

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
PLEASE SEE ATTACHMENT.

18 Can any resulting loss be recognized? ▶
PLEASE SEE ATTACHMENT.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
PLEASE SEE ATTACHMENT.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ *L. R. Kurland* Date ▶ 12/4/13

Print your name ▶ Lawrence R. Kurland Title ▶ Vice President of Tax

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

FORM 8937
ATTACHMENT
"REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES"

Line	Description	Response																				
Part II, Item 14	Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.	<p>Ingersoll-Rand plc (IR) issued approximately 96 million ordinary shares of common stock of Allegion plc (ALLE) on December 1, 2013 to holders of record of IR common stock (the "Distribution"). The date of record was 5:00 p.m. New York City Time on November 22, 2013. In the Distribution, holders of IR common stock received one (1) share of ALLE common stock for every (3) shares of IR common stock held. Fractional shares that IR shareholders would otherwise have been entitled to receive will be aggregated and sold in the public market by the distribution agent; the aggregate net cash proceeds of these sales will be distributed ratably to those shareholders who would otherwise have been entitled to receive fractional shares.</p> <p>As a result of the Distribution, ALLE became an independent, publicly-traded company.</p>																				
Part II, Item 15	Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.	Pursuant to Section 358 of the Internal Revenue Code, each IR stockholder will need to allocate the tax basis in IR shares immediately before the Distribution between shares of IR common stock and the shares of ALLE common stock received in the Distribution.																				
Part II, Item 16	Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.	<p>For U.S. tax purposes, the allocation of tax basis between shares of IR common stock and ALLE common stock is based on the fair market value (FMV) at the time of the distribution. There are many potential ways to determine the FMV of IR and ALLE common stock. One potential approach is to use the opening share price the day following the distribution. If this method is used, the pre-distribution tax basis in IR shares would be allocated 79.55% to IR shares and 20.45% to ALLE shares, calculated as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Opening Price</th> <th style="text-align: center;">Exchange Ratio</th> <th style="text-align: center;">Divided by Exchange Ratio</th> <th style="text-align: center;">Allocation Ratio</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">IR</td> <td style="text-align: right;">\$ 56.90</td> <td style="text-align: center;">1</td> <td style="text-align: right;">\$ 56.90</td> <td style="text-align: right;">$56.90 / 71.53 = 79.55\%$</td> </tr> <tr> <td style="text-align: left;">ALLE</td> <td style="text-align: right;">\$ 43.90</td> <td style="text-align: center;">3</td> <td style="text-align: right;"><u>\$ 14.63</u></td> <td style="text-align: right;">$14.63 / 71.53 = 20.45\%$</td> </tr> <tr> <td style="text-align: left;">Total</td> <td></td> <td></td> <td style="text-align: right;"><u>\$ 71.53</u></td> <td></td> </tr> </tbody> </table>		Opening Price	Exchange Ratio	Divided by Exchange Ratio	Allocation Ratio	IR	\$ 56.90	1	\$ 56.90	$56.90 / 71.53 = 79.55\%$	ALLE	\$ 43.90	3	<u>\$ 14.63</u>	$14.63 / 71.53 = 20.45\%$	Total			<u>\$ 71.53</u>	
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<p>Part II, Item 17</p>	<p>List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.</p>	<p>For U.S. tax purposes, the Distribution is a tax-free reorganization under Section 368(a)(1)(D) and Section 355. Pursuant to Section 355(a), no gain or loss will be recognized by IR stockholders as a result of the Distribution. Pre-distribution basis in IR shares is allocated between IR shares and ALLE shares under Section 358(b)(2) and Section 358(c). Under Section 1223(1), the holding period of an IR stockholder in ALLE stock received in the Distribution will include the holding period of the pre-distribution IR stock with respect to which the distribution of the ALLE stock was made.</p> <p>Under Sections 1001 and 1221, in general, the receipt by IR stockholders of cash in lieu of a fractional share of ALLE will be treated as if the fractional share had been distributed to the IR stockholder in the distribution and then had been disposed of by such stockholder (in a sale or exchange) for the amount of such cash.</p>
<p>Part II, Item 18</p>	<p>Can any resulting loss be recognized?</p>	<p>The treatment of cash received in lieu of fractional shares (as described in Part II, Item 17 above) could result in a loss. Generally, such loss may be recognized. Otherwise, shareholders of IR common stock and ALLE common stock will not recognize gain or loss upon their receipt of ALLE common stock.</p>
<p>Part II, Item 19</p>	<p>Provide any other information necessary to implement the adjustment, such as the reportable tax year.</p>	<p>The distribution of ALLE common stock occurred in calendar year 2013.</p>