time worked during the performance period and the achievement of performance goals through the end of the performance period.
Job Elimination	Unvested awards are forfeited and vested awards remain exercisable for a period of one year following termination.	Unvested awards are forfeited.	
Death or Disability	Either vest or continue to vest on the same basis as active employees and the stock options	Either vest or continue to vest on the same basis as active employees.	Vest pro-rata based on the time worked during the performance period and the achievement of

remain exercisable for a period
of three years following
termination.

performance goals from the
beginning of the performance
period through the end of the
calendar quarter in which
employment terminated.

Change in Control. The Company has entered into a change-in-control agreement with each NEO. The change-in-control agreement provides for certain payments if the employment is terminated by the Company without “cause” (as defined in the change-in-control agreements) or by the NEO for “good reason” (as defined in the change-in-control agreements), in each case, within two years following a change in control of the Company. For officers who first became eligible for a change-in-control agreement on or after May 19, 2009, including Mr. Zafari and Ms. Carter, the Company eliminated a severance payment based on outstanding PSP awards and eliminated a payment to cover the impact to the executive of certain incremental taxes incurred in connection with the payments made following a change in control.

Following a change in control, each NEO is entitled to continue receiving his or her current base salary and is entitled to an annual bonus in an amount not less than the highest annual bonus paid during the prior three full fiscal years. If an NEO's employment is terminated "without cause" or by the NEO for "good reason" following a change in control, the NEO is entitled to the following:

- any base salary and annual bonus for a completed fiscal year that had not been paid;
- an amount equal to the NEO's annual bonus for the last completed fiscal year pro-rated for the number of full months employed in the current fiscal year;
- an amount equal to the NEO's base salary pro-rated for any unused vacation days;
- a lump sum severance payment from the Company equal to the three times (for the CEO) or two and one-half times (for other NEOs) the sum of:
 - the NEO's annual salary in effect on the termination date, or, if higher, the annual salary in effect immediately prior to the reduction of the NEO's annual salary after the change in control; and
 - the NEO's target AIM award for the year of termination or, if higher, the average of the AIM award amounts beginning three years immediately preceding the change in control and ending on the termination date; and
- for Messrs. Lamach and Teirlinck and Ms. Avedon, a lump sum payment equal to three times for Mr. Lamach and two and one-half times for Ms. Avedon and Mr. Teirlinck of: (a) the cash value of the target amount of the most recent PSU award; or (b) if higher, the average amounts of the last three PSU awards granted and paid to the NEO immediately preceding termination. This payment is in lieu of any rights the individual might have with respect to unvested PSU awards.

In addition to the foregoing, the NEOs would also be eligible to participate in the Company's welfare employee benefit programs for the severance period (three years for the CEO and two and one-half years for the other NEOs). The Company would also provide each NEO up to \$100,000 of outplacement services. For purposes of calculating the NEO's nonqualified pension benefits, three years would be added to both age and service with the Company under the EOSP or KMP. In addition, the "final average pay" under the EOSP or KMP would be calculated as 33.33% of his severance benefit under his change-in-control agreement in the case of Mr. Lamach and 40% of the severance benefit under the applicable change-in-control agreement in the case of the other NEOs. For purposes of determining eligibility for applicable post-retirement welfare benefits, the NEO would be credited with any combination of additional years of service and age, not exceeding 10 years, to the extent necessary to qualify for such benefits. Under the Company's incentive plans, outstanding unvested stock options, SARs and RSUs immediately vest and become exercisable or payable, as applicable, following a change in control. PSUs will be deemed to have earned a pro-rata award based on the target award opportunity and total number of months worked in the applicable performance period.

A "change in control" is defined as the occurrence of any of the following events: (i) any person unrelated to the Company becomes the beneficial owner of 30% or more of the combined voting power of the Company's voting stock; (ii) the directors serving at the time the change-in-control agreements were executed (or the directors subsequently elected by the shareholders of the Company whose election or nomination was duly approved by at least two-thirds of the then serving directors) fail to constitute a majority of the Board of Directors; (iii) the consummation of a merger or consolidation of the Company with any other corporation in which the Company's voting securities outstanding immediately prior to such merger or consolidation represent 50% or less of the combined voting securities of the Company immediately after such merger or consolidation; (iv) any sale or transfer of all or substantially all of the Company's assets, other than a sale or transfer with a corporation where the Company owns at least 80% of the combined voting power of such corporation or its parent after such transfer; or (v) any other event that the continuing directors determine to be a change in control; provided however, with respect to (i), (iii) and (iv) above, there shall be no change in control if shareholders of the Company own more than 50% of the combined voting power of the voting securities of the Company or the surviving entity or any parent immediately following such transaction in substantially the same proportion to each other as prior to such transaction.

Enhanced Retirement Benefits. An officer is vested in the EOSP or KMP upon the earlier of: (i) the attainment of age 55 and the completion of 5 years of service; (ii) attainment of age 62 for the EOSP and age 65 for the KMP; (iii) death; (iv) disability (as provided under plan term); or (v) change in control. A termination within two years

following a change in control also triggers the payment of an enhanced benefit (as described above). Benefits under the EOSP or KMP are forfeited in the event of termination for cause. In order to be eligible for an EOSP or KMP benefit in the event of disability, a participant must remain disabled until age 65. An officer becomes vested in both the Pension Plan and the Supplemental Pension Plans upon the completion of 5 years of service. As of December 31, 2014, Mr. Lamach and Ms. Avedon were not vested in the EOSP and Ms. Carter was not vested in the KMP.

Health Benefits. In the event of a change in control, health benefits are provided, which include the Company cost of both active health and welfare benefits for the severance period (three years for Mr. Lamach and two and one-half years for the other NEOs), as well as retiree medical, if applicable.

Major Restructuring. The Company has adopted a Severance Plan that provides a cash severance payment in the event a participant's employment is terminated due to an involuntary loss of job without Cause (as defined in the Severance Plan) or a Good

Reason (as defined in the Severance Plan), provided that the termination is substantially related to or a result of the Major Restructuring. The cash severance payment would be equal to two and one-half times (for the CEO) or two times (for other NEOs) (a) current base salary, and (b) current target AIM award. In addition, the participants would receive a pro-rated portion of their target AIM award, based on actual Company and individual performance during the fiscal year in which termination of employment occurred. Participants in the EOSP or KMP who are not vested in such plans would also receive a cash payment equal to the amount of the benefit to which they would have been entitled if they were vested. As of December 31, 2014, the value of cash severance for the NEOs was: Mr. Lamach, \$8,125,000; Ms. Carter, \$2,616,000; Ms. Avedon, \$2,053,500; Mr. Teirlinck, \$2,489,000; and Mr. Zafari, \$2,035,000. In addition the Company's equity awards provide that employees who terminate employment due to an involuntary loss of job without Cause (as defined in the applicable award agreement) or for Good Reason (as defined in the applicable award agreement) within one year of completion of a Major Restructuring will, provided that the termination is substantially related to the Major Restructuring, (i) immediately vest in all unvested stock options and may exercise all vested stock options at any time within the following three-year period (five years if retirement eligible) or the remaining term of the stock option, if shorter, (ii) immediately vest in all RSUs, except that retirement eligible participants with at least five years of service would continue their existing vesting schedule, (iii) receive a prorated payout of outstanding PSUs based on actual performance at the end of performance period , and (iv) have the right to exercise all vested SARs at any time within the following three-year period (five years if retirement eligible) or the remaining term of the SAR, if shorter. As of December 31, 2014, the value of unvested equity awards was: Mr. Lamach, \$23,425,074; Ms. Carter, \$3,260,587; Ms. Avedon, \$3,179,631; Mr. Teirlinck, \$4,993,099; and Mr. Zafari, \$3,931,848.

A "Major Restructuring" is defined as a reorganization, recapitalization, extraordinary stock dividend, merger, sale, spin-off or other similar transaction or series of transactions, which individually or in the aggregate, has the effect of resulting in the elimination of all, or the majority of, any one or more of the Company's two business segments (i.e. , Climate and Industrial), so long as such transaction or transactions do not constitute a Change in Control (as defined in the applicable plan).

Post-Employment Benefits Table

The following table describes the compensation to which each of the NEOs would be entitled in the event of termination of such executive's employment on December 31, 2014, including termination following a change in control. The potential payments were determined under the terms of our plans and arrangements in effect on December 31, 2014. The table does not include the pension benefits or nonqualified deferred compensation amounts that would be paid to an NEO, which are set forth in the Pension Benefits table and the Nonqualified Deferred Compensation table above, except to the extent that the NEO is entitled to an additional benefit as a result of the termination.

Name	Voluntary Resignation/Retirement (\$)	Involuntary without Cause (\$)	Involuntary with Cause (\$)	Change in Control (\$)	Disability (\$)	Death (\$)
M. W. Lamach						
Severance (a)	—	2,500,000	—	9,750,000	—	—
Earned but Unpaid AIM Award(s) (b)	—	2,048,200	—	2,048,200	—	—
PSP Award Payout (c)	—	13,081,921	—	19,772,424	13,081,921	13,081,921
Value of Unvested Equity Awards (d)	—	—	—	10,343,153	10,343,153	10,343,153
Enhanced Retirement Benefits (e)	—	—	—	3,896,906	—	—
Outplacement (f)	—	13,400	—	100,000	—	—
Health Benefits (g)	—	—	—	26,843	—	—
Tax Assistance (h)	—	—	—	26,055,045	—	—
Total	—	17,643,521	—	71,992,571	23,425,074	23,425,074
S. K. Carter						
Severance (a)	—	654,000	—	3,270,000	—	—
Earned but Unpaid AIM Award(s) (b)	—	654,000	—	669,761	—	—
PSP Award Payout (c)	—	—	—	1,426,465	1,426,148	1,426,148
Value of Unvested Equity Awards (d)	—	—	—	1,834,439	1,834,439	1,834,439
Enhanced Retirement Benefits (e)	—	—	—	1,233,855	—	—
Outplacement (f)	—	13,400	—	100,000	—	—
Health Benefits (g)	—	—	—	22,397	—	—
Tax Assistance (h)	—	—	—	—	—	—
Total	—	1,321,400	—	8,556,917	3,260,587	3,260,587
M. J. Avedon						
Severance (a)	—	555,000	—	2,566,875	—	—
Earned but Unpaid AIM Award(s) (b)	—	471,750	—	483,119	—	—
PSP Award Payout (c)	—	1,824,111	—	2,614,439	1,824,111	1,824,111
Value of Unvested Equity Awards (d)	—	—	—	1,355,520	1,355,520	1,355,520
Enhanced Retirement Benefits (e)	—	—	—	1,115,184	—	—
Outplacement (f)	—	13,400	—	100,000	—	—
Health Benefits (g)	—	—	—	22,397	—	—

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Tax Assistance (h)	—	—	—	4,094,820	—	—
Total	—	2,864,261	—	12,352,354	3,179,631	3,179,631
D. P. M. Teirlinck						
Severance (a)	—	655,000	—	3,111,250	—	—
Earned but Unpaid AIM	—	589,500	—	787,041	—	—
Award(s) (b)						
PSP Award Payout (c)	2,342,007	2,342,007	—	4,198,053	2,342,007	2,342,007
Value of Unvested Equity	2,651,092	2,651,092	—	2,651,092	2,651,092	2,651,092
Awards (d)						
Enhanced Retirement	—	—	—	1,590,345	—	—
Benefits (e)						
Outplacement (f)	—	13,400	—	100,000	—	—
Health Benefits (g)	—	—	—	22,397	—	—
Tax Assistance (h)	—	—	—	5,111,936	—	—
	4,993,099	6,250,999	—	17,572,114	4,993,099	4,993,099

Name	Voluntary Resignation/Retirement (\$)	Involuntary without Cause (\$)	Involuntary with Cause (\$)	Change in Control (\$)	Disability (\$)	Death (\$)
R. G. Zafari						
Severance (a)	—	550,000	—	2,543,750	—	—
Earned but Unpaid AIM Award(s) (b)	—	384,005	—	384,005	—	—
PSP Award Payout (c)	1,744,112	1,744,112	—	1,744,303	1,744,112	1,744,112
Value of Unvested Equity Awards (d)	2,187,735	2,187,735	—	2,197,898	2,187,735	2,187,735
Enhanced Retirement Benefits (e)	—	—	—	1,577,109	—	—
Outplacement (f)	—	13,400	—	100,000	—	—
Health Benefits (g)	—	—	—	22,397	—	—
Tax Assistance (h)	—	—	—	—	—	—
Total	3,931,847	4,879,252	—	8,569,462	3,931,847	3,931,847

For the “Involuntary without Cause” column, for those NEOs who do not have a formal separation agreement, the current severance guidelines permit payment of up to one year’s base salary provided that such termination was not (a) eligible for severance benefits under the Major Restructuring Severance Plan. For the amounts shown under the “Change in Control” columns, refer to the description of how severance is calculated in the section above, entitled Post-Employment Benefits.

For the “Involuntary without Cause” column, these amounts represent the (i) AIM award earned by Mr. Lamach and Ms. Avedon in 2014 and paid pursuant to the terms of their employment agreements and (ii) prorated AIM award (up to target) earned by Ms. Carter in 2014 and (iii) prorated AIM awards (up to target) that may be paid to the (b) other NEOs depending on the circumstances and timing of the termination. For the amounts under “Change in Control,” these amounts represent the actual award earned for the 2014 performance period, which may be more or less than the target award.

For the “Involuntary without Cause” column, these amounts represent the cash value of the prorated PSU award payout to (i) Mr. Lamach and Ms. Avedon pursuant to the terms of their employment agreements and (ii) Messrs. Teirlinck and Zafari because they were retirement eligible at December 31, 2014. For the “Change in Control” column for Messrs. Lamach and Teirlinck and Ms. Avedon, these amounts represent the cash value of the PSU award payout, based on the appropriate multiple. For the “Change in Control” column for Mr. Zafari and Ms. Carter, (c) these values represent what would be provided under the terms of the 2007 Plan and 2013 Plan, which provide a pro-rated payment for all outstanding awards at target. For the “Retirement,” “Disability” and “Death” columns, amounts represent the cash value of the prorated portion of their PSUs that vest upon such events assuming performance at target. Amounts for each column are based on the closing stock price of the ordinary shares on December 31, 2014 (\$63.69).

(d) The amounts shown for “Retirement,” “Involuntary without Cause,” “Change in Control,” “Death” and “Disability” represent (i) the value of the unvested RSUs, which is calculated based on the number of unvested RSUs multiplied by the closing stock price of the ordinary shares on December 31, 2014 (\$63.69), and (ii) the intrinsic value of the unvested stock options and SARs, which is calculated based on the difference between the closing stock price of the ordinary shares on December 31, 2014 (\$63.69) and the relevant exercise price. However, only in the event of termination following a “Change in Control” or, beginning with the 2013 awards, termination due to death or disability is there accelerated vesting of unvested awards. In addition, in the event of a “Change in Control,” holders of outstanding stock options and SARs under the Stock Incentive Plan of 1998 may elect to receive a cash payment based on the difference between the highest fair market value of the shares during the 60 days prior to the event

(\$64.745) and the exercise price. For “Retirement,” “Disability” (before 2013 grant) and “Death” (before 2013 grant), the awards do not accelerate but continue to vest on the same basis as active employees. Because Messrs. Teirlinck and Zafari were retirement eligible, they would continue to vest in stock options and RSUs after termination of employment for any reason other than cause.

(e) In the event of a change in control of the Company and termination of the NEOs, the present value of the pension benefits under the EOSP, KMP and Supplemental Pension Plans would be paid out as lump sums. While there is no additional benefit to the NEOs as a result of either voluntary retirement/resignation and/or involuntary resignation without cause, there are differences (based on the methodology mandated by the SEC) between the numbers that are shown in the Pension Benefits Table and those that would actually be payable to the NEO under these termination scenarios.

For the “Involuntary without Cause” column, each NEO is eligible for outplacement services for a twelve month (f) period, not to exceed \$13,400. For the “Change in Control” column, the amount represents the maximum expenses the Company would reimburse the NEO for professional outplacement services.

(g) Represents the Company cost of health and welfare coverage. The cost for “Change in Control” represents continued active coverage for the severance period.

(h) Pursuant to the change-in-control agreements for Messrs. Lamach and Teirlinck and Ms. Avedon, if any payment or distribution by the Company to these NEOs creates certain incremental taxes, they would be entitled to receive from the Company a payment in an amount sufficient to place them in the same after-tax financial position as if such taxes had not been imposed.

INFORMATION CONCERNING VOTING AND SOLICITATION

Why Did I Receive This Proxy Statement?

We sent you this Proxy Statement or a Notice of Internet Availability of Proxy Materials ("Notice") because our Board of Directors is soliciting your proxy to vote at the Annual General Meeting. This Proxy Statement summarizes the information you need to know to vote on an informed basis.

Why Are There Two Sets Of Financial Statements Covering The Same Fiscal Period?

U.S. securities laws require us to send you our 2014 Form 10-K, which includes our financial statements prepared in accordance with U.S. GAAP. These financial statements are included in the mailing of this Proxy Statement. Irish law also requires us to provide you with our Irish Statutory Accounts for our 2014 fiscal year, including the reports of our Directors and auditors thereon, which accounts have been prepared in accordance with Irish law. The Irish Statutory Accounts are available on the Company's website at www.ingersollrand.com/irishstatutoryaccounts and will be laid before the Annual General Meeting.

How Do I Attend The Annual General Meeting?

All shareholders are invited to attend the Annual General Meeting. In order to be admitted, you must present a form of personal identification and evidence of share ownership.

If you are a shareholder of record, evidence of share ownership will be either (1) an admission ticket, which is attached to the proxy card and must be separated from the proxy card and kept for presentation at the meeting if you vote your proxy by mail, or (2) a Notice.

If you own your shares through a bank, broker or other holder of record ("street name holders"), evidence of share ownership will be either (1) your most recent bank or brokerage account statement, or (2) a Notice. If you would rather have an admission ticket, you can obtain one in advance by mailing a written request, along with proof of your ownership of the Company's ordinary shares, to:

Secretary
Ingersoll-Rand plc
170/175 Lakeview Dr.
Airside Business Park
Swords, Co. Dublin
Ireland

No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted at the Annual General Meeting.

Who May Vote?

You are entitled to vote if you beneficially owned the Company's ordinary shares at the close of business on April 8, 2015, the Record Date. At that time, there were 264,714,628 of the Company's ordinary shares outstanding and entitled to vote. Each ordinary share that you own entitles you to one vote on all matters to be voted on a poll at the Annual General Meeting.

How Do I Vote?

Shareholders of record can cast their votes by proxy by:

- using the Internet and voting at www.proxyvote.com;
- calling 1-800-690-6903 and following the telephone prompts; or
- completing, signing and returning a proxy card by mail. If you received a Notice and did not receive a proxy card, you may request one at sendmaterial@proxyvote.com.

The Notice is not a proxy card and it cannot be used to vote your shares.

Shareholders of record may also vote their shares directly by attending the Annual General Meeting and casting their vote in person or appointing a proxy (who does not have to be a shareholder) to attend the Annual General Meeting and casting votes on their behalf in accordance with their instructions.

Street name holders must vote their shares in the manner prescribed by their bank, brokerage firm or nominee. Street name holders who wish to vote in person at the Annual General Meeting must obtain a legal proxy from their bank, brokerage firm or nominee. Street name holders will need to bring the legal proxy with them to the Annual General

Meeting and hand it in with a signed

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ballot that is available upon request at the meeting. Street name holders will not be able to vote their shares at the Annual General Meeting without a legal proxy and a signed ballot.

Even if you plan to attend the Annual General Meeting, we recommend that you vote by proxy as described above so that your vote will be counted if you later decide not to attend the meeting.

In order to be timely processed, your vote must be received by 5:00 p.m. Eastern Time on June 3, 2015 (or, if you are a street name holder, such earlier time as your bank, brokerage firm or nominee may require).

How May Employees Vote Under Our Employee Plans?

If you participate in the ESP, the Ingersoll-Rand Company Employee Savings Plan for Bargained Employees, the Ingersoll-Rand Retirement Savings Plan for Participating Affiliates in Puerto Rico, the Ingersoll-Rand Individual Account Retirement Plan for Bargaining Unit Employees at the Buffalo, New York Plant or the Trane 401(k) and Thrift Plan, then you may be receiving these materials because of shares held for you in those plans. In that case, you may use the enclosed proxy card to instruct the plan trustees of those plans how to vote your shares, or give those instructions by telephone or over the Internet. They will vote these shares in accordance with your instructions and the terms of the plan.

To allow plan administrators to properly process your vote, your voting instructions must be received by 11:59 p.m. on June 1, 2015. If you do not provide voting instructions for shares held for you in any of these plans, the plan trustees will vote these shares in the same ratio as the shares for which voting instructions are provided.

May I Revoke My Proxy?

You may revoke your proxy at any time before it is voted at the Annual General Meeting in any of the following ways:

- by notifying the Company's Secretary in writing: c/o Ingersoll-Rand plc, 170/175 Lakeview Dr., Airside Business Park, Swords, Co. Dublin, Ireland;
- by submitting another properly signed proxy card with a later date or another Internet or telephone proxy at a later date but prior to the close of voting described above; or
- by voting in person at the Annual General Meeting.

Merely attending the Annual General Meeting does not revoke your proxy. To revoke a proxy, you must take one of the actions described above.

How Will My Proxy Get Voted?

If your proxy is properly submitted, your proxy holder (one of the individuals named on the proxy card) will vote your shares as you have directed. If you are a street name holder, the rules of the NYSE permit your bank, brokerage firm or nominee to vote your shares on Items 3, 4 and 6 (routine matter) if it does not receive instructions from you.

However, your bank, brokerage firm or nominee may not vote your shares on Items 1, 2 and 5 (non-routine matters) if it does not receive instructions from you ("broker non-votes"). Broker non-votes will not be counted as votes for or against the non-routine matters, but rather will be regarded as votes withheld and will not be counted in the calculation of votes for or against the resolution.

If you are a shareholder of record and you do not specify on the proxy card you send to the Company (or when giving your proxy over the Internet or telephone) how you want to vote your shares, then the Company-designated proxy holders will vote your shares in the manner recommended by our Board of Directors on all matters presented in this Proxy Statement and as the proxy holders may determine in their discretion regarding any other matters properly presented for a vote at the meeting.

What Constitutes A Quorum?

The presence (in person or by proxy) of shareholders entitled to exercise a majority of the voting power of the Company on the Record Date is necessary to constitute a quorum for the conduct of business. Abstentions and broker non-votes are treated as "shares present" for the purposes of determining whether a quorum exists.

What Vote Is Required To Approve Each Proposal?

A majority of the votes cast at the Annual General Meeting is required to approve each of Items 1, 2, 3 and 4. A majority of the votes cast means that the number of votes cast "for" an Item must exceed the number of votes cast

“against” that Item. Items 5 and 6 are considered special resolutions under Irish law and require 75% of the votes cast for approval.

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Although abstentions and broker non-votes are counted as “shares present” at the Annual General Meeting for the purpose of determining whether a quorum exists, they are not counted as votes cast either “for” or “against” the resolution and, accordingly, will not affect the outcome of the vote.

Who Pays The Expenses Of This Proxy Statement?

We have hired Georgeson Inc. to assist in the distribution of proxy materials and the solicitation of proxies for a fee estimated at \$17,500 plus out-of-pocket expenses. Proxies will be solicited on behalf of our Board of Directors by mail, in person, by telephone and through the Internet. We will bear the cost of soliciting proxies. We will also reimburse brokers and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy materials to the persons for whom they hold shares.

How Will Voting On Any Other Matter Be Conducted?

Although we do not know of any matters to be presented or acted upon at the Annual General Meeting other than the items described in this Proxy Statement, if any other matter is proposed and properly presented at the Annual General Meeting, the proxy holders will vote on such matters in accordance with their best judgment.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth as of the Record Date, the beneficial ownership of our ordinary shares by (i) each director and director nominee of the Company, (ii) each executive officer of the Company named in the Summary Compensation Table below, and (iii) all directors and executive officers of the Company as a group:

Name	Ordinary Shares ^(a)	Notional Shares ^(b)	Options Exercisable Within 60 Days ^(c)
A. C. Berzin	21,837	32,119	—
J. Bruton	4,775	—	—
E. L. Chao	—	—	—
J. L. Cohon	24,175	—	10,080
G. D. Forsee	23,541	—	—
E. E. Hagenlocker	10,682	—	—
C. J. Horner	3,101	43,306	—
L. P. Hudson	80	—	—
T. E. Martin	28,433	76,929	—
M. P. Lee	—	—	—
J. P. Surma	4,338	—	—
R. J. Swift	9,348	58,870	—
T. L. White	22,998	45,357	—
M.W. Lamach	123,986	59,276	733,440
S.K. Carter	10,649	—	10,046
M. J. Avedon	29,702	66,056	82,444
D. P. M. Teirlinck	4	84,985	27,649
R. G. Zafari	32,523	5,659	28,028
All directors and executive officers as a group (22 persons) ^(e)	400,874	582,466	1,063,507

Represents (i) ordinary shares held directly; (ii) ordinary shares held indirectly through a trust; (iii) unvested shares, including any RSUs or PSUs, and ordinary shares and ordinary share equivalents notionally held under the (a) Trane Deferred Compensation Plan (the “TDCP”) that may vest or are distributable within 60 days of the Record Date; and (iv) ordinary shares held by the trustee under the ESP for the benefit of executive officers. No director or executive officer of the Company beneficially owns 1% or more of the Company’s ordinary shares.

Represents ordinary shares and ordinary share equivalents notionally held under the Ingersoll Rand Directors Deferred Compensation Plan (the “DDCP I”) and the Ingersoll Rand Directors Deferred Compensation and Stock Award Plan II (the “DDCP II” and, together with the DDCP I, referred to as the “DDCP Plans”), the EDCP Plans and the TDCP that are not distributable within 60 days of the Record Date.

(c) Represents ordinary shares as to which directors and executive officers had stock options or SARs exercisable within 60 days of the Record Date, under the Company’s Incentive Stock Plans.

The Company’s ordinary shares beneficially owned by all directors and executive officers as a group (including shares issuable under exercisable options) aggregated approximately 0.55% of the total outstanding ordinary shares. Ordinary shares and ordinary share equivalents notionally held under the DDCP Plans, the EDCP Plans and (d) the TDCP and ordinary share equivalents resulting from dividends on deferred stock awards are not counted as outstanding shares in calculating these percentages because they are not beneficially owned; the directors and executive officers have no voting or investment power with respect to these shares or share equivalents.

The following table sets forth each shareholder which is known by us to be the beneficial owner of more than 5% of the outstanding ordinary shares of the Company based solely on the information filed by such shareholder on Schedule 13D or filed by such shareholder in 2015 for the year ended December 31, 2014 on Schedule 13G under the Securities Exchange Act of 1934:

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Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class(a)
BlackRock, Inc. 40 East 52nd Street New York, New York 10022	14,944,106	5.66%
Vanguard Group Inc. 100 Vanguard Blvd. Malvern, PA 19355	13,560,384	5.12%

The ownership percentages set forth in this column are based on the Company's outstanding ordinary shares on the (a) Record Date and assumes that each of the beneficial owners continued to own the number of shares reflected in the table above on such date.

Information regarding BlackRock, Inc. and its stockholdings was obtained from a Schedule 13G filed with the SEC (b) on February 2, 2015. The filing indicated that, as of December 31, 2014, BlackRock, Inc. had sole voting power as to 12,242,741 of such shares and sole dispositive power as to 14,911,198 of such shares.

Information regarding Vanguard Group Inc. and its stockholdings was obtained from a Schedule 13G filed with the (c) SEC on February 10, 2015. The filing indicated that, as of December 31, 2014, Vanguard Group Inc. had sole voting power as to 460,003 of such shares and sole dispositive power as to 13,124,938 of such shares.

Equity Compensation Plan Information

The following table provides information as of December 31, 2014, with respect to the Company's ordinary shares that may be issued under equity compensation plans:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in First Column)
Equity compensation plans approved by security holders (1)	10,390,360	\$36.18	16,315,042
Equity compensation plans not approved by security holders (2)	1,376,071	0	0
Total	11,766,431	\$36.18	16,315,042

(1) Consists of the Incentive Stock Plan of 1998, the 2007 Plan, the 2013 Plan and the Trane 2002 Omnibus Incentive Plan.

(2) Consists of EDCP Plans, DDCP Plans and the TDCP. Plan participants acquire Company shares under these plans as a result of the deferral of salary, AIM awards and PSUs.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

The Company does not generally engage in transactions in which its executive officers, directors or nominees for directors, any of their immediate family members or any of its 5% shareholders have a material interest. Pursuant to the Company's written related person transaction policy, any such transaction must be reported to management, which will prepare a summary of the transaction and refer it to the Corporate Governance and Nominating Committee for consideration and approval by the disinterested directors. The Corporate Governance and Nominating Committee reviews the material terms of the related person transaction, including the dollar values involved, the relationships and interests of the parties to the transaction and the impact, if any, to a director's independence. The Corporate Governance and Nominating Committee only approves those transactions that are in the best interest of the Company. In addition, the Company's Code of Conduct, which sets forth standards applicable to all employees, officers and directors of the Company, generally proscribes transactions that could result in a conflict of interest for the Company. Any waiver of the Code of Conduct for any executive officer or director requires the approval of the Company's Board of Directors. Any such waiver will, to the extent required by law or the NYSE, be disclosed on the Company's website at www.ingersollrand.com or on a current report on Form 8-K. No such waivers were requested or granted in 2014. We have not made payments to directors other than the fees to which they are entitled as directors (described under the heading "Compensation of Directors") and the reimbursement of expenses related to their services as directors. We have made no loans to any director or officer nor have we purchased any shares of the Company from any director or officer.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and officers, and persons who beneficially own more than ten percent of the Company's ordinary shares, to file reports of ownership and reports of changes in ownership with the SEC and the NYSE. To the Company's knowledge, based solely on its review of such forms received by the Company and written representations that no other reports were required, all Section 16(a) filing requirements were complied with for the year 2014 other than with respect to one Form 4 filing for Mr. Richard Weller due to administrative error.

SHAREHOLDER PROPOSALS AND NOMINATIONS

Any proposal by a shareholder intended to be presented at the 2016 Annual General Meeting of shareholders of the Company must be received by the Company at its registered office at 170/175 Lakeview Drive, Airside Business Park, Swords, Co. Dublin, Ireland, Attn: Secretary, no later than December 26, 2015, for inclusion in the proxy materials relating to that meeting. Any such proposal must meet the requirements set forth in the rules and regulations of the SEC, including Rule 14a-8, in order for such proposals to be eligible for inclusion in our 2015 proxy statement. The Company's Articles of Association set forth procedures to be followed by shareholders who wish to nominate candidates for election to the Board of Directors in connection with Annual General Meetings of shareholders or pursuant to written shareholder consents or who wish to bring other business before a shareholders' general meeting. All such nominations must be accompanied by certain background and other information specified in the Articles of Association. In connection with the 2016 Annual General Meeting, written notice of a shareholder's intention to make such nominations or bring business before the Annual General Meeting must be given to the Secretary of the Company not later than March 6, 2015. If the date of the 2016 Annual General Meeting occurs more than 30 days before, or 60 days after, the anniversary of the 2015 Annual General Meeting, then the written notice must be provided to the Secretary of the Company not later than the seventh day after the date on which notice of such Annual General Meeting is given.

The Corporate Governance and Nominating Committee will consider all shareholder recommendations for candidates for Board membership, which should be sent to the Committee, care of the Secretary of the Company, at the address set forth above. In addition to considering candidates recommended by shareholders, the Committee considers potential candidates recommended by current directors, Company officers, employees and others. As stated in the Company's Corporate Governance Guidelines, all candidates for Board membership are selected based upon their judgment, character, achievements and experience in matters affecting business and industry. Candidates recommended by shareholders are evaluated in the same manner as director candidates identified by any other means. In order for you to bring other business before a shareholder general meeting, timely notice must be received by the Secretary of the Company within the time limits described above. The notice must include a description of the

proposed item, the reasons you believe support your position concerning the item, and other specified matters. These requirements are separate from and in addition to the requirements you must meet to have a proposal included in our Proxy Statement. The foregoing time limits also apply in determining whether notice is timely for purposes of rules adopted by the SEC relating to the exercise of discretionary voting authority.

If a shareholder wishes to communicate with the Board of Directors for any other reason, all such communications should be sent in writing, care of the Secretary of the Company, or by email at irboard@irco.com.

HOUSEHOLDING

SEC rules permit a single set of annual reports and proxy statements to be sent to any household at which two or more shareholders reside if they appear to be members of the same family. Each shareholder continues to receive a separate proxy card. This procedure is referred to as householding. While the Company does not household in mailings to its shareholders of record, a number of brokerage firms with account holders who are Company shareholders have instituted householding. In these cases, a single proxy statement and annual report will be delivered to multiple shareholders sharing an address unless contrary instructions have been received from the affected shareholders. Once a shareholder has received notice from his or her broker that the broker will be householding communications to the shareholder's address, householding will continue until the shareholder is notified otherwise or until the shareholder revokes his or her consent. If at any time a shareholder no longer wishes to participate in householding and would prefer to receive a separate proxy statement and annual report, he or she should notify his or her broker. Any shareholder can receive a copy of the Company's proxy statement and annual report by contacting the Company at its registered office at 170/175 Lakeview Drive, Airside Business Park, Swords, Co. Dublin, Ireland, Attention: Secretary or by accessing it on the Company's website at www.ingersollrand.com.

Shareholders who hold their shares through a broker or other nominee who currently receive multiple copies of the proxy statement and annual report at their address and would like to request householding of their communications should contact their broker.

NOTICE REGARDING ADOPTION OF FINANCIAL REPORTING STANDARD ("FRS") 102

Recent changes in Irish accounting regulations require the Company to adopt FRS 101 or FRS 102 for the parent company's Irish statutory accounts for the fiscal year starting January 1, 2015. The transition date for the purpose of preparing a prior year comparative will be January 1, 2014. The Board of Directors considers it to be in the best interest of the Company to adopt FRS 102 (the financial reporting standard applicable in the UK and Ireland) for the fiscal year starting January 1, 2015. The Company intends to utilize the disclosure exemptions available under this framework. No disclosures in the current Irish GAAP financial statements would be omitted on adoption of FRS 102. If shareholders wish to object to the use of the disclosure exemptions and have a holding in aggregate of 5% or more of the Company's total allotted shares, they may do so in writing to the Company Secretary at Ingersoll-Rand plc, 170-175 Lakeview Drive, Airside Business Park, Swords, Co. Dublin, Ireland stating their objection by the deadline date of May 31, 2015.

Dated: April 23, 2015

Appendix A

Directions to the Annual General Meeting

Direction from Dublin to Carton House Hotel, Maynooth, Co. Kildare, Ireland

• Take the main M4 motorway westbound.

• From the motorway, take the “Leixlip West” exit (Junction 6) and follow the signs to Carton House Hotel.

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