

March 4, 2010

Mr. Michael W. Lamach  
President and CEO  
Ingersoll-Rand PLC  
800 Beaty Street  
Davidson, NC 28036

**Re: Follow Up to Your Public Statements on Your Business in Iran**

Dear Mr. Lamach:

From our review of recent press reports Ingersoll Rand (“IR”) acknowledges that it does business in Iran. As we have said your business in Iran is wrong. In those press reports IR states: “We do have limited sales in Iran, all of which is through non-U.S. subsidiaries and in full compliance with U.S. laws relating to such business.” “The sales amount to approximately 0.1 to 0.2 percent of overall revenues, and as such not material.” “Ingersoll Says Fully Disclosed Sales to Iran,” *Reuters*, March 3, 2010.

Your statement amounts to two arguments that purport to excuse your behavior: (1) IR does not do much business in Iran, and; (2) IR’s business in Iran is through its non-U.S. subsidiaries. Your public relations department misunderstands the gravity of IR’s business in Iran and IR’s disclosure obligations under the U.S. securities laws. Both arguments are clearly misplaced.

***IR’s Iranian Business is “Not Material”***

You told Reuters that you had disclosed your business dealings with Iran and that such business is “not material.” Both statements are patently false. Last week, your company filed its Annual Report on Form 10-K with the U.S. Securities and Exchange Commission. In violation of the U.S. securities laws, you failed to include in that report a single mention of your Iranian business, let alone a description of the significant legal and reputational risks associated with such business. Under the U.S. securities laws, information is considered “material” and therefore must be disclosed if an investor would consider it important in making an investment decision. Given that major U.S. investors, including state pension funds, have been divesting their portfolios of companies that do business with Iran, your position that your Iranian business is “not material” is not supportable. Obviously, the fact that a company does business with Iran is an important consideration for investors. Investors also have a right to know how IR would be affected if any of the Iran sanctions bills pending in the U.S. Congress become law.

In addition, while you may believe that IR’s business in Iran is not material relative to IR’s \$13 billion dollar balance sheet, it is not insignificant to Iran. The provision of key technology and products to Iran when Iran is increasingly isolated because of international sanctions is far from insignificant. As countries and companies across the globe refuse to do business with Iran, IR’s provision of key technology and products to Iran’s oil, LNG and nuclear industries is far more valuable to Iran than the economic impact on your balance sheet. Your sales in Iran directly contribute to Iran’s ability to develop

a nuclear weapon – not insignificant. If for no other reason than that this revenue is not significant to IR's balance sheet yet in fact is very important to Iran, IR should immediately stop its sales to Iran.

***Non-U.S. Subsidiaries***

Conducting your business in Iran through non-U.S. subsidiaries does not cure your failure to comply with the U.S. securities laws or provide any moral or legal justification for your actions. Iran is the world's leading state sponsor of terrorism. It violates international law by developing a nuclear weapon. It has called for the extermination of Israel. The world decries Iran's brutal and continuing suppression of its own people in the wake of its recent presidential election and the images of that repression have been seared across the pages of the world's press. And now the U.S. Congress has passed significant new sanctions legislation that will affect all businesses that operate in Iran. Given these considerations and the reputational risk associated with such risk, IR is clearly obligated to disclose its business in Iran whether or not it is done directly or through foreign subsidiaries.

IR prides itself on "inspiring progress" and its products are branded with some of the most important names in American business including American Standard Heating and Cooling, Club Car, Schlage, Steelcraft, Thermo King and Trane. For IR to conclude that it is somehow acceptable to do business with Iran's theocratic dictatorship and at the same time believe that such an irresponsible business decision would have no business or reputational effect on IR's great brands is naive at best, and is certainly material to the many shareholders of IR. Accordingly, your public disclosures are inadequate.

We look forward to your response.

Very Truly Yours,



Ambassador Mark D. Wallace

cc: Mary L. Schapiro  
Chairwoman, United States Securities Exchange Commission

Adam J. Szubin  
Director, Office of Foreign Assets Control, U.S. Department of the Treasury

Duncan L. Niederauer  
Chief Executive Officer, New York Stock Exchange

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Edward E. Hagenlocker

Retired Vice Chairman of Ford Motor Company and Retired Chairman of Visteon  
Automotive Systems

Constance Horner

Former Deputy Secretary, U.S. Department of Health and Human Services

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Retired Chairman, President and Chief Executive Officer of Foster Wheeler Ltd.

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