

Ingersoll-Rand plc  
Form PRE 14A  
March 19, 2010  
Table of Contents

**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 plc**

(Name of Registrant as Specified In Its Charter)

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

## Edgar Filing: Ingersoll-Rand plc - Form PRE 14A

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee previously paid with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.

3) Filing Party:

4) Date Filed:

**Table of Contents**

**Ingersoll-Rand plc**

Registered in Ireland No. 469272

U.S. Mailing Address:

One Centennial Avenue

Piscataway, NJ 08855

(732) 652-7000

**NOTICE OF 2010 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

The Annual General Meeting of Shareholders of Ingersoll-Rand plc will be held on Thursday, June 3, 2010, at 2:30 p.m., local time, at Dromoland Castle, Newmarket-on-Fergus, Co. Clare, Ireland, to consider and vote upon the following proposals:

1. By separate resolutions, to re-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 2011, the following 12 individuals:
  - (a) Ann C. Berzin
  - (b) John Bruton
  - (c) Jared L. Cohon
  - (d) Gary D. Forsee
  - (e) Peter C. Godsoe
  - (f) Edward E. Hagenlocker
  - (g) Constance J. Horner
  - (h) Michael W. Lamach
  - (i) Theodore E. Martin
  - (j) Orin R. Smith
  - (k) Richard J. Swift
  - (l) Tony L. White
2. To consider and approve an advisory proposal relating to the company's executive pay-for-performance compensation policies and procedures.
3. To approve the appointment of PricewaterhouseCoopers as independent auditors of the company and authorize the Audit Committee of the Board of Directors to fix the auditors' remuneration.
4. To conduct such other business properly brought before the meeting.

Only shareholders of record as of the close of business on April 6, 2010, are entitled to receive notice of and to vote at the Annual General Meeting.

Directions to the meeting can be found in [Appendix A](#) of the attached Proxy Statement.

**Whether or not you plan to attend the meeting, please provide your proxy by either using the internet or telephone as directed in the accompanying proxy card or filling in, signing, dating, and promptly mailing the accompanying proxy card in the enclosed.**

By Order of the Board of Directors,

BARBARA A. SANTORO  
*Vice President Corporate Governance and Secretary*

**Registered Office:**

170/175 Lakeview Dr.

Airside Business Park

Swords, Co. Dublin

Ireland

**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.**

April , 2010

**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<b><u>INFORMATION CONCERNING VOTING AND SOLICITATION</u></b>	1
<u>Why Did I Receive This Proxy Statement?</u>	1
<u>Why Are There Two Sets Of Financial Statements Covering The Same Fiscal Period?</u>	1
<u>How Do I Attend The Annual General Meeting?</u>	1
<u>Who May Vote?</u>	2
<u>How Do I Vote?</u>	2
<u>How May Employees Vote Under Our Employee Plans?</u>	2
<u>May I Revoke My Proxy?</u>	2
<u>How Will My Proxy Get Voted?</u>	3
<u>What Constitutes a Quorum?</u>	3
<u>What Vote is Required To Approve Each Proposal?</u>	3
<u>Who Pays The Expenses Of This Proxy Statement?</u>	3
<u>How Will Voting On Any Other Matter Be Conducted?</u>	3
<b><u>PROPOSALS REQUIRING YOUR VOTE</u></b>	4
<u>Item 1. Election of Directors</u>	4
<u>Item 2. Approval of Executive Pay-For-Performance Compensation Policies and Procedures</u>	11
<u>Item 3. Approval of Appointment of Independent Auditors</u>	12
<u>Audit Committee Report</u>	12
<u>Fees of the Independent Auditors</u>	13
<b><u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u></b>	14
<b><u>CORPORATE GOVERNANCE</u></b>	17
<u>Corporate Governance Guidelines</u>	17
<u>Director Independence</u>	20
<u>Communication with Directors</u>	20
<u>Code of Conduct</u>	20
<u>Committees of the Board</u>	21
<u>Compensation of Directors</u>	23
<b><u>COMPENSATION DISCUSSION AND ANALYSIS AND EXECUTIVE COMPENSATION</u></b>	26
<u>Compensation Discussion and Analysis</u>	
<u>Compensation Committee Report</u>	42
<u>Executive Compensation</u>	43
<b><u>CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS</u></b>	59
<b><u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u></b>	59
<b><u>SHAREHOLDER PROPOSALS AND NOMINATIONS</u></b>	60
<b><u>HOUSEHOLDING</u></b>	61
<u>Appendix A Directions to the Annual Meeting</u>	A-1
<u>Appendix B Corporate Governance Guidelines</u>	B-1

**Table of Contents**

**Ingersoll-Rand plc**

U.S. Mailing Address:

One Centennial Avenue  
Piscataway, NJ 08855  
(732) 652-7000

**PROXY STATEMENT**

**INFORMATION CONCERNING VOTING AND SOLICITATION**

*In this Proxy Statement, Ingersoll Rand, the Company, we, us and our refer to Ingersoll-Rand plc, an Irish public limited company, or, for a information prior to July 1, 2009, to Ingersoll-Rand Company Limited, a Bermuda company. This Proxy Statement and the enclosed proxy card are first being mailed to you on or about April , 2010.*

**Why Did I Receive This Proxy Statement?**

We sent you this Proxy Statement, together with the enclosed proxy card, because our Board of Directors is soliciting your proxy to vote at the Annual General Meeting of Shareholders to be held on June 3, 2010. 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?**

Under applicable U.S. securities laws, we are required to send to you our Form 10-K for our fiscal year ended December 31, 2009, which includes our financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles ( U.S. GAAP ). These financial statements are included in the mailing of this Proxy Statement. Under Irish company law, we are required to provide you with our Irish Statutory Accounts for our 2009 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 will be made available on the Company s website at [Web Link to be provided] and will be laid before the Annual General Meeting of Shareholders to be held on June 3, 2010.

**How Do I Attend The Annual General Meeting?**

All shareholders are invited to attend the Annual General Meeting. **Either an admission ticket or proof of ownership of the Company s ordinary shares, as well as a form of personal identification, must be presented in order to be admitted to the Annual General Meeting.** If you are a shareholder of record, your admission ticket is attached to the enclosed proxy card. If you plan to attend the Annual General Meeting, please vote your proxy, but keep the admission ticket and bring it to the Annual General Meeting together with a form of personal identification.

If your shares are held in the name of a bank, broker or other holder of record and you plan to attend the Annual General Meeting, you must present proof of your ownership of the Company s ordinary shares, such as a bank or brokerage account statement, together with a form of personal identification to be admitted to the Annual General Meeting. 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

Edgar Filing: Ingersoll-Rand plc - Form PRE 14A

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



## **Table of Contents**

### **Who May Vote?**

You are entitled to vote if you owned the Company's ordinary shares at the close of business on April 6, 2010, which we refer to as the record date. At that time, there were \_\_\_\_\_ of the Company's ordinary shares outstanding and entitled to vote. Each share of the Company's ordinary shares 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 the website as directed on the enclosed proxy card;

calling the telephone number provided on the enclosed proxy card; or

completing, signing and returning the enclosed proxy card.

To vote your shares directly, you may attend the Annual General Meeting and cast your vote in person or you may appoint a proxy (who does not have to be a shareholder) to attend the Annual General Meeting on your behalf and cast your vote in accordance with the instructions which you have given on your proxy.

Shareholders who hold their shares through a bank, brokerage firm or nominee must vote their shares in the manner prescribed by such bank, brokerage firm or nominee. If you hold your shares through a bank, brokerage firm or nominee and wish to vote in person at the Annual General Meeting, you must obtain a legal proxy from the bank, brokerage firm or nominee that holds your shares. You will need to bring the legal proxy with you to the meeting and hand it in with a signed ballot that you can request at the meeting. You will not be able to vote your 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 also vote by proxy as described above so that your vote will be counted if you later decide not to attend the meeting.

The internet and telephone voting procedures are designed to authenticate votes cast by use of a control number contained on the enclosed proxy card. The procedures allow shareholders to appoint a proxy to vote their shares and to confirm that their instructions have been properly recorded. If you are a shareholder of record and you would like to vote by using the internet or telephone, please refer to the specific instructions contained on the enclosed proxy card. If you vote by using the internet or telephone, you do not need to return the enclosed proxy card. In order to be timely processed, an internet or telephone vote must be received by 5:00 p.m. Eastern Time on June 2, 2010.

### **How May Employees Vote Under Our Employee Plans?**

If you participate in the Ingersoll-Rand Company Employee Savings Plan, the Ingersoll-Rand Company Employee Savings Plan for Bargained Employees, the Ingersoll-Rand Retirement Savings Plan for Participating Affiliates in Puerto Rico 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 over the internet. They will vote these shares in accordance with your instructions and the terms of the plan.

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:

## Edgar Filing: Ingersoll-Rand plc - Form PRE 14A

by notifying the Company's Secretary in writing: c/o Ingersoll-Rand plc, 170/175 Lakeview Dr., Airside Business Park, Swords, Co. Dublin, Ireland;

---

## **Table of Contents**

by submitting another properly signed proxy card with a later date or another internet or telephone proxy at a later date; or

by voting in person at the Annual General Meeting.

You may not revoke a proxy merely by attending the Annual General Meeting. To revoke a proxy, you must take one of the actions described above.

### **How Will My Proxy Get Voted?**

If you properly complete, sign and date the enclosed proxy card and send it to us or properly deliver your proxy over the telephone or the internet, your proxy holder (one of the individuals named on the enclosed proxy card) will vote your shares as you have directed. Under the rules of The New York Stock Exchange ( NYSE ), if your broker or nominee is a member of the NYSE and holds your shares in its name, the broker or nominee may vote your shares on Item 3 (routine matter) if it does not receive instructions from you. However, your broker or nominee may not vote your shares on Items 1 and 2 (non-routine matters) if it does not receive instructions from you and, accordingly, such shares 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 do not specify on the enclosed proxy card that is sent to the Company (or when giving your proxy over the internet or telephone) how you want to vote your shares, the proxy holders will vote them FOR the election of all nominees for director as set forth under Item 1, FOR the approval of the advisory (non-binding) proposal set forth in this Proxy Statement under Item 2 and FOR the approval of appointment of independent auditors under Item 3.**

### **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 (shares held by a broker or nominee that are represented at the Annual General Meeting, but with respect to which the broker or nominee is not empowered to vote on a proposal) are treated as shares present for the purposes of determining whether a quorum exists.

### **What Vote Is Required To Approve Each Proposal?**

The affirmative vote of a majority of the Company's ordinary shares represented and voting at the Annual General Meeting is required to approve each proposal.

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 \$19,600, plus out-of-pocket expenses. Proxies will be solicited on behalf of the Board of Directors by mail, in person and by telephone. 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.

---

**Table of Contents**

**PROPOSALS REQUIRING YOUR VOTE**

**Item 1. Election of Directors**

The Company uses a majority of votes cast standard for the election of directors in uncontested elections. 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. In contested elections, the vote standard will continue to be a plurality of the votes cast. If a director is not re-elected in a non-contested director election, the director shall tender his or her resignation to the Board of Directors and the Corporate Governance and Nominating Committee will make a recommendation to the Board of Directors on whether to accept or reject the resignation, or whether other action should be taken. The Board of Directors will act on the Corporate Governance and Nominating Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election.

Each director of the Company, other than Mr. Henkel and Ms. Nachtigal, is being nominated for election for a one-year term expiring at the end of the 2011 Annual General Meeting or until their successors, if any, are elected and qualified. As previously announced, both Mr. Henkel and Ms. Nachtigal have indicated their intention to retire from the Board of Directors, upon completion of their one-year term expiring at the end of the 2010 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 58, 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:

Constellation Energy Group, Inc.

Kindred Healthcare, Inc.

Other Directorships Held in the Past Five Years: None

Other Activities: Director, ArtsConnection

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 challenges and opportunities for Ingersoll Rand.

(b) **John Bruton** age 62, director since February 2010

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

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

Current Directorships: None

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

**Table of Contents**

leadership role in transforming Ireland into one of the world's leading economies as well as on behalf of the governing document for managing the Euro lend substantial authority to the company's economic and financial oversight.

(c) **Jared L. Cohon** age 62, director since 2008

President of Carnegie Mellon University since 1997 and also appointed Professor of Civil and Environmental Engineering and Professor of Engineering and Public Policy.

Dean of the School of Forestry and Environmental Studies at Yale University from 1992 to 1997.

Faculty member in the Department of Geography and Environmental Engineering at Johns Hopkins University from 1973 to 1992 where he also held various administrative positions, including Vice Provost for Research.

Current Directorships: None

Other Directorships Held in the Past Five Years:

Mellon Financial Services Corporation

Trane Inc.

Other Activities:

Appointed by President George W. Bush to serve on his Homeland Security Advisory Council in 2002 and reappointed in 2010 by President Barack Obama.

Dr. Cohon's extensive career in academics, including 13 years as president of an institution known throughout the world for its leadership in the fields of computer science, robotics, and advanced-technology teaching and research, offers the company tremendous insight into the latest developments in areas critical to commercial innovation and manufacturing process improvement. As an authority on environmental and water resource systems analysis, Dr. Cohon also brings unique perspectives on sustainable business practices, both within our own operations and on behalf of our customers and communities. In addition, Dr. Cohon's more than nine years of service as a member of Trane Inc.'s board provides critical insight into that part of the company's business.

(d) **Gary D. Forsee** age 60, director since 2007

President, University of Missouri System since February 2008.

Chairman of the Board (from 2006-2007) and Chief Executive Officer (from 2005-2007) of Sprint Nextel Corporation.

Chairman of the Board and Chief Executive Officer of Sprint Corporation from 2003 to 2005.

Vice Chairman Domestic Operations of BellSouth Corporation from 2002 to 2003.

Vice Chairman and President of BellSouth International from 2001 to 2002.

Current Directorships:

Great Plains Energy Inc.

Other Directorships Held in the Past Five Years:

Goodyear Tire & Rubber Co.

Sprint Corporation

Sprint Nextel Corporation

Other Activities:

Trustee, National Board of Trustees, Boy Scouts of America

Trustee, National Association of Basketball Coaches Foundation

**Table of Contents**

Trustee, Midwest Research Institute

Executive Advisory Board, Wind Point Partners

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 challenges and opportunities within markets experiencing significant technology-driven change. His current role as president of a major university system provides insight into the company's talent development initiatives, which remain a critical enabler to 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.

(e) **Peter C. Godsoe** age 71, director since 1998

Chairman of the Board and Chief Executive Officer of The Bank of Nova Scotia (a Canadian-based international bank) from 1995 until retirement in 2004.

Current Directorships:

Barrick Gold Corporation

Onex Corporation

Rogers Communications Inc.

Other Directorships Held in the Past Five Years:

Fairmont Hotels & Resorts Inc.

Lonmin plc

Sobeys Inc.

Templeton Emerging Markets Investment Trust plc

Other Activities:

Director, Perimeter Institute for Theoretical Physics



## Edgar Filing: Ingersoll-Rand plc - Form PRE 14A

Director, Canadian Council of Christians and Jews

Director, Mount Sinai Hospital

Mr. Godsoe's nearly four decades of experience with a major Canadian bank, including a decade as its chairman and chief executive officer, brings valuable discernment to all aspects of Ingersoll Rand's financial affairs. His international perspective provides important insight into global financial markets and his deep understanding of financial instruments lends critical guidance for the company's financing arrangements and overall financial position. The company also benefits from Mr. Godsoe's board memberships, which comprise precious-metals production, telecommunications and private equity firms that enhance our visibility into key economic trends and technological developments.

**(f) Edward E. Hagenlocker** age 70, director since 2008

Vice-Chairman of Ford Motor Company from 1996 until his retirement in 1999.

Chairman of Visteon Automotive Systems from 1997 to 1999.

Current Directorships:

Air Products and Chemicals, Inc.

AmeriSourceBergen Corporation

**Table of Contents**

Other Directorships Held in the Past Five Years:

Alcatel-Lucent

Lucent Technologies Inc.

Office Max Corporation

Trane Inc.

Mr. Hagenlocker's nearly 35 years in the automotive industry, including experience as the vice chairman of the largest independent U.S. automotive company and as chairman of a major automotive systems supplier, brings to Ingersoll Rand extensive expertise in global manufacturing, engineering, design, marketing and channel management, as well as consumer-focused business disciplines. Mr. Hagenlocker's seven years of service as a member of Trane Inc.'s board provides critical insight into that part of the company's business. In addition, his board memberships include businesses engaged in the manufacture of specialty and atmospheric gases for industrial processes, which provides insight into new technologies for our operations, and pharmaceutical distribution and services, which enhances our understanding of trends and developments in the healthcare sector.

(g) **Constance J. Horner** age 68, director since 1994

Guest Scholar at the Brookings Institution 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 Director of:

Pfizer Inc.

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 provides 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 ongoing engagement in the areas of healthcare, risk management and financial services, all of which have a direct influence on Ingersoll Rand's success.

**(h) Michael W. Lamach** age 46, director since February 2010

President and 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.

Senior Vice President and President, Security Technologies, of the Company from February 2004 to June 2008.

**Table of Contents**

Current Director of:

Iron Mountain Incorporated

Other Directorships Held in the Past Five Years: None

Mr. Lamach's extensive career of successfully leading global businesses, including six years with Ingersoll Rand, brings significant experience and expertise to the company's management and governance. His 25 years of business leadership encompasses 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 most recent role as president and chief operating officer of the company, he was instrumental in driving strong productivity improvement and cost savings across the company's global operations. Mr. Lamach's board membership with a leading information management systems firm provides ongoing insight into trends and developments in the critical areas of data security and information protection and retention.

(i) **Theodore E. Martin** age 70, director since 1996

President and Chief Executive Officer of Barnes Group Inc. (manufacturer and distributor of precision springs and custom metal parts) from 1995 until retirement in 1998.

Current Directorships:

C. R. Bard, Inc.

Strong Tool Company

Unisys Corporation

Other Directorships Held in the Past Five Years:

Applied Biosystems Inc.

Other Activities:

Director, Edna McConnell Clark Foundation

Trustee (emeritus), Syracuse University

Mr. Martin's experience as chief executive officer of a diversified global industrial firm lends valuable and direct expertise across all aspects of Ingersoll Rand's operational and financial activities. In particular, Mr. Martin's leadership of a large industrial manufacturing organization provides practical insight to help drive the company's long-term productivity initiatives. His board memberships, which include organizations at

## Edgar Filing: Ingersoll-Rand plc - Form PRE 14A

the forefront of healthcare products and information technology, enhance the company's access to important developments in these sectors.

(j) **Orin R. Smith** age 74, director since 1995

Chairman and Chief Executive Officer of Engelhard Corporation (provider of specialty chemical products, engineered materials and industrial commodities management services for various industries) from 1995 until retirement in 2000.

President and Chief Executive Officer of Engelhard Corporation from 1984 to 1995.

Current Directorships: None

Other Directorships Held in the Past Five Years:

Applied Biosystems Inc.

Vulcan Materials Company

**Table of Contents**

Other Activities:

Trustee, Centenary College

Trustee, Duxbury Bay Maritime School

Trustee, Naval War College Foundation

Mr. Smith's distinguished career, including as chairman and chief executive officer for a leading global specialty chemicals and engineered materials firm, provides a wealth of insight for the company's operational and financial affairs as well as an expert resource in the areas of applied technology and product innovation. His other board memberships have included firms engaged in construction, insurance, banking and trading, all of which are relevant to the company's strategic business plan.

**(k) Richard J. Swift** age 65, director since 1995

Chairman of Financial Accounting Standards Advisory Council from January 2002 until December 2006.

Chairman, President and Chief Executive Officer of Foster Wheeler Ltd. (provider of design, engineering, construction, manufacturing, management and environmental services) from 1994 until 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 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 enables 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 63, director since 1997

## Edgar Filing: Ingersoll-Rand plc - Form PRE 14A

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 retirement in 2008.

Executive Vice President of Baxter International Inc. (provider of medical products and services) from 1993 to 1995.

### Current Directorships:

C.R. Bard, Inc.

### Other Directorships Held in the Past Five Years:

Applied Biosystems Inc.

AT&T Corp.

**Table of Contents**

Other Activities:

Director, Singapore Government Development Agency SPRING (Standards, Productivity and Innovation)

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 own 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.



**Table of Contents**

**Item 2. Approval of Executive Pay-For-Performance Compensation Policies and Procedures**

Many of our shareholders have expressed an interest in a non-binding advisory vote on the overall executive pay-for-performance compensation policies and procedures employed by the Company, as described in the Compensation Discussion and Analysis (CD&A) in this Proxy Statement. We believe that both the Company and shareholders benefit from responsive corporate governance policies and constructive and consistent dialogue. Thus, with Board of Directors approval, the Company announced in October 2008 that the Company would provide shareholders with the right to cast an advisory vote on our compensation program at the annual meeting of our shareholders.

This proposal, commonly known as a Say-on-Pay proposal, gives you as a shareholder the opportunity to endorse or not endorse our executive pay program and policies through the following resolution:

**Resolved, that the shareholders approve the overall executive pay-for-performance compensation policies and procedures guided by the Company's five design principles (general program competitiveness, pay for performance, internal parity, alignment with various business strategies and shareholder alignment) and employed by the Company, as described in the Compensation Discussion and Analysis in this Proxy Statement.**

Because your vote is advisory, it will not be binding upon the Board of Directors. However, the Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements.

In considering your vote, please be advised that our compensation policies and procedures are guided by five design principles, as described in the CD&A in this Proxy Statement:

*General program competitiveness*

*Pay for performance*

*Internal parity*

*Alignment with various business strategies*

*Shareholder alignment*

By following these five design principles, we believe that our compensation policies and procedures enable a pay-for-performance culture and are strongly aligned with the long-term interests of our shareholders.

**The Board of Directors recommends a vote FOR this proposal approving the pay-for-performance compensation policies and procedures employed by the Company.**

**Table of Contents**

**Item 3. Approval of Appointment of Independent Auditors**

Shareholders are being asked to appoint our independent auditors and to authorize the Audit Committee of our Board of Directors to set the auditors' remuneration. At the Annual General Meeting, shareholders will be asked to appoint PricewaterhouseCoopers ( PwC ) as our independent auditors for the fiscal year ending December 31, 2010, 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 appoint 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 Statement on Auditing Standards No. 61, as amended (Communication With Audit Committees), as adopted 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.

**Table of Contents**

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, 2009, 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, 2010.

**AUDIT COMMITTEE**

Richard J. Swift (Chair)

Ann C. Berzin

Peter C. Godsoe

Edward E. Hagenlocker

Theodore E. Martin

***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, 2009 and 2008:

	<b>2009</b>	<b>2008</b>
Audit Fees(a)	\$ 15,510,000	\$ 16,671,000
Audit-Related Fees(b)	493,000	100,000
Tax Fees(c)	4,600,000	3,890,000
All Other Fees(d)	12,000	301,000
<b>Total</b>	<b>\$ 20,615,000</b>	<b>\$ 20,962,000</b>

- (a) Audit Fees for the fiscal years ended December 31, 2009 and 2008, respectively, were for professional services rendered for the audits of the annual consolidated financial statements of the Company and include quarterly reviews, statutory audits, issuance of consents, comfort letters and assistance with, and review of, documents filed with the SEC. Audit fees for December 31, 2009 and December 31, 2008, also include fees related to the audit of internal controls.
- (b) Audit-Related Fees consist of assurance and related services that are reasonably related to performing the audit and review of our financial statements. Audit-Related Fees for the year ended December 31, 2009 include services related to audits of employee benefit plans and certain services associated with abandoned and unclaimed property work. The Audit-Related Fees for the year ended December 31, 2008 include services related to audits performed in connection with dispositions, audits of employee benefit plans and special reports pursuant to agreed-upon procedures.
- (c) Tax Fees for the year ended December 31, 2009 include consulting and compliance services in the U.S. and non-U.S. locations. Tax Fees for the year ended December 31, 2008 include consulting services in the U.S. and non-U.S. locations and tax compliance services primarily in non-U.S. locations.

## Edgar Filing: Ingersoll-Rand plc - Form PRE 14A

- (d) All Other Fees for the year ended December 31, 2009 include license fees for technical accounting software. All Other Fees for the year ended December 31, 2008 include consulting services in the U.S. and non-U.S. locations 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.

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth as of April 6, 2010 (the Record Date), the beneficial ownership of our ordinary shares by (i) each current director and director nominee of the Company, (ii) each current executive officer of the Company named in the Summary Compensation Table below, and (iii) all current directors and executive officers of the Company as a group:

Name	Ordinary Shares(a)	ESP Shares(b)	Options Exercisable Within 60 Days(c)
A.C. Berzin			
J. Bruton			
J.L. Cohon			
G.D. Forsee			
P.C. Godsoe			
E.E. Hagenlocker			
H.L. Henkel			
C.J. Horner			
T.E. Martin			
O.R. Smith			
R.J. Swift			
T.L. White			
M.W. Lamach			
S. R. Shawley			
S. B. Hochhauser			
P. Nachtigal			
All current directors and executive officers as a group (23 persons)(d)			

- (a) Unless otherwise indicated, all shares are held directly. Includes any unvested shares, including any unvested restricted share units or performance share units, that vest within 60 days of the Record Date. No director or executive officer of the Company owns 1% or more of the Company's ordinary shares.
- (b) Represents ordinary shares held by the trustee under the Ingersoll-Rand Company Employee Savings Plan (ESP) for the benefit of executive officers.
- (c) Represents ordinary shares as to which directors and executive officers had options exercisable within 60 days of the Record Date, under the Company's Incentive Stock Plans.
- (d) The Company's ordinary shares beneficially owned by all directors and current executive officers as a group (including shares issuable under exercisable options) aggregated approximately % of the total outstanding ordinary shares. Ordinary shares and ordinary share equivalents notionally held under the IR Directors Deferred Compensation Plan (the Director Deferral Plan I) and the IR Directors Deferred Compensation and Stock Award Plan II (the Director Deferral Plan II) and, together with the Director Deferral Plan I, referred to as the Director Deferral Plans) (both of which are referred to below under the heading Compensation of Directors), the IR Executive Deferred Compensation Plan (the EDCP Plan I) and the IR Executive Deferred Compensation Plan II (the EDCP Plan II) and, together with the EDCP Plan I, the EDCP Plans) and the Trane Deferred Compensation Plan and common 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.



**Table of Contents**

The following table sets forth each shareholder which, as of the Record Date, is known by us to be the beneficial owner of more than 5% of the outstanding ordinary shares of the Company:

<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Class(a)</b>
AXA Assurances I.A.R.D Mutuelle AXA Assurances Vie Mutuelle,  26, rue Drouot  75009 Paris, France  AXA  25, avenue Matignon  75008 Paris, France AXA Financial, Inc.  1290 Avenue of the Americas  New York, New York 10104 (collectively, the AXA Group )	36,650,516(b)	%
FMR LLC 82 Devonshire Street  Boston, MA 02109	32,585,723(c)	%
Wellington Management Company, LLP 75 State Street  Boston, MA 02109	20,229,384(d)	%

- (a) The ownership percentages set forth in this column are based on the Company's outstanding ordinary shares on the 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.
- (b) Information regarding the AXA Group and their stockholdings was obtained from a Schedule 13G (Amendment No. 1) filed with the SEC on February 12, 2010. The filing indicated that, as of December 31, 2009, certain members of the AXA Group had sole voting power as to 29,277,974 of such shares and sole dispositive power as to 36,650,516 of such shares.
- (c) Information regarding FMR LLC and its stockholdings was obtained from a Schedule 13G (Amendment No. 1) filed with the SEC on February 16, 2010. The filing indicated that, as of December 31, 2009, FMR LLC had sole voting power as to 4,380,731 of such shares and sole dispositive power as to 32,585,723 of such shares.
- (d) Information regarding Wellington Management Company, LLP and its stockholdings was obtained from a Schedule 13G filed with the SEC on February 12, 2010. The filing indicated that, as of December 31, 2009, Wellington Management Company, LLP had shared voting

## Edgar Filing: Ingersoll-Rand plc - Form PRE 14A

power as to 14,940,124 of such shares and shared dispositive power as to 20,229,384 of such shares. Wellington Management Company, LLP had no sole voting or dispositive power as to any of such shares.



**Table of Contents****Equity Compensation Plan Information**

The following table provides information as of December 31, 2009, with respect to the Company's ordinary shares that may be issued under equity compensation plans:

<b>Plan Category</b>	<b>Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights*</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in First Column)</b>
Equity compensation plans approved by security holders	33,073,312	\$ 29.70	14,970,427
Equity compensation plans not approved by security holders			
<b>Total</b>	<b>33,073,312</b>	<b>\$ 29.70</b>	<b>14,970,427</b>

\* Includes shares that have been earned by plan participants who have elected to defer the distribution of such shares.

## **Table of Contents**

### **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. You can find a copy of our Corporate Governance Guidelines, which include our guidelines for determining the independence of directors, attached to this Proxy Statement as [Appendix B](#). In addition, our Corporate Governance Guidelines, as well as the charters of each of our Board committees, are available on our website at [www.ingersollrand.com](http://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 is to oversee the management and governance of the Company and monitor senior management's performance.

#### ***Board Responsibilities***

The Board's core responsibilities include:

selecting, monitoring, evaluating and compensating senior management;

assuring that management succession planning is ongoing;

reviewing the Company's financial controls and reporting systems;

reviewing the Company's ethical standards and compliance procedures; and

evaluating the performance of the Board, 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's 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 has a strong, independent Lead Director and it believes this role adequately addresses the need for leadership and an organizational structure for the independent directors. The Board 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 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;

## Edgar Filing: Ingersoll-Rand plc - Form PRE 14A

Ensure the full participation and engagement of all Board members in deliberations;

Lead the Board in all deliberations involving the CEO's employment, including hiring, contract negotiations, performance evaluations, and dismissal;

Counsel the CEO on issues of interest/concern to directors and encourage all directors to engage the CEO with their interests and concerns;

Work with the CEO to develop an appropriate schedule of Board meetings, seeking to ensure that the directors can perform their duties responsibly, while not interfering with the flow of Company operations;

Work with the CEO to develop the Board and Committee agendas and approve the final agendas;

**Table of Contents**

Keep abreast of key Company activities and advise the CEO 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, the Lead Director may specifically request the inclusion of certain material;

Engage consultants who report directly to the Board 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;

Assist the Board 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;

Coordinate, 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 on sensitive issues;

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;

Make commitment to serve in role of Lead Director for a minimum of three years; and

Help set the tone for the highest standards of ethics and integrity.

***Board Risk Oversight***

The Board has oversight responsibility of the processes established to report and monitor systems for material risks applicable to the Company. The Board 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 Board has delegated to its various committees the oversight of risk management practices for categories of risk relevant to their functions. For example, 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 Finance Committee oversees risks associated with foreign exchange, insurance, credit and debt. The Corporate Governance and Nominating Committee oversees risks associated with sustainability. 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 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 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.



## **Table of Contents**

### ***Director Compensation and Stock Ownership***

It is the policy of the Board that directors' fees be the sole compensation received from the Company by any non-employee director. The Company has a share ownership requirement of 20,000 ordinary shares for all non-employee directors. Directors are required to spend at least \$50,000 annually to purchase ordinary shares until they reach the 20,000 share ownership level.

### ***Board Size and Composition***

The Board 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 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. 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. 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 has three female directors, one African-American director and one Hispanic director out of a total of 14 directors, as of the date of this Proxy Statement.

### ***Board Advisors***

The Board 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 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

## **Table of Contents**

assistance of management 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 Independence**

The Board has determined that all of our current directors, except H. L. Henkel, P. Nachtigal (who are both retiring from the Board in June 2010) and M.W. Lamach, who are employees 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. A copy of Exhibit I to our Corporate Governance Guidelines is available at our website, [www.ingersollrand.com](http://www.ingersollrand.com), under the heading Investor Relations Corporate Governance. In making its determination, the Board examined relationships between directors or their affiliates with the Company and its affiliates and determined that each such relationship did not impair the director's independence. In particular, with respect to each of the most recent three completed fiscal years, the Board considered that the Company purchased products from Sprint Nextel Corporation, where Mr. Forsee served as Chairman of the Board and Chief Executive Officer until October 2007, in aggregate amounts substantially less than 1% of the revenues of each of the Company and Sprint Nextel Corporation in any such year. Consequently, the Board determined that this relationship did not affect Mr. Forsee's status as an independent director.

### **Communications with Directors**

Shareholders and other interested parties wishing to communicate with the Board, 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](mailto: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 at our website located at [www.ingersollrand.com](http://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.

**Table of Contents**

**Committees of the Board**

***Audit Committee***

*Members:* Richard J. Swift (Chair)  
Ann C. Berzin  
Peter C. Godsoe  
Edward E. Hagenlocker  
Theodore E. Martin

*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 member of the Audit Committee is independent for purposes of the applicable rules and regulations of the SEC and as defined in the NYSE listing standards and has determined that each member of the Audit Committee 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 at our website, [www.ingersollrand.com](http://www.ingersollrand.com), under the heading Investor Relations Corporate Governance.

***Compensation Committee***

*Members:* Orin R. Smith (Chair)  
John Bruton  
Jared L. Cohon



Edgar Filing: Ingersoll-Rand plc - Form PRE 14A

Gary D. Forsee  
Constance J. Horner  
Tony L. White

*Key Functions:*

Establish executive compensation policies.

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.

## **Table of Contents**

Approve compensation of officers and key employees.

Administer the Company's equity compensation plans.

Review and recommend changes in principal employee benefit programs.

For a discussion concerning the processes and procedures for determining executive 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 for purposes of the applicable rules and regulations of the SEC and as defined in the NYSE listing standards. In addition, the Board 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 at our website, [www.ingersollrand.com](http://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  
Orin R. Smith  
Tony L. White

*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 and possible conflicts of interest of directors and 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 member of the Corporate Governance and Nominating Committee is independent for purposes of the applicable rules and regulations of the SEC and as defined in the NYSE listing standards.

## Edgar Filing: Ingersoll-Rand plc - Form PRE 14A

A copy of the charter of the Corporate Governance and Nominating Committee is available at our website, [www.ingersollrand.com](http://www.ingersollrand.com), under the heading Investor Relations Corporate Governance.

### *Finance Committee*

*Members:* Peter C. Godsoe (Chair)  
Ann C. Berzin  
Edward E. Hagenlocker  
Theodore E. Martin  
Richard J. Swift

**Table of Contents**

*Key Functions:*

Review proposed borrowings and issuances of securities.

Recommend to the Board the dividends to be paid on our common 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 member of the Finance Committee is independent for purposes of the applicable rules and regulations of the SEC and as defined in the NYSE listing standards.

A copy of the charter of the Finance Committee is available at our website, [www.ingersollrand.com](http://www.ingersollrand.com), under the heading Investor Relations Corporate Governance.

***Board, Committee and Annual Meeting Attendance***

The Board and its committees held the following number of meetings during the fiscal year ended December 31, 2009:

Board	7
Audit Committee	8
Compensation Committee	7
Corporate Governance and Nominating Committee	7
Finance Committee	7

Each incumbent director attended 85% or more of the total number of meetings of the Board and the committees on which he or she served during the year. The Company's non-employee directors held two independent director meetings without management present during the fiscal year 2009.

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. All of the directors attended the most recent annual general meeting of shareholders, which was held on June 3, 2009.

**Compensation of Directors**

***Director Compensation***

For fiscal year 2