

# INGERSOLL RAND CO

## FORM 8-A12B/A

(Amended Securities Registration (section 12(b)))

Filed 12/15/1994

Address	200 CHESTNUT RIDGE RD PO BOX 8738 WOODCLIFF LAKE, New Jersey 07677
Telephone	201-573-0123
CIK	0000050485
Industry	Auto & Truck Manufacturers
Sector	Consumer Cyclical
Fiscal Year	12/31

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 8-A/A

FOR REGISTRATION OF CERTAIN CLASSES OF SECURITIES  
PURSUANT TO SECTION 12(b) OR (g) OF THE  
SECURITIES EXCHANGE ACT OF 1934

AMENDMENT NO. 1

### Ingersoll-Rand Company

(Exact Name of registrant as specified in its charter)

New Jersey  
(State of Incorporation or organization)

13-5156640  
(I.R.S. Employer  
Identification No.)

P.O. Box 8738, Woodcliff Lake, New Jersey 07675  
(Address of principal executive offices) (Zip Code)

Securities to be registered pursuant to Section 12(b) of the Act:

Title to each class to be so registered	Name of each exchange on which each class is to be registered
Preference Stock Purchase Rights	New York Stock Exchange

Securities to be registered pursuant to Section 12(g) of the Act:

None  
(Title of Class)

**ITEM 1. Description of Registrant's Securities to be Registered.**

On December 7, 1994, Ingersoll-Rand Company (the "Company") executed Amendment No. 1 (the "Rights Amendment") to the Rights Agreement dated December 7, 1988 (the Rights Agreement as amended by Amendment No. 1 thereto, the "Rights Agreement"), between the Company and The Bank of New York as the Rights Agent (the "Rights Agent"). The Rights Amendment provides that, among other things, the definition of the term "Acquiring Person" in the Rights Agreement is amended to mean any person or group of affiliated or associated persons who shall be the beneficial owner of 15% (reduced from 20%) or more of the outstanding shares of Common Stock, par value \$2.00 per share ("Common Stock"), of the Company. The Rights Amendment also provides that the Board of Directors can reduce the triggering threshold from 15% to 10% if it determines that a Person is an Adverse Person as defined in the Rights Amendment. In addition, the Rights Amendment provides that at any time after any person or group acquires 15% or more of the Common Stock or the Board of Directors determines that a Person is an Adverse Person, the Board of Directors of the Company may exchange one share of the Common Stock (or an equivalent share of the Company's Preference Stock) for each outstanding Right other than Rights held by an Acquiring Person or Adverse Person, which become void. The Rights Amendment also provides for certain technical revisions to the Rights Agreement, including (i) adding an exception to the provisions governing the triggering of the Rights that would exempt a person or group that the Board of Directors of the Company determines in good faith would otherwise have triggered the Rights inadvertently, so long as the person or group, as promptly as practicable, divests sufficient shares of Common Stock to bring its ownership below the triggering threshold, and (ii) deleting the Permitted Tender Offer Exclusion which permitted certain all cash tender offers to avoid triggering the Rights. A summary of the Rights as amended follows.

**Summary of Rights**

On December 7, 1988, the Board of Directors of the Company declared a dividend distribution of one Right for each outstanding share of Common Stock of the Company. The dividend was payable on December 22, 1988 to shareholders of record on that date. Each Right entitles the registered holder to purchase from the Company one-hundredth (1/100) of a share of a new series of preference stock of the Company, designated as Series A Preference Stock, without par value (the "Preference Stock"), at a price of \$130 ("Purchase Price"). The terms and conditions of the Rights are contained in the Rights Agreement between the Company and the Rights Agent.

On May 6, 1992, the Board of Directors of the Company declared a two-for-one stock split in the form of a dividend distribution of one share of Common Stock for each outstanding share of Common Stock of the Company. The dividend was payable on June 1, 1992 to shareholders of record on May 19, 1992.

Until the close of business on the Distribution Date, which will occur on the earlier to occur of (i) the tenth day following a public announcement that a person or group of affiliated or associated persons ("Acquiring Person") other than the Company, any subsidiary of the Company or any employee benefit plan or employee stock plan of the Company or of any subsidiary of the Company ("Exempt Person"), has acquired, or obtained the right to acquire, beneficial ownership of 15% or more of the outstanding Common Stock (the "Stock Acquisition Date"), (ii) the declaration by the Board of Directors that any Person is an Adverse Person, or (iii) the tenth day after the date of the commencement of, or the first public announcement of the intent of any person (other than an Exempt Person) to commence, a tender offer or exchange offer (other than a tender or exchange offer by an Exempt Person) which would result in the ownership of 15% or more of the outstanding Common Stock (the earlier of such dates being called the "Distribution Date"), the Rights will be represented by and transferred with, and only with, the Common Stock. Until the Distribution Date, new certificates issued for Common Stock after December 22, 1988 will contain a legend incorporating the Rights Agreement by reference, and the surrender for transfer of any of the Company's Common Stock certificates will also constitute the transfer of the Rights associated with the Common Stock represented by such certificates. As soon as practicable following the Distribution Date, separate Right Certificates will be mailed to holders of record of the Common Stock at the close of business on the Distribution Date, and thereafter the separate certificates alone will evidence the Rights.

The Rights are not exercisable until the Distribution Date. The Rights will expire at the close of business on December 22, 1998, unless earlier redeemed by the Company as described below.

The Preference Stock will be nonredeemable and, unless otherwise provided in connection with the creation of a subsequent series of preference stock, subordinate to any other series of the Company's preference stock. The Preference Stock will, however, rank prior to the Common Stock. The Preference Stock may not be issued except upon exercise of Rights. Each share of Preference Stock will be entitled to receive when, as and if declared, a quarterly dividend in an amount per share equal to 100 times the cash dividends declared on the Company's

Common Stock. In addition, the Preference Stock is entitled to 100 times any non-cash dividends (other than dividends payable in equity securities) declared on the Common Stock, in like kind. In the event of a default on such dividends, the holders of the Preference Stock (together with the holders of any other preference stock similarly entitled) will be entitled to elect two directors. In the event of liquidation, the holders of Preference stock will be entitled to receive a liquidation payment in an amount equal to 100 times the payment made per share of Common Stock. Each share of Preference Stock will have 100 votes, voting together with the Common Stock and not as a separate class unless otherwise required by law or the Company's Certificate of Incorporation. In the event of any merger, consolidation or other transaction in which common shares are exchanged, each share of Preference Stock will be entitled to receive 100 times the amount received per share of Common Stock. The rights of the Preference Stock as to dividends, liquidation and voting are protected by antidilution provisions.

The Purchase Price payable, and the number of shares of Preference Stock or other securities or property issuable upon exercise of the Rights, are subject to adjustment from time to time to prevent dilution (i) in the event of a stock dividend on, or a subdivision, combination or reclassification of the Preference Stock, (ii) upon the grant to holders of the Preference Stock of certain rights or warrants to subscribe for Preference Stock or convertible securities at less than the current market price of the Preference Stock or (iii) upon the distribution to holders of the Preference Stock of evidences of indebtedness or assets (excluding regular cash dividends and dividends payable in Preference Stock) or of subscription rights or warrants (other than those referred to above).

If (i) any Person (other than an Exempt Person) becomes the beneficial owner of 15% or more of the then outstanding shares of Common Stock, (ii) the Board of Directors of the Company, by majority vote, shall declare any Person to be an Adverse Person, (iii) any Acquiring Person, Adverse Person or any affiliates or associates thereof engages in one or more "self-dealing" transactions as described in the Rights Agreement, then each holder of a Right, other than the Acquiring Person or Adverse Person, will have the right to receive in lieu of Preference Stock, upon payment of the Purchase Price, a number of shares of Common Stock having a market value equal to twice the Purchase Price. This same right will be available to each holder of record of a Right, other than the Acquiring Person or Adverse Person, if, while there is an Acquiring Person or Adverse Person, there occurs any reclassification of securities, any recapitalization of the Company, or any merger or consolidation or other transaction involving the Company or any of its

subsidiaries which has the effect of increasing by more than 1% the proportionate ownership interest of the Company or any of its subsidiaries which is owned or controlled by the Acquiring Person or Adverse Person. Alternatively, at any time after any person or group acquires 15% or more of the Common Stock or the Board of Directors determines that a Person is an Adverse Person, the Board of Directors of the Company may exchange one share of the Common Stock (or an equivalent share of the Company's Preference Stock) for each outstanding Right other than Rights held by an Acquiring Person or Adverse Person, which become void. To the extent that insufficient shares of Common Stock are available for the exercise in full of the Rights, holders of Rights will receive upon exercise shares of Common Stock to the extent available and then Preference Stock, cash, property or other securities of the Company (which may be accompanied by a reduction in the Purchase Price), in proportions determined by the Company, so that the aggregate value received is equal to twice the Purchase Price. Rights are not exercisable following the occurrence of the events described in this paragraph until the expiration of the period during which the Rights may be redeemed as described below. Notwithstanding the foregoing, following the occurrence of the events described in this paragraph, Rights that are (or, under certain circumstances, Rights that were) beneficially owned by an Acquiring Person or an Adverse Person will be void.

Unless the Rights are redeemed earlier, if, after the Stock Acquisition Date or the declaration by the Board of Directors that a person is an Adverse Person, the Company is acquired in a merger or other business combination (in which any shares of the Common Stock are changed into or exchanged for other securities or assets) or more than 50% of the assets or earning power of the Company and its subsidiaries (taken as a whole) were to be sold or transferred in one or a series of related transactions, the Rights Agreement provides that proper provision shall be made so that each holder of record of a Right will from and after that time have the right to receive, upon payment of the Purchase Price, that number of shares of common stock of the acquiring company which has a market value at the time of such transaction equal to two times the Purchase Price.

Fractions of shares of Preference Stock may, at the election of the Company, be evidenced by depositary receipts. The Company may also issue cash in lieu of fractional shares which are not integral multiples of one one-hundredth of a share.

At any time until ten days following the Stock Acquisition Date or the declaration by the Board of Directors that a person is an Adverse Person (subject to extension by the Board of Directors), the Board of Directors (with the concurrence of a majority of the Independent Directors) may cause the Company to redeem the Rights in whole, but not in part, at a price of \$0.01 per Right. Under certain circumstances set forth in the Rights Agreement, the decision to redeem shall require the concurrence of a majority of the Independent Continuing Directors. Immediately upon the action of the Board of Directors of the Company authorizing redemption of the Rights, the right to exercise the Rights will terminate, and the only right of the holders of Rights will be to receive the Redemption Price without any interest thereon. The term "Independent Directors" means any member of the Board of Directors of the Company who is not an officer of the Company. The term "Independent Continuing Directors" means any Independent Director who was a member of the Board of Directors immediately prior to the time that any Person shall become an Acquiring Person or Adverse Person, and any Independent Director who becomes a member of the Board of Directors subsequent to the time that any Person shall become an Acquiring Person or Adverse Person if such Independent Director is recommended or nominated to election on the Board of Directors by a majority of the Independent Continuing Directors, but shall not include an Acquiring Person or Adverse Person, or any representative of such Acquiring Person or Adverse Person.

Until the close of business on the tenth day following the Stock Acquisition Date or the declaration by the Board of Directors that a person is an Adverse Person, and thereafter for as long as the Rights are redeemable, the Board of Directors (with the concurrence of a majority of the Independent Directors) may cause the Company to amend the Rights in any manner, including an amendment to extend the time period in which the Rights may be redeemed, but no such amendment shall alter the redemption price, the date of expiration of the Rights, or the number of one one-hundredths of a share of Preference Stock for which a Right is exercisable. At any time when the Rights are not then redeemable, the Company (with the concurrence of a majority of the Independent Continuing Directors) may amend the Rights in any manner that does not adversely affect the interests of holders of the Rights as such.

Until a Right is exercised, the holder, as such, will have no rights as a shareholder of the Company, including, without limitation, the right to vote or to receive dividends.

A copy of the Rights Agreement has been filed with the Securities and Exchange Commission as an Exhibit to a Registration Statement on Form 8-A. A copy of the Rights Agreement, is available to any holder of the Company's Common Stock free of charge from the Company, 200 Chestnut Ridge Road, Woodcliff Lake, New Jersey 07675, Attention: Secretary. This summary description of the Rights does not purport to be complete and is qualified in its entirety by reference to the Rights Agreement, which is incorporated in this summary description by reference. All capitalized terms not defined herein shall have the meanings ascribed to them in the Rights Agreement.



**ITEM 2. Exhibits.**

1. Rights Agreement dated as of December 7, 1988 between Ingersoll-Rand Company and The Bank of New York, as Rights Agent (incorporated by reference from Form 8-A of Ingersoll-Rand Company relating to Preference Stock Purchase Rights as filed with the Securities and Exchange Commission on December 12, 1988). The Rights Agreement includes as Exhibit B the form of Right Certificate. Pursuant to the Rights Agreement, Right Certificates will not be distributed until after the Distribution Date (as defined therein). The Rights Agreement includes as Exhibit C the form of Summary of Rights to Purchase Preference stock.
2. Amendment No. 1 to the Rights Agreement, dated as of December 7, 1994, between the Company and The Bank of New York.

**SIGNATURES**

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**INGERSOLL-RAND COMPANY**

*By /S/ R. G. Heller*  
*Name: R. G. Heller*  
*Title: Secretary*

Dated: December 15, 1994

## Index to Exhibits

Exhibit	Sequentially Numbered Page
1. Rights Agreement dated as of December 7, 1988 between Ingersoll-Rand Company and The Bank of New York, as Rights Agent (incorporated by reference from Form 8-A of Ingersoll-Rand Company relating to Preference Stock Purchase Rights as filed with the Securities and Exchange Commission on December 12, 1988). The Rights Agreement includes as Exhibit B the form of Right Certificate. Pursuant to the Rights Agreement, Right Certificates will not be distributed until after the Distribution Date (as defined therein). The Rights Agreement includes as Exhibit C the form of Summary of Rights to Purchase Preference stock.	--
2. Amendment No. 1 to the Rights Agreement, dated as of December 7, 1994, between	

the Company and The Bank of New York. 11-18

**EXHIBIT 2****Amendment No. 1 To Rights Agreement**

AMENDMENT No. 1, dated as of December 7, 1994, to the Rights Agreement between Ingersoll-Rand Company, a New Jersey corporation (the "Company"), and the Bank of New York (the "Rights Agent"), dated as of December 7, 1988 (the "Rights Agreement").

The Company and the Rights Agent have heretofore executed and entered into the Rights Agreement. Pursuant to Section 26 of the Rights Agreement, the Company and the Rights Agent may from time to time supplement or amend the Rights Agreement in accordance with the provisions of Section 26 thereof. All acts and things necessary to make this Amendment a valid agreement, enforceable according to its terms have been done and performed, and the execution and delivery of this Amendment by the Company and the Rights Agent have been in all respects duly authorized by the Company and the Rights Agent.

In consideration of the foregoing and mutual agreements set forth herein, the parties hereto agree as follows:

1. Section 1(a) of the Rights Agreement is hereby modified and amended in its entirety to read as follows:

(a) "Acquiring Person" shall mean any Person (as such term is hereinafter defined) who or which, together with all Affiliates (as such term is hereinafter defined) and Associates (as such term is hereinafter defined) of such Person, shall be the Beneficial Owner (as such term is hereinafter defined) of 15% or more of the outstanding Common Stock; provided, however, that an Acquiring Person shall not include an Exempt Person (as such term is hereinafter defined). Notwithstanding the foregoing, no Person shall become an "Acquiring Person" as a result of an acquisition of shares of Common Stock by the Company which, by reducing the number of such shares then outstanding, increases the proportionate number of shares beneficially owned by such person to 15% or more of the outstanding Common Stock; provided that if a Person (other than an Exempt Person) becomes the Beneficial Owner of 15% or more of the outstanding Common Stock by reason of share purchases by the Company and, after such share purchases by the Company, becomes the Beneficial Owner of any additional shares of Common Stock, such Person shall be deemed to be an "Acquiring Person." The word "outstanding," when used with reference to a Person's Beneficial Ownership of securities of the Company, shall mean the number of such securities then issued and outstanding together with the number of such securities not then issued and outstanding which such Person would be deemed to own beneficially hereunder.

Notwithstanding the foregoing, if the Board of Directors of the Company determines in good faith that a Person who would otherwise be an "Acquiring Person", as defined pursuant to the foregoing provisions of this Section 1(a), has become such inadvertently, and such Person divests as promptly as practicable a sufficient number of shares of Common Stock so that such Person would no longer be an "Acquiring Person", as defined pursuant to the foregoing provisions of this Section 1(a), then such Person shall not be deemed to be an "Acquiring Person" for any purposes of this Agreement.

2. The Rights Agreement is hereby further modified and amended by inserting the following new Section 1(c) to the Rights Agreement and renumbering existing Sections 1(c) through 1(u) of the Rights Agreement (and cross references thereto in the Rights Agreement) as Sections 1(d) through 1(v) respectively:

(c) "Adverse Person" shall mean any Person declared to be an Adverse Person by the Board of Directors upon a determination of the Board of Directors that the criteria set forth in Section 11(a)(ii)(B) apply to such Person.

3. Section 1(v) of the Rights Agreement (prior to taking into account the renumbering referred to in Section 2 hereof) is hereby deleted in its entirety.

4. Section 3(a) of the Rights Agreement is hereby modified and amended by deleting the numeral "20" in the ninth line thereof and substituting therefor the numeral "15".

5. Section 3(a) of the Rights Agreement is hereby further modified and amended by inserting the following new clause immediately after the parenthetical clause in the thirteenth line thereof:

or (iii) the determination by the Board of Directors of the Company, pursuant to the criteria set forth in Section 11(a)(ii)(B) hereof that a Person is an Adverse Person.

6. Section 3(d) of the Rights Agreement is hereby modified and amended by inserting the words "and as amended from time to time" after the words, "December 7, 1988" in the fifth line of the legend contained therein.

7. Section 3(d) of the Rights Agreement is hereby further modified and amended by inserting the words ", Adverse Persons" immediately after the words "Acquiring Persons" in the eighteenth line of the legend contained therein.

8. Section 4(b) of the Rights Agreement is hereby modified and amended by inserting the words "or Adverse Person" after each occurrence of the words "Acquiring Person".

9. Section 11(a)(ii)(A) of the Rights Agreement is hereby modified and amended by deleting the phrase, ", other than pursuant to a Permitted Tender Offer" from the third and fourth lines thereof.

10. The Rights Agreement is hereby further modified and amended by inserting the following new Section 11(a)(ii)(B) to the Rights Agreement and renumbering Sections 11(a)(ii)(B) and 11(a)(ii)(C) (and cross references thereto in the Rights Agreement) to Sections 11(a)(ii)(C) and 11(a)(ii)(D):

(B) the Board of Directors of the Company, by majority vote, shall declare any Person to be an Adverse Person, after (x) a determination that such Person, alone or together with its Affiliates and Associates, has become the Beneficial Owner of 10% or more of the outstanding shares of Common Stock and (y) a determination by the Board of Directors, after reasonable inquiry and investigation, including such consultation, if any, with such Persons as the Board of Directors shall deem appropriate, that (a) such Beneficial Ownership by such Person is intended to cause, is reasonably likely to cause or will cause the Company to repurchase the Common Stock beneficially owned by such Person or to cause pressure on the Company to take action or enter into a transaction or series of transactions which would provide such Person with short-term financial gain under circumstances where the Board of Directors determines that the best long-term interests of the Company and its shareholders, but for the actions and possible actions of such Person, would not be served by taking such action or entering into such transactions or series of transactions at that time or (b) such Beneficial Ownership is causing or reasonably likely to cause a material adverse impact (including, but not limited to, impairment of relationships with customers or impairment of the Company's ability to maintain its competitive position) on the business or prospects of the Company; provided, however, that the Board of Directors of the Company may not declare a Person to be an Adverse Person if, prior to the time that such Person acquired 10% or more of the shares of Common Stock then outstanding, such Person provided to the Board of Directors in writing a statement of such Person's purpose and intentions in connection with the proposed acquisition of Common Stock, together with any other information reasonably requested of such Person by the Board of Directors, and the Board of Directors, based on such statement and reasonable inquiry and investigation, including such consultation, if any, with such Person as the Board of Directors shall deem appropriate, determines to notify and notifies such Person

in writing that it will not declare such Person to be an Adverse Person; provided, further, that the Board of Directors may expressly condition in any manner a determination not to declare a Person an Adverse Person on such conditions as the Board of Directors may select, including without limitation, such Person's not acquiring more than a specified amount of stock and/or on such Person's not taking actions inconsistent with the purposes and intentions disclosed by such Person in the statement provided to the Board of Directors. No delay or failure by the Board of Directors to declare a Person to be an Adverse Person shall in any way waive or otherwise affect the power of the Board of Directors subsequently to declare a Person to be an Adverse Person. In the event that the Board of Directors should at any time determine, upon reasonable inquiry and investigation, including consultation with such Persons as the Board of Directors shall deem appropriate, that such Person has not met or complied with any condition specified by the Board of Directors, the Board of Directors may at any time thereafter declare such Person to be an Adverse Person pursuant to the provisions of this Section

11(a)(ii)(B); or

11. Sections 11(a)(ii)(B) and (C) of the Rights Agreement (prior to taking into account the renumbering referred to in Section 9 hereof) are hereby modified and amended by inserting the words "or Adverse Person" after each occurrence of the words "Acquiring Person".

12. Section 11(a)(ii) of the Rights Agreement is hereby modified and amended by (i) deleting the words "void to the extent permitted by applicable law" in the twentieth and twenty first lines of the last paragraph thereof and inserting in lieu thereof the words "null and void" and (ii) deleting the clause ",to the extent permitted by applicable law," from the twenty second and twenty third lines of the last paragraph thereof.

13. The Rights Agreement is hereby further modified and amended by inserting the following new Section 11(q) to the Rights Agreement:

(q) The failure by the Board of Directors to declare a Person to be an Adverse Person following such Person becoming the Beneficial Owner of 10% or more of the outstanding Common Stock shall not imply that such Person is not an Adverse Person or limit the Board of Directors' right at any time in the future to declare such Person to be an Adverse Person.

14. Section 13(a) of the Rights Agreement is hereby modified and amended by inserting the words "earlier of the" in the second line thereof immediately prior to the words "Stock Acquisition Date" and inserting the words "or the declaration by the Board of Directors that a Person is an Adverse Person" immediately following the words "the Stock Acquisition Date" in the second line thereof.

15. Section 23(a) of the Rights Agreement is hereby modified and amended by deleting the words "or (ii)" in the fifth line thereof and inserting in lieu thereof the following:

, (ii) the declaration by the Board of Directors that any Person is an Adverse Person or (iii)

16. Section 23(a) of the Rights Agreement is hereby further modified and amended by inserting the words "or Adverse Person" after each occurrence of the words "Acquiring Person".

17. The Rights Agreement is hereby further modified and amended by inserting the following new Section 24 to the Rights Agreement and renumbering existing Sections 24 through 32 of the Rights Agreement (and cross references thereto in the Rights Agreement) as Sections 25 through 33 respectively:

Section 24. Exchange. (a) The Board of Directors of the Company may, at its option, at any time after any Person becomes an Acquiring Person or an Adverse Person, exchange all or part of the then outstanding and exercisable Rights (which shall not include Rights that have become void pursuant to the provisions of Section 11(a)(ii) hereof) for shares of Common Stock at an exchange ratio of one share of Common Stock per Right, appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after December 7, 1988 (such exchange ratio being hereinafter referred to as the "Exchange Ratio"). Notwithstanding the foregoing, the Board of Directors shall not be empowered to effect such exchange at any time after any Person (other than an Exempt Person), together with all Affiliates and Associates of such Person, becomes the Beneficial Owner of 50% or more of the shares of Common Stock then outstanding.

(b) Immediately upon the action of the Board of Directors of the Company ordering the exchange of any Rights pursuant to paragraph (a) of this Section 24 and without any further action and without any notice, the right to exercise such Rights shall terminate and the only right thereafter of a holder of such Rights shall be to receive that number of shares of Common Stock equal to the number of such Rights held by such holder multiplied by the Exchange Ratio. The Company shall promptly give public notice of any such exchange; provided, however, that the failure to give, or



any defect in, such notice shall not affect the validity of such exchange. The Company promptly shall mail a notice of any such exchange to all of the holders of such Rights at their last addresses as they appear upon the registry books of the Rights Agent. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of exchange will state the method by which the exchange of the shares of Common Stock for Rights will be effected and, in the event of any partial exchange, the number of Rights which will be exchanged. Any partial exchange shall be effected pro rata based on the number of Rights (other than Rights which have become void pursuant to the provisions of Section 11(a)(ii) hereof) held by each holder of Rights.

(c) In the event that there shall not be sufficient shares of Common Stock issued but not outstanding or authorized but unissued to permit any exchange of Rights as contemplated in accordance with this Section 24, the Company may, in its discretion, take all such action as may be necessary to authorize additional shares of Common Stock for issuance upon exchange of the Rights. In the event the Company shall, after good faith effort, be unable to take all such action as may be necessary to authorize such additional shares of Common Stock, the Company shall substitute, for each share of Common Stock that would otherwise be issuable upon exchange of a Right, a number of shares of Preference Stock or fraction thereof such that the current per share market price of one share of Preference Stock multiplied by such number or fraction is equal to the current per share market price of one share of Common Stock as of the date of issuance of such shares of Preference Stock or fraction thereof.

(d) The Company shall not be required to issue fractions of shares of Common Stock or to distribute certificates which evidence fractional shares of Common Stock. In lieu of such fractional shares of Common Stock, the Company shall pay to the registered holders of the Right Certificates with regard to which such fractional shares of Common Stock would otherwise be issuable an amount in cash equal to the same fraction of the current market value of a whole share of Common Stock. For the purposes of this paragraph (d), the current market value of a whole share of Common Stock shall be the closing price of a share of Common Stock (as determined pursuant to the second sentence of Section 11(d)(i) hereof) for the Trading Day immediately prior to the date of exchange pursuant to this Section 24.

18. Section 26 of the Rights Agreement (prior to taking into account the renumbering referred to in Section 17 hereof) is hereby modified and amended by inserting the words "or the declaration by the Board of Directors that a Person is an Adverse Person" immediately after the words "Stock Acquisition Date" in the second and third lines thereof.

19. The Form of Right Certificate attached as Exhibit B to the Rights Agreement is hereby modified and amended by inserting the phrase "and as amended from time to time" after the words "December 7, 1988" on the fifth line of the first paragraph of the first page thereof.

20. The Form of Right Certificate attached as Exhibit B to the Rights Agreement is hereby further modified and amended by inserting the words "or Adverse Person" after each occurrence of the words "Acquiring Person".

21. The Form of Right Certificate attached as Exhibit B to the Rights Agreement is hereby further modified and amended by deleting the words "and (ii)" from the seventh line of the fifth paragraph of the fourth page thereof and inserting in lieu thereof the following:

, (ii) the declaration by the Board of Directors that any Person is an Adverse Person or (iii)

22. This Amendment to the Rights Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts to be made and performed entirely within such State.

23. This Amendment to the Rights Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute one and the same instrument. Terms not defined herein shall, unless the context otherwise requires, have the meanings assigned to such terms in the Rights Agreement.

24. In all respects not inconsistent with the terms and provisions of this Amendment to the Rights Agreement, the Rights Agreement is hereby ratified, adopted, approved and confirmed. In executing and delivering this Amendment, the Rights Agent shall be entitled to all the privileges and immunities afforded to the Rights Agent under the terms and conditions of the Rights Agreement.

25. If any term, provision, covenant or restriction of this Amendment to the Rights Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Amendment to the Rights Agreement, and of the Rights Agreement, shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and attested, all as of the date and year first above written.

Attest:

INGERSOLL-RAND COMPANY

By: /S/ Ronald G. Heller  
 Name: Ronald G. Heller  
 Title: Secretary and  
 Assistant General  
 Counsel

By: /S/ Patricia Nachtigal  
 Name: Patricia Nachtigal  
 Title: Vice President and  
 General Counsel

Attest:

THE BANK OF NEW YORK,  
 as Rights Agent

By: /S/ Jeffrey Grosse  
 Name: Jeffrey Grosse  
 Title: Assistant Vice

By: /S/ John I. Sivertsen  
 Name: John I. Sivertsen  
 Title: Vice President

President

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