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By Email: policy@issgovernance.com

Institutional Shareholder Services Inc. (“ISS”)
702 King Farm Boulevard, Suite 400
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RE: US Policy – General Share Issuance Mandates for Cross-Market Companies (US-listed, non-US-incorporated companies)

To Whom It May Concern:

We are writing to provide feedback on one of the potential changes to your U.S. voting policies concerning General Share Issuance Mandates for Cross-Market Companies. This policy would apply to companies treated as U.S. domestic issuers by the Securities and Exchange Commission (the “SEC”), with a sole listing in the U.S., but which are required by the laws of the country of incorporation to seek approval for all share issuances. ISS refers to these companies as “cross-market companies” in its proposal. Ingersoll-Rand plc (the “Company”) is an Irish public limited company. The majority of the Company’s shareholder base resides in the United States. The Company is listed solely on the New York Stock Exchange (the “NYSE”) and is subject to all of the reporting and corporate governance requirements of the SEC and the listing requirements of the NYSE. The previous application of U.K. and Ireland Voting Policies to the Company’s share authorization proposals imposed onerous limitations on share issuances that placed our company at a competitive disadvantage compared to U.S. companies that were not required to seek such authorizations. In addition, the application of this policy caused our company and companies like ours to incur unnecessary additional costs relating to filing preliminary proxy statements, obtaining no-action relief from the SEC and engaging in extensive shareholder engagement efforts. We are pleased to see that ISS is considering changes to these policies which have a negative competitive effect on cross-market companies like ours. We previously engaged with you on this topic and strongly believe that changes to the policy should better reflect U.S. listing rules and the expectations of investors in the U.S. market.

We have several thoughts regarding the proposed policy that we would like to share with you.

1. The final voting policy should be clearly expressed to avoid ambiguity and it should clearly state whether pre-emptive rights apply.

The “Key Changes Under Consideration” in the proposed policy update state that “ISS US Policy would recommend in favor of general share issuance authorities (i.e., those without a specified purpose) up to a maximum of 20 percent of currently issued capital, as long as the duration of the authority is clearly disclosed and reasonable.” The current proposed policy does not distinguish between general issuance authorities and authorities to disapply preemption rights. These are important distinctions and prior versions of the U.K. and Ireland Voting Policies have recognized the differences. We are interpreting the current policy proposal to mean that ISS would recommend in favor of share issuance authorities without preemption rights of up to 20 percent of currently issued capital and that ISS is not seeking to further limit the general issuance authorities. If this is the intended change, we support raising the current limitations on share issuances. We would further argue that this limit should be uncapped as discussed below, but our first and primary comment is that the voting policy needs to be clearly expressed in terms that correspond to prior iterations of the policy (see point 4 below).

2. There should be no limitation on the amount of shares that could be authorized for issuance by a cross-market company.

There are already mechanisms in place under NYSE rules to trigger shareholder approval requirements when such approval is necessary from a governance perspective (e.g., mergers and acquisitions activity). Adding additional limitations does not protect investors; rather, it causes competitive harm. Companies that are not cross-market issuers do not have to limit themselves in the manner proposed by ISS’s current proposal and application of the limits is an unnecessary restriction on cross-market companies.

Irish law permits an unlimited authorization in terms of the amount of shares that can be issued. There have been recent examples where U.S. listed Irish companies have sought Irish share issuance authorities to the maximum extent permitted by Irish law and contrary to ISS policy recommendations. Despite ISS recommending against such proposals, the majority of shareholders of those companies have in fact voted in favor of renewing the general right to share allotment in accordance with market practice and upholding the disapplication of statutory preemption rights (albeit, the required 75% threshold for preemption may not have been met on all occasions). In the most recent Irish example involving Jazz Pharmaceuticals plc, the general allotment and preemption disapplication proposals were approved by over 80% of shareholders notwithstanding a negative ISS recommendation. We believe that this outcome reflects investor sentiment on this topic and that there should be no additional limitation on the amount of shares that could be authorized for issuance by a cross-market company than those that would be imposed on their U.S. company peers. If, however, ISS determines to impose a threshold, we believe that the threshold should not be lower than 20%.

3. Cross-market companies should be able to seek mandates to the full extent of Irish company law which is five years.

Irish company law permits a share authorization with a duration of up to five years. When most cross-market companies incorporated in Ireland, their articles of association provided for the

maximum share authorization duration and investors generally overwhelmingly supported the reincorporation proposals presented to them. It seems unusual to impose a more restrictive set of rules on renewals of authorizations since the companies seeking renewals are now established Irish companies. We believe that investors would generally support a longer duration such as five years in the absence of an ISS recommendation against such proposals and, as discussed above, at least one of our peers has been successful in obtaining shareholder support even in the face of an ISS recommendation against their proposal. Any time period selected by ISS that is less than five years is arbitrary since the “market practices” that ISS applies in these scenarios are based on different markets than the markets in which our stock trades. If, however, ISS determines to impose a duration limit of less than five years, this duration should be as long as practical to avoid the costs and expenses of shareholder engagement and proxy drafting required by these authorizations.

4. ISS should apply the voting policies applicable to the jurisdiction of listing to questions concerning share issuances.

In 2013-2014, ISS began applying its U.K. and Ireland Voting Policies to cross-market company proposals relating to issues of new shares. Consistent with U.K. and Ireland market practice and guidance issued by the Pre-Emption Group that was intended to apply to U.K. and Ireland listed companies only, ISS limited share authorization proposals to 33% of the issued and outstanding shares for share issuances with pre-emptive rights and 5% for share issuances for cash consideration without pre-emptive rights. This application was a change in ISS policy which previously had applied the voting policy for the jurisdiction in which the cross-market company was listed to questions of corporate governance and share authorization.¹ In February 2015, ISS published its U.K. and Ireland proxy voting guidelines (and amended them further in December 2015) which included another change in policy that slightly modified this position to generally vote for a resolution to authorize the issuance of equity, unless:

- As per the February 2015 guidelines (and continued in the December 2015 guidelines), the general issuance authority exceeds one-third (33 percent) of the issued share capital. Assuming it is no more than one-third, a further one-third of the issued share capital may also be applied to a fully pre-emptive rights issue taking the acceptable aggregate authority to two-thirds (66 percent); or
- As per the December 2015 guidelines, the routine authority to disapply pre-emptive rights exceeds 10 percent of the issued share capital, provided that any amount above 5 percent is to be used for the purpose of an acquisition or specified capital investment.

ISS reiterated in this policy that it will generally support resolutions seeking authorities in line with the Investment Association’s Share Capital Management Guidelines and the Pre-Emption Group

¹ For example in the Commentary to ISS’s 2013 European Voting Policy Manual, ISS provided that “[s]tock exchange listing rules also play a factor in determining the acceptability of share issuance requests . . . Generally speaking, companies listed on NASDAQ and the NYSE must seek shareholder approval for any issuance of shares or of securities convertible into shares in excess of 20 percent of the company’s outstanding shares at the time of the issuance. If stock exchange listing requirements include adequate safeguards with respect to share issuances, ISS will approve the request unless there are specific concerns with the company.”

Statement of Principles. These guidelines and principles were intended to apply to U.K. and Ireland listed companies not cross-market issuers listed on U.S. exchanges.

The current proposed voting policy is nearly identical to the 2016 Europe Proxy Voting Guidelines although they are less specific in their application as discussed in point 1 above. These European guidelines provide that ISS will “vote for issuance authorities without pre-emptive rights to a maximum of 20 percent (or a lower limit if local market best practice recommendations provide) of currently issued capital as long as the share issuance authorities’ periods are clearly disclosed (or implied by the application of a legal maximum duration) and in line with market-specific practices and/or recommended guidelines (e.g., issuance periods limited to 18 months for the Netherlands).” Rather than imposing U.K. and Ireland Voting Guidelines or European Voting Guidelines or the aspirational listing guidelines of pension or other advisory groups that are applicable to listing exchanges in other countries, we propose that ISS adopt a consistent position of applying U.S. voting guidelines to cross-market companies that are listed on U.S. exchanges.

In summary, we appreciate that ISS is revisiting its position on share authorization proposals for cross-market companies and believe this is a positive development for our company, our peer companies and our shareholders. We believe that the final voting policy should be clearly expressed to avoid ambiguity and should clearly state whether pre-emptive rights apply. We believe there should be no limitation on the amount of shares that could be authorized for issuance by a cross-market company and cross-market companies should be able to seek mandates to the full extent of Irish company law which is five years. Finally, we believe that the simplest solution to the question of which voting policy should apply to a cross-market company would be for ISS to consistently apply the voting policies applicable to the jurisdiction of listing. If ISS is unwilling to support an unlimited authorization with a five year duration, we strongly advocate that ISS adopt an authorization of no less than 20% of issued capital for non pre-emptive issuances for cash consideration and with a duration of longer than the two to three years suggested in the proposal.

We thank you in advance for your consideration of these matters and we are willing to discuss these issues with you by phone or via an in-person meeting if you prefer.

Best Regards,

A handwritten signature in cursive script that reads "Evan M. Turtz".

Evan M. Turtz
Secretary