

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

**JOHNSON CONTROLS INC**

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SIC: **2531** Public bldg & related furniture

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4145241200

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): January 23, 2013**

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**JOHNSON CONTROLS, INC.**

(Exact name of registrant as specified in its charter)

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Wisconsin

(State or other jurisdiction  
of incorporation)

1-5097

(Commission  
File Number)

39-0380010

(I.R.S. Employer  
Identification No.)

**5757 North Green Bay Avenue  
Milwaukee Wisconsin**

(Address of principal executive offices)

53209

(Zip Code)

**Registrant's telephone number, including area code: 414-524-1200**

Not Applicable

(Former name or former address, if changed since last report.)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.***Johnson Controls, Inc. 2012 Omnibus Incentive Plan*

As described under Item 5.07 of this Current Report, at the 2013 Annual Meeting of Johnson Controls Inc. (the “Company”) held on January 23, 2013 (the “2013 Annual Meeting”), the shareholders of the Company approved the Johnson Controls, Inc. 2012 Omnibus Incentive Plan (the “2012 Plan”). The Company provided the 2012 Plan to the shareholders of the Company as Appendix B to the Company’s Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on December 10, 2012 (the “Proxy Statement”).

The 2012 Plan is administered by the Compensation Committee of the Company’s Board of Directors (the “Committee”) and authorizes the grant of incentive awards to eligible officers or other employees. The types of awards authorized by the 2012 Plan comprise of stock options, stock appreciation rights, performance shares, performance units, restricted stock, restricted stock units, deferred stock rights, dividend equivalent units, other stock-based awards, annual incentive awards and long-term incentive awards. Subject to the limitations specified in the 2012 Plan, the Committee will determine the types of awards to be granted to individual participants and the terms and conditions of the awards.

The 2012 Plan provides that 36,800,000 shares of the Company’s common stock are reserved for issuance under the 2012 Plan, subject to adjustment in case of certain events described in the 2012 Plan. The number of shares reserved will be depleted by 2.65 shares for each share subject to a full-value award, such as restricted stock, restricted stock units and performance shares. The 2012 Plan specifies individual award limits and prohibits the backdating of options or stock appreciation rights, the repricing of options or stock appreciation rights and the granting of discounted options or stock appreciation rights. Unless earlier terminated by the Company’s Board of Directors, the 2012 Plan will remain in effect until all common stock reserved for issuance under the 2012 Plan has been issued. The foregoing summary of the 2012 Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the 2012 Plan, a copy of which is filed as Exhibit 10.1(a) to this Current Report on Form 8-K and incorporated herein by reference.

*Effect of 2012 Plan on Existing Incentive Plans*

Prior to shareholder approval of the 2012 Plan, the Company maintained the Johnson Controls, Inc. 2007 Stock Option Plan and the Johnson Controls, Inc. 2001 Restricted Stock Plan, which authorized the grant of equity awards to employees, and the Johnson Controls, Inc. Annual Incentive Plan and the Johnson Controls, Inc. Long-Term Incentive Plan, which authorized the grant of cash-based incentive awards to employees (collectively the “Existing Plans”). The Existing Plans terminated on January 23, 2013 as a result of shareholder approval of the 2012 Plan, ending the authority to grant new awards under the Existing Equity Plans. All awards under the Existing Plans that were outstanding as of January 23, 2013 continue to be governed by the Existing Plans.

*2012 Plan Award Agreements*

On January 23, 2013, the Committee approved forms of equity-based award agreements for use under the 2012 Plan and made awards using those forms, including awards to Mr. Molinaroli in light of the election described below. The form of performance share unit agreement approved by the Committee is filed herewith as Exhibit 10.1(b) and incorporated herein by reference. The form of restricted stock/restricted stock unit agreement approved by the Committee is filed herewith as Exhibit 10.1(c) and incorporated herein by reference. The form of option or stock appreciation right award agreement approved by the Committee is filed herewith as Exhibit 10.1(d) and incorporated herein by reference.

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### *Grants of Performance Share Unit Awards*

As disclosed on pages 45-46 of the Proxy Statement, shareholder approval of the 2012 Plan at the 2013 Annual Meeting resulted in grants of performance-based share unit ("PSU") awards under the 2012 Plan becoming effective on January 23, 2013. The Committee had approved the PSU award values for the Company's executive officers, including Messrs. Roell, McDonald, Myers, and Molinaroli and Dr. Bolzenius, in November 2012, but the grants were delayed until shareholder approval of the 2012 Plan. On January 23, 2013, based on shareholder approval of 2012 Plan, the Committee gave final approval for the PSU awards. The value of the PSU awards to the Company's named executive officers is as follows: Mr. Roell-\$4,760,100, Mr. McDonald-\$1,393,500, Dr. Bolzenius-\$1,393,500, Mr. Myers-\$1,378,000, and Mr. Molinaroli-\$2,657,500. The Committee adjusted the size of Mr. Molinaroli's award relative to the amount that appeared in the Proxy Statement in light of the election described below. The number of PSUs granted is equal to the PSU award value divided by the closing price of the Company's common stock on January 23, 2013. The PSUs are generally contingent on the achievement of pre-determined performance goals over a three-year performance period as well as on the award holder's continuous employment until the vesting date, subject to exceptions in the event of the award holder's earlier death, disability or retirement. Each PSU that is earned will be settled with a share of the Company's common stock following the completion of the performance period. The foregoing summary of the PSU awards does not purport to be complete and is qualified in its entirety by reference to the full text of the form of performance share unit agreement, a copy of which is filed as Exhibit 10.1(b) to this Current Report on Form 8-K and incorporated herein by reference.

### *Election of Vice Chairman*

Effective January 23, 2013, the Board elected the Company's corporate Vice President and President, Power Solutions, Mr. Molinaroli, to the position of Vice Chairman of the Company effective immediately. As a result, Mr. Molinaroli will no longer serve as corporate Vice President and President, Power Solutions, and Mr. Brian Kessler will succeed him in that role.

Mr. Molinaroli was elected a Corporate Vice President of the Company in May 2004 and has served as President of the Company's Power Solutions business since January 2007. Previously, Mr. Molinaroli served as Vice President and General Manager for North America Systems & the Middle East for the Company's Building Efficiency business and has held increasing levels of responsibility for controls systems and services sales and operations. Mr. Molinaroli joined the Company in 1983.

### **Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

As described under Item 5.07 of this Current Report, at the 2013 Annual Meeting, the shareholders of the Company voted on and approved the restatement of the Restated Articles of Incorporation of the Company to declassify the Board of Directors and effectuate certain other non-substantive changes. A copy of the Restated Articles of Incorporation of the Company, as amended and restated through January 23, 2013, is filed as Exhibit 3.1 to this Current Report on Form 8-K. The Company filed the approved Restated Articles of Incorporation with the Wisconsin Department of Financial Institutions on January 24, 2013.

The Board of Directors also approved amendments to the Company's By-Laws that related to the then-proposed restatement of the Company's Restated Articles of Incorporation, among other things, to declassify the Board of Directors. These By-Law amendments were effective only if the Company's

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shareholders approved the proposed restatement of the Company's Restated Articles of Incorporation at the 2013 Annual Meeting. Because shareholders approved the restatement of the Company's Restated Articles of Incorporation, the change to the By-Laws of the Company became effective upon filing of the Restated Articles of Incorporation with the Wisconsin Department of Financial Institutions on January 24, 2013. The By-Laws of the Company, as amended and restated through January 24, 2013, are filed as Exhibit 3.2 to this Current Report on Form 8-K.

**Item 5.07. Submission of Matters to a Vote of Security Holders.**

The Company held the 2013 Annual Meeting. In an uncontested election, the Company's shareholders approved the election of the Board of Directors' four director nominees to serve for a three-year term expiring in 2016:

Nominee	For	Withheld	Broker non-votes
David P. Abney	522,291,876	12,021,533	71,098,943
Julie L. Bushman	521,917,762	12,395,647	71,098,943
Eugenio Clariond Reyes-Retana	514,027,604	20,285,805	71,098,943
Jeffrey A. Joerres	520,834,864	13,478,545	71,098,943

The other directors of the Company whose terms in office expire after the 2013 Annual Meeting of Shareholders are as follows: terms expiring at the 2014 Annual Meeting of Shareholders—Natalie A. Black, William H. Lacy and Stephen A. Roell, and terms expiring at the 2015 Annual Meeting of Shareholders—Dennis W. Archer, Richard Goodman and Mark P. Vergnano.

The ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal year 2013 was approved by the shareholders with 594,452,959 shares voted for, 8,384,537 shares voted against, and 2,574,856 shares abstaining. This proposal required that the votes cast 'for' the proposal must exceed the votes cast 'against' the proposal for shareholders to approve the proposal.

The management proposal to restate the Company's Restated Articles of Incorporation to declassify the Board of Directors and effectuate certain other non-substantive changes was approved with 526,836,634 shares voted for, 3,991,514 shares voted against, 3,484,080 shares abstaining and 71,100,124 broker non-votes. This proposal required an affirmative vote of 2/3rds of the 683,922,025 outstanding shares of the Company's common stock as of the November 15, 2012 record date for shareholders to approve the proposal.

The Johnson Controls, Inc. 2012 Omnibus Incentive Plan was approved by the shareholders with 495,814,163 shares voted for, 34,553,464 shares voted against, 3,944,601 shares abstaining and 71,100,124 broker non-votes. This proposal required that the votes cast 'for' the proposal must exceed the votes cast 'against' the proposal and shareholders holding a majority of the outstanding shares of the Company's common stock must cast votes on the proposal for shareholders to approve the proposal.

The management proposal to consider an advisory vote on the compensation of the Company's named executive officers was approved with 496,925,857 shares voted for, 29,658,359 shares voted against, 7,728,012 shares abstaining and 71,100,124 broker non-votes. This proposal required that the votes cast 'for' the proposal must exceed the votes cast 'against' the proposal for shareholders to approve the proposal.

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The shareholder proposal relating to an independent Chair of the Board of Directors was not approved by shareholders with 157,878,414 shares voted for, 372,184,704 shares voted against, 4,248,310 shares abstaining and 71,100,924 broker non-votes. This proposal required that the votes cast 'for' the proposal must exceed the votes cast 'against' the proposal for shareholders to approve the proposal.

The shareholder proposal relating to permitting shareholder action by written consent was not approved by shareholders with 151,303,136 shares voted for, 377,983,235 shares voted against, 5,025,057 shares abstaining and 71,100,924 broker non-votes. This proposal required that the votes cast 'for' the proposal must exceed the votes cast 'against' the proposal for shareholders to approve the proposal.

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**Item 9.01 Financial Statements and Exhibits**

Exhibit No.	Description
3.1*	Restated Articles of Incorporation of Johnson Controls, Inc., as amended through January 23, 2013
3.2*	Johnson Controls, Inc. By-Laws, as amended and restated through January 24, 2013
10.1(a)*	Johnson Controls, Inc. 2012 Omnibus Incentive Plan
10.1(b)*	Form of performance share unit agreement for Johnson Controls, Inc. 2012 Omnibus Incentive Plan.
10.1(c)*	Form of restricted stock/restricted stock unit agreement for Johnson Controls, Inc. 2012 Omnibus Incentive Plan
10.1(d)*	Form of option or stock appreciation right award for Johnson Controls, Inc. 2012 Omnibus Incentive Plan

\* Filed herewith.

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**SIGNATURE**

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

JOHNSON CONTROLS, INC.

Date: January 28, 2013

/s/ Jerome D. Okarma

Name: Jerome D. Okarma

Title: Vice President, Secretary and  
General Counsel

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## EXHIBIT INDEX

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**RESTATED ARTICLES OF INCORPORATION  
OF  
JOHNSON CONTROLS, INC.**

Pursuant to the authority and provisions of Chapter 180 of the Wisconsin Statutes, the existing Articles of Incorporation are hereby amended, superseded and restated to read as follows:

**ARTICLE I**

Name

The name of the corporation is Johnson Controls, Inc.

**ARTICLE II**

Purpose

The corporation is organized for the purpose of any lawful activity within the purposes for which corporations may be organized under the Wisconsin Business Corporation Law, Chapter 180 of the Wisconsin Statutes, including (without in any manner limiting by the following enumeration the generality of the foregoing) the manufacture, sale and installation of, and dealing in, automatic temperature and humidity controls for heating, cooling, ventilating, air-conditioning and industrial processing.

**ARTICLE III**

Authorized Shares

The aggregate number of shares which this corporation has authority to issue is 1,802,000,000 shares, consisting of 1,800,000,000 shares of class of designated "Common Stock" of the par value of \$1.00 per share and 2,000,000 shares of class designated "Preferred Stock" of the par value of \$1.00 per share. Any and all such shares of Common Stock and Preferred Stock may be issued for such consideration, not less than the par value thereof, as shall be fixed from time to time by the Board of Directors. Any and all such shares so issued, the full consideration for which has been paid or delivered, shall be deemed fully paid stock and shall not be liable to any further call or assessment thereon, and the holders of such share shall not be liable for any further payments except as otherwise provided by applicable Wisconsin Statutes. Notwithstanding any other provision hereof, the Board of Directors shall have no authority to cause any shares of Preferred Stock to be issued if, as a result of such issuance, the aggregate amount payable in the event of voluntary or involuntary liquidation on all shares of Preferred Stock outstanding would exceed \$100,000,000. The preferences, limitations and relative rights of each class shall be as follows:

(A) Preferred Stock

(1) Series of Preferred Stock

The Board of Directors shall have authority to divide the Preferred Stock into series, and shall determine and fix the relative rights and preferences of the shares of any series so established prior to the issuance thereof, but only with respect to:

- (a) The rate of dividend and the date from which such dividends shall be cumulative;
- (b) The price at and the terms and conditions on which shares may be redeemed;
- (c) The amount payable upon shares in the event of voluntary or involuntary liquidation;
- (d) Sinking fund provisions for the redemption or purchase of share;
- (e) The terms and conditions on which shares may be converted into shares of Common Stock, if the shares or any series are issued with the privilege of conversion.
- (f) Voting rights, if any.

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Except as to the matters expressly set forth above in this Paragraph (1), all series of the Preferred Stock of the corporation, whenever designated and issued, shall have the same preferences, limitations and relative rights and shall rank equally, share ratably and be identical in all respects as to all matters.

All shares of any one series of Preferred Stock hereinabove authorized shall be alike in every particular, and each series thereof shall be distinctively designated by letter or descriptive words or figures.

### (2) Dividends

The holders of Preferred Stock shall be entitled to receive dividends at the rate per annum specified as to each series pursuant to Paragraph (1), and no more, payable quarterly on the last day of March, June, September, and December in each year for the respective calendar quarter ending on such dates (“Dividend Periods”) out of the unreserved earned surplus of the corporation or out of any capital surplus legally available for the payment of such dividends, when and as declared by the Board of Directors. Such dividends shall accrue on each share of Preferred Stock from the first day of the Dividend Period in which such share is issued or from such other date as the Board of Directors may fix for this purpose pursuant to Paragraph (1). All dividends on Preferred Stock shall be cumulative so that if the corporation shall not pay or set apart for payment the dividend, or any part thereof, for any Dividend Period, on the Preferred Stock then issued and outstanding, such deficiency in the dividend on the Preferred Stock shall thereafter be fully paid or declared and set apart for payment, but without interest before any dividend shall be paid or declared and set apart for payment on the Common Stock. The holders of Preferred Stock shall not be entitled to participate in any other or additional earnings or profits of the corporation, except for such premiums, if any, as may be payable in case of redemption, liquidation, dissolution or winding up.

Any dividend paid upon the Preferred Stock at a time when any accrued dividends for any prior Dividend Period are delinquent shall be expressly declared to be in whole or partial payment of the accrued dividends to the extent thereof, beginning with the earliest Dividend Period for which dividends are then wholly or partly delinquent, and shall be so designated to each shareholder to whom payment is made.

No dividends shall be paid upon any shares of any series of Preferred Stock of the corporation for a current Dividend Period unless there shall have been paid or declared and set apart for payment dividends required to be paid to the holders of each other series of Preferred Stock for all past Dividend Periods of such other series. If any dividends are paid on any of the Preferred Stock with respect to any past Dividend Period at any time when less than the total dividends then accumulated and payable for all past Dividend Periods on all of the Preferred Stock then outstanding are to be paid or declared and set apart for payment, then the dividends being paid shall be paid on each series of Preferred Stock in proportions that the dividends then accumulated and payable on each series for all past Dividend Periods bear to the total dividends then accumulated and payable for all such past Dividend Periods on all outstanding Preferred Stock.

### (3) Liquidation, Dissolution or Winding Up

In case of voluntary or involuntary liquidation, dissolution or winding up of the corporation, the holders of each series of Preferred Stock shall be entitled to receive out of the assets of the corporation in money or money’s worth the amount specified pursuant to Paragraph (1) with respect to that series of Preferred Stock, together with all accrued but unpaid dividends thereon (whether or not earned or declared), before any of such assets shall be paid or distributed to holders of Common Stock. In case of voluntary or involuntary liquidation, dissolution or winding up of the corporation, if the assets shall be insufficient to pay the holders of all of the series of Preferred stock then outstanding the full amounts to which they may be entitled, the holders of each outstanding series shall share ratably in such assets in proportion to the amounts which would be payable with respect to such series if all amounts payable thereon were paid in full. The consolidation or merger of the corporation with or into any restoration, or a sale of all or any part of its assets, shall not be deemed a liquidation, dissolution or winding up of the corporation within the meaning of this paragraph.

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#### (4) Redemption

Except as otherwise provided with respect to a particular series pursuant to Paragraph (1), the following general redemption provisions shall apply to each series of Preferred stock (hereinafter in this paragraph referred to as "Series"):

On or prior to the date fixed for redemption of a particular Series or any part thereof as specified in the notice of redemption for said Series, the corporation shall deposit adequate funds for such redemption, in trust for the account of holders of the Series to be redeemed, with a bank having trust company in good standing organized under the laws of the United States of America or the State of Wisconsin doing business in the State of Wisconsin and having capital, surplus and undivided profits aggregating at least One Million Dollars (\$1,000,000), and if the name and address of such bank or trust company and the deposit of or intent to deposit the redemption funds in such trust account shall have been stated in such notice of redemption, then from and after the mailing of such notice and the making of such deposit the shares of the Series called for redemption no longer be deemed to be outstanding for any purpose whatsoever, and all rights of the holders of such share in or with respect to the corporation shall forthwith cease and terminate except only the right of the holders of such shares (2) to transfer such shares prior to the date fixed for redemption, (b) to receive out of said deposit the redemption price of such shares, which shall nevertheless include accrued but unpaid dividends to the date fixed for redemption, without interest, upon surrender of the certificate or certificates representing the shares to be redeemed, and (c) to exercise on or before the close of business on the fifth day preceding the date fixed for redemption privileges of conversion, if any, not theretofore expired.

In case of redemption of only a part of a Series, the corporation shall designate by lot, in such manner as the Board of Directors may determine, the share to be redeemed, or shall effect such redemption pro rata.

Any moneys so deposited by the corporation which shall remain unclaimed by the holders of the shares called for redemption and not converted shall, at the end of six years after the date fixed for redemption, be paid to the corporation upon its request, after which repayment the holders of the shares so called for redemption shall no longer look to the said bank or trust company for the payment of the redemption price but shall look only to the corporation or to others, as the case may be, for the payment of any lawful claim for such moneys which holders of said shares may still have. After said six-year period, the right of any shareholder other person to receive such payment may be forfeited in the manner and with the effect provided under Wisconsin Law. Any portion of the moneys so deposited by the corporation, in respect of shares of the Series converted into Common Stock, shall be repaid to the corporation upon its request.

#### (5) Conversion Rights

Except as otherwise provided with respect to a particular series pursuant to Paragraph (1), the following general conversion provisions shall apply to each series of Preferred Stock which is convertible into Common Stock (hereinafter, in this paragraph, referred to as "Series"):

(a) All shares of Common Stock issued upon conversion shall be fully paid and nonassessable, and shall be free of all taxes, liens and charges with respect to the issue thereof except taxes, if any, payable by reason of issuance in a name other than that of the holder of the share or shares converted and except as otherwise provided by applicable Wisconsin Statutes.

(b) The number of shares of Common Stock issuable upon conversion of a particular Series at any time shall be the quotient obtained by dividing the aggregate conversion value, as herein provided, of the shares of that Series surrendered for conversion, by the price per share of Common Stock then in effect for that Series as herein provided. The corporation shall not be required, however, upon any such

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conversion, to issue any fractional share of Common Stock, but in lieu thereof the corporation shall pay to the shareholder who would otherwise be entitled to receive such fractional share if issued, a sum in case equal to the value of such fractional share at the rate of the then market value per share of Common Stock which for purposes hereof shall mean the last reported sale price of Common Stock on the New York Stock Exchange. Share of Preferred Stock shall be deemed to have been converted as of the close of business on the date of receipt at the office of the Transfer Agent of the certificates therefor, duly endorsed, together with written notice by the holder of his election to convert the same.

(c) The basic conversion price per share of Common Stock for a particular Series, as provided for under the detailed description of the individual Series, shall be subject to adjustment from time to time as follows:

(i) In case the corporation shall (A) pay a dividend or make a distribution of all holders of outstanding shares of its Common Stock as a class in shares of its Common Stock, (B) subdivide or split the outstanding shares of its Common Stock into a larger number of shares, or (C) combine the outstanding shares of its Common Stock into a smaller number of shares, the base conversion price per share of Common Stock in effect immediately prior thereto shall be adjusted retroactively so that the holder of each outstanding share of each Series of Preferred Stock which by its terms is convertible into Common Stock shall thereafter be entitled to receive upon the conversion of such share the number of shares of Common Stock of the corporation which he would have owned and been entitled to receive after the happening of any of the events described above had such share of such Series been converted immediately prior to the happening of such event. An adjustment made pursuant to this clause (c) (i) shall become effective retroactively immediately after such record date in the case of a dividend or distribution and immediately after the effective date in the case of a subdivision, split or combination. such adjustments shall be made successively whenever any event described above shall occur.

(ii) In case the corporation shall issue to all holders of its Common Stock as a class any rights or warrants enabling them to subscribe for or purchase shares of Common Stock at a price per share less than the current market price per share of Common Stock (as hereinafter defined) at the record date for determination of shareholders entitled to receive such rights or warrants, the basic conversion price per share of Common Stock in effect immediately prior thereto for each Series of Preferred Stock which by its terms is convertible into Common Stock shall be adjusted retroactively by multiplying such basic conversion price by a fraction, of which the numerator shall be the sum of the number of shares of Common Stock outstanding at such record date and the number of share of Common Stock which the aggregate exercise price (before deduction of underwriting discounts or commissions and other expenses of the corporation in connection with the issue) of the total number of shares so offered for subscription or purchase would purchase at such current market price per share of which the denominator shall be the sum of the number of shares of Common Stock outstanding at such record date and the number of additional shares of Common Stock so offered for subscription or purchase. An adjustment made pursuant to this clause (c) (ii) shall become effective retroactively immediately after the record date for determination of shareholders entitled to receive such rights or warrants. Such adjustments shall be made successively whenever any event described above shall occur.

(iii) In case the corporation shall distribute to all holders of its Common Stock as a class evidences of its indebtedness or assets (other than cash dividends), the basic conversion price per share of Common Stock in effect immediately prior thereto for each Series of Preferred Stock which by its terms is convertible into Common Stock shall be adjusted retroactively by multiplying such basic conversion price by a fraction, of which the numerator shall be the difference between the current market price per share per share of Common Stock at the record date for determination of shareholders entitled to receive such distribution and the fair value (as determined by the Board of Directors) of the portion of the evidences of indebtedness or assets (other than cash dividends) so distributed applicable to one share of Common Stock, and of which the denominator shall be the current market price per share of Common Stock. An adjustment made pursuant to this clause (c) (iii) shall become effective retroactively immediately after such record date. Such adjustments shall be made successively whenever any event described above shall occur.

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(d) For the purpose of any computation under clause (c) (iii) above, the current market price per share of Common Stock on any date shall be deemed to be the average of the high and low sale prices of the Common Stock of the corporation, as reported in the New York Stock Exchange–Composite Transactions (or such other principal market quotation as may then be applicable to such Common Stock) for each of the 30 consecutive trading days commencing 45 trading days before such date.

(e) For the purpose of making the computations prescribed in clause (c) of this Paragraph (5), no adjustment shall be made in the basic conversion price for any Series of Preferred Stock in effect immediately prior to such computation if the amount of such adjustment would be less than fifty cents; provided however, that any adjustments which by reason of this clause (e) are not required to be made shall be carried forward and taken into account in any subsequent adjustment; and provided further that anything to the contrary in the foregoing notwithstanding any adjustment required for purposes of making the computations in said clause (c) shall be made not later than the earlier of (x) 3 years after the effective date provided for under said clause (c) for such adjustment or (y) the date as of which such adjustment would require an increase or decrease of at least 3% in the aggregate number of shares of Common Stock issued and outstanding on the first date on which an event occurred which required the making of a computation prescribed in said clause (c). All calculations under this Paragraph (5) shall be made to the nearest cent or to the nearest 1/100th of a share, as the case may be.

(f) In the case of any capital reorganization or reclassification of Common Stock, or if the corporation shall be consolidated with or merged into, or sell or dispose of all substantially all of its property and assets, to any other corporation, proper provisions shall be made as part of the terms of such capital reorganization, reclassification, consolidation, merger or sale that any shares of a particular Series at the time outstanding shall thereafter be convertible into the number of shares of stock or other securities or property to which a holder of the number of shares of Common Stock deliverable upon conversion of such shares of a particular Series would have been entitled upon such capital reorganization, reclassification, consolidation or merger.

(g) No adjustment with respect to dividends upon any Series or with respect to dividends upon Common Stock shall be made in connection with any conversion.

(h) Whenever there is an issue of additional shares Common Stock of the corporation requiring a change in the conversion price as provided above, and whenever there occurs any other event which results in a change in the existing conversion rights of the holders of shares of a series, the corporation shall file and its transfer agent or agents and at its principal office in Milwaukee, Wisconsin, a statement signed by the President or a Vice President and by the Treasurer or Assistant Treasurer of the corporation, describing specifically such issue of additional shares of Common Stock or such other event (and, in the case of a capital reorganization, reclassification, consolidation or merger, the terms thereof) and the actual conversion prices or basis of conversion as changed by such issue or event and the change, if any, in the securities issuable upon conversion. Whenever there are issued by the corporation to all holders of its Common Stock as a class any rights or warrants enabling them to subscribe for or purchase shares of Common Stock, the corporation shall also file in like manner a statement describing the same and the consideration receivable by the corporation therefrom. The statement so filed shall be open to inspection by any holder of record of shares of any Series.

(i) The corporation shall at all times have authorized and shall at all times reserve and set aside a sufficient number of duly authorized shares of Common Stock for the conversion of all stock of all then outstanding Series which are convertible into Common Stock.

#### (6) Reissuance of Shares

Any shares of Preferred Stock retired by purchase, redemption, through conversion or through the operation of any sinking fund or redemption or purchase account, shall thereafter have the status of authorized but unissued shares of Preferred Stock of the corporation, and may thereafter be reissued as part of the same series or may be reclassified and reissued by the Board of Directors in the same manner as any other authorized and unissued shares of Preferred Stock.

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(7) Voting Rights of Preferred Stock

(a) Ordinary Voting Rights. Holders of Preferred Stock shall be entitled to one vote for each share of such class held on all questions on which shareholders of the corporation are entitled to vote and shall vote together share for share with the holders of Common Stock as one class, except as otherwise provided by law or as hereinafter otherwise provided or as otherwise determined by the Board of Directors at the time of the establishment of such Series of Preferred Stock pursuant to clause (f) of Paragraph (1) of this Section (A).

(b) Special Voting Rights. Holders of Preferred Stock shall have voting rights as provided in the preceding clause (a) and, in addition, the following special voting rights:

(i) Election of Directors. Whenever dividends payable on any series of the Preferred Stock shall be in arrears in an aggregate amount equivalent to six full quarterly dividends on the shares of all of the Preferred Stock of that series then outstanding, the holders of Preferred Stock of that series shall have the exclusive and special right voting separately as a class, to elect two directors of the corporation, and the number of directors constituting the Board of Directors shall be increased to the extent necessary to effectuate such right. Whenever such right of the Board of Directors shall be increased to the extent necessary to effectuate such right. Whenever such right of the holders of any series of the Preferred Stock shall have vested, such right may be exercised initially either at a special meeting of the holders of such series of the Preferred Stock called as hereinafter provided in clause (b) (ii), or at any annual meeting of shareholders, and thereafter at annual meetings of shareholders. The right of the holders of any series of the Preferred Stock voting separately as a class to elect members of the Board of Directors of the corporation as aforesaid shall continue until such time as all dividends accumulated on such series of the Preferred Stock shall have been paid in full, at which time the special right of the holders of such series of the Preferred Stock so to vote separately as a class for the election of directors shall terminate, subject to re-vesting in the event of each and every subsequent default in an aggregate amount equivalent to six full quarterly dividends.

(ii) Special Meetings of Holders of Preferred Stock. At any time when such special voting power shall have vested in the holders of any series of the Preferred Stock as hereinbefore provided in clause (b) (i), a proper officer of the corporation shall, upon the written request of the holders of record of at least 10% of such series of the Preferred Stock then outstanding addressed to the Secretary of the corporation, call a special meeting of the holders of such series of the Preferred Stock for the purpose of electing directors pursuant to clause (b) (i). Such meeting shall be held at the earliest practicable date in such place as may be designated pursuant to the By-laws (or if there be no designation, at the principal offices of the corporation in Milwaukee, Wisconsin). If such meeting shall not be called by the proper officers of the corporation within 20 days after personal service of the said written request upon the Secretary of the corporation, or within 30 days after mailing the same within the United States of America by registered or certified mail addressed to the Secretary of the corporation at its principal office, then the holders of record of at least 10% of such series of the Preferred Stock then outstanding may designate in writing one of their numbers to call such meeting at the expense of the corporation, and such meeting may be called by such person so designated upon the notice required for annual meetings of shareholders and shall be held in Milwaukee, Wisconsin. Any holder of such series of Preferred Stock so designated shall have access to the stock books of the corporation for the purpose of causing meeting of shareholders to be called pursuant to these provisions. Notwithstanding the provisions of this clause (b) (ii), no such special meeting shall be called during the period within 90 days immediately preceding the date fixed for the next annual meeting of shareholders.

(iii) Special Rules Applicable While Any Series of Preferred Stock Has Special Voting Rights. At any annual or special meeting at which the holders of any series of the Preferred Stock shall have the special right, voting separately as a class, to elect directors as provided in clause (b) (i), the presence, in person or by proxy, of the holders of 33-1/3% of such series of the Preferred Stock shall be

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required to constitute a quorum of such series for the election of any director by the holders of such series as a class. At any such meeting or adjournment thereof, (A) the absence of a quorum of such series of the Preferred Stock shall not prevent the election of directors other than those to be elected by such series of the Preferred Stock voting as a class, and the absence of a quorum for the election of such other directors shall not prevent the election of the directors to be elected by such series of the Preferred Stock voting as a class and (B) in the absence of either or both such quorums, a majority of the holders present in person or by proxy of the stock or stocks which lack a quorum shall have power to adjourn the meeting for the election of directors which they are entitled to elect from time to time until a quorum shall be present, without notice other than announcement at the meeting.

During any period in which the holders of any series of the Preferred Stock have the right to vote as a class for directors as provided in clause (b) (i), any vacancies in the Board of Directors shall be filled only by vote of a majority (even if that be only a single director) of the remaining directors theretofore elected by the holders of the series or class of stock which elected the directors whose office shall have become vacant. During such period the directors so elected by the holders of any series of the Preferred Stock shall continue in office (A) until the next succeeding annual meeting or until their successors, if any are elected by such holders and qualify, or (B) unless required by applicable law to continue in office for longer period, until termination of the right of the holders of such series of the Preferred Stock to vote as a class for directors, if earlier. If and to the extent permitted by applicable law, immediately upon any termination of the right of the holders of any series of the Preferred Stock to vote as a class for directors as provided in clause (b) (i), the term of office of the directors then in office so elected by the holders of such series shall terminate.

(iv) Action Requiring Approval of Two-Thirds of Outstanding Shares of Each Series of Preferred Stock. The affirmative vote or written consent of the holders of record of at least two-thirds of the outstanding shares of a series of the Preferred Stock shall be a prerequisite of the right of the corporation.

(A) To create any shares of any securities convertible into or evidencing the right to purchase shares ranking prior to such series of the Preferred Stock with respect to the payment of dividends or of assets upon liquidation, dissolution or winding up; or

(B) To change the designations, preferences, limitations, or relative rights of the outstanding shares or such series of Preferred Stock in any manner prejudicial to the holders thereof.

(v) Action Requiring Approval of a Majority of Outstanding Shares of Each Series of Preferred Stock. The affirmative vote or written consent of the holders of a majority of the outstanding shares of each series of Preferred Stock shall be a prerequisite to the right of the corporation to authorize any shares of Preferred Stock in excess of 2,000,000 shares or any other shares ranking on a parity with Preferred Stock with respect to the payment of dividends or of assets upon liquidation, dissolution or winding up.

#### (8) Restrictions in Event of Default in Dividends on Preferred Stock

If at any time the corporation shall have failed to pay dividends in full on the Preferred Stock, thereafter and until dividends in full, including all accrued and unpaid dividends for all past quarterly dividend periods on the Preferred Stock outstanding, shall have been declared and set apart in trust for payment or paid, or if at any time the corporation shall have failed to pay in full amounts payable with respect to any obligations to retire shares of the Preferred Stock, thereafter and until such amount shall have been paid in full or set apart in trust for payment (a) the corporation, without the affirmative vote or consent of the holders of at least 66-2/3% of the Preferred Stock at the time outstanding given in person or by proxy, either in writing or by resolution adopted at a special meeting called for the purpose, at which the holders of the Preferred Stock shall vote separately as a class, regardless of series, shall not redeem less than all of the Preferred Stock at such time outstanding; (b) the corporation shall not purchase any Preferred Stock except in accordance with a purchase offer made in writing to all holders of Preferred Stock of all series upon such terms as the Board of Directors in its sole discretion after consideration of

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the respective annual dividend rate and other relative rights and preferences of the respective series, shall determine (which determination shall be final and conclusive) will result in fair and equitable treatment among the respective series; provided that (i) the corporation, to meet the requirements of any purchase retirement or sinking fund provisions with respect to any series, may use shares of such series acquired by it prior to such failure and then held by it as treasury stock and (ii) nothing shall prevent the corporation from completing the purchase or redemption of shares of Preferred Stock for which a purchase contract was entered into for any purchase, retirement or sinking fund purposes, or the notice of redemption of which was initially mailed, prior to such failure; and (c) the corporation shall not redeem, purchase or otherwise acquire, or permit any subsidiary to purchase or acquire any shares of any other stock of the corporation ranking junior to the Preferred Stock as to dividends and upon liquidation.

(B) Common Stock

(1) Dividends

After all dividends on all series of Preferred Stock entitled to dividends which shall have accrued through the ends of the last preceding Dividend Periods set for all such series shall have been paid or declared and set apart for payment at the rates at which such series of Preferred Stock are entitled for the last preceding Dividend Periods set for such series, the holders of the Common Stock shall be entitled to receive such dividends as may be declared thereon from time to time by the Board of Directors, at its discretion, out of any assets of the corporation at the time legally available for payment of dividends of Common Stock.

(2) Dissolution

In the event of the dissolution of the corporation, whether voluntary or involuntary, after distribution to the holders of all shares of Preferred Stock which shall be entitled to a preference over the holders of Common Stock of the full preferential amounts to which they are entitled, the holders of Common Stock shall be entitled to share ratably in the distribution of the remaining assets of the corporation.

(3) Voting Rights of Common Stock

Holders of Common Stock shall be entitled to one vote for each share of such class held on all questions on which shareholders of the corporation as entitled to vote and shall vote together share for share with the holders of Preferred Stock as one class, except as otherwise provided by law or as herein otherwise provided.

(C) General

(1) Pre-emptive Rights

No holder of any class of stock of the corporation shall have any pre-emptive or preferential right to subscribe for or purchase any of the unissued shares of stock the corporation, whether now or hereafter authorized, or any stock of this corporation purchased by this corporation or by its nominee or nominees, or any bonds, certificates of indebtedness, debentures or other securities convertible into stock of this corporation, or any right of subscription to any thereof other than such, if any, as the Board of Directors in its discretion may from time to time determine.

(2) Holders of Record

The corporation shall be entitled to treat the holder of record of any share or shares or stock as the owner thereof for all purposes, and shall not be bound to recognize any equitable or other claim to or interest in any such share or shares on the part of any other person, whether or not it shall have express or other notice thereof.

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### (3) Increases Shareholder Voting Requirement in Connection with Certain Merger and Other Transactions

(a) Except as set forth in clause (d) of this Paragraph (3), the affirmative vote or consent of the holders of four-fifths of all classes of stock of this corporation entitled to vote in elections of directors, considered for the purposes of this Paragraph (3) as one class, shall be required (i) for the adoption of any agreement for the merger or consolidation of this corporation with or into any other corporation, or (ii) to authorize any sale, lease, exchange, mortgage, pledge or other disposition of all or any substantial part of the assets of this corporation to, or any sale, lease, exchange, mortgage, pledge or other disposition to this corporation or any subsidiary thereof in exchange for securities of this corporation of any assets of, any other corporation, person or other entity, if, in either case, as of the record date for the determination of shareholders entitled to notice thereof and to vote thereon or consent thereto such other corporation, person or entity is the beneficial owner, directly or indirectly, of more than 10% of the outstanding shares of stock of this corporation entitled to vote in elections of directors considered for the purposes of this Paragraph (3) as one class. Such affirmative vote or consent shall be in addition to the vote or consent of the holders of the stock of this corporation otherwise required by law, these Articles of Incorporation or any agreement between this corporation and any national securities exchange.

(b) For the purposes of this paragraph (3), (i) any corporation, person or other entity shall be deemed to be the beneficial owner of any shares of stock of this corporation (A) which it has the right to acquire pursuant to any agreement, or upon exercise of conversion rights, warrants or options, or otherwise or (B) which are beneficially owned, directly or indirectly (including shares deemed owned through application of subclause (A), above), by any other corporation, person or entity with which it or its "affiliate" or "associate" (as defined below) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposition of stock of this corporation, or which is its "affiliate" or "associate" as those terms are defined in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934 as in effect on January 1, 1969, and (ii) the outstanding shares of any class of stock of this corporation shall include shares deemed owned through application of subclauses (A) and (B) above but shall not include any other shares which may be issuable pursuant to any agreement, or upon exercise of conversion rights, warrants or options, or otherwise.

(c) The Board of Directors shall have the power and duty to determine for the purposes of this Paragraph (3), on the basis of information known to such Board, whether (i) such other corporation, person or other entity beneficially owns more than 10% of the outstanding shares of stock of this corporation entitled to vote in elections of directors, (ii) a corporation, person, or entity is an "affiliate" or "associate" (as defined above) of another, and (iii) the memorandum of understanding referred to below is substantially consistent with the transaction covered thereby. Any such determination shall be conclusive and binding for all purposes of this Paragraph (3).

(d) The provisions of this Paragraph (3) shall not be applicable to (i) any merger or consolidation of this corporation with or into any other corporation, or any sale, lease, exchange, mortgage, pledge or other disposition of all or any substantial part of the assets of this corporation to, or any sale, lease mortgage, pledge or other disposition to this corporation or any subsidiary thereof in exchange for securities of this corporation of any assets of, any other corporation, person or other entity, if the Board of Directors of this corporation shall by resolution have approved a memorandum of understanding with such other corporation, person or other entity, with respect to and substantially consistent with such transaction prior to the time such other corporation, person or other entity shall have become a beneficial owner of more than 10% of the shares of stock of this corporation entitled to vote in elections of directors; or (ii) any merger or consolidation of this corporation with, or any sale, lease, exchange, mortgage, pledge or other disposition to this corporation or any subsidiary thereof of any assets of any corporation of which a majority of the outstanding shares of all classes of stock entitled to vote in elections of directors is owned of record or beneficially by this corporation and its subsidiaries.

(e) No amendment to these Articles of Incorporation shall amend, alter, change or repeal any of the provisions of this Paragraph (3), unless the amendment effecting such amendment, alteration, change or repeal shall receive the affirmative vote or consent of the holders of four-fifths of all classes of stock of this corporation entitled to vote in elections of directors, considered for the purposes of this Paragraph (3) as one class.

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## ARTICLE IV

### Board of Directors

(A) The Board of Directors shall consist of such number of directors (not less than three) as is fixed from time to time by the By-laws. The By-laws may provide, to the extent permitted by law, that the directors be divided into classes until the annual meeting of shareholders of the corporation held in 2014 and that the terms of office of directors of each class may be more than one year. Commencing with the annual meeting of shareholders of the corporation held in 2014, directors shall be elected and shall hold office for terms as follows: (i) at the 2014 annual meeting of shareholders, directors for whom such annual meeting is the annual meeting of shareholders held in the third year following the year of their election (or such directors' successors) shall be elected to hold office for a term expiring at the next annual meeting of shareholders and until their successors have been elected and qualified, and the remaining directors shall hold office for the term for which they were elected and until their successors have been elected and qualified, (ii) at the 2015 annual meeting of shareholders, directors for whom such annual meeting is the annual meeting of shareholders held in the third year following the year of their election and directors elected at the 2014 annual meeting of shareholders (or such directors' successors) shall be elected to hold office for a term expiring at the next annual meeting of shareholders and until their successors have been elected and qualified, and the remaining directors shall hold office for the term for which they were elected and until their successors have been elected and qualified, and (iii) at the 2016 annual meeting of shareholders and each annual meeting of shareholders thereafter, all directors shall be elected to hold office for a term expiring at the next annual meeting of shareholders and until their successors have been elected and qualified. A director may be removed from office during the term for which he has been elected only by affirmative vote of two-thirds of the outstanding shares entitled to vote for the election of such director. Any director elected to fill a vacancy who is replacing a director who was in the course of serving a three-year term shall serve for the remainder of the predecessor's term.

(B) The By-laws of the corporation may provide that, to the extent provided in such By-laws, an individual shall be elected a director of the corporation by the shareholders if, and only if, the number of votes cast favoring that individual's election exceeds the number of votes cast opposing that individual's election at any meeting for the election of directors at which a quorum is present, subject to the terms and conditions set forth within such By-laws. For purposes of clarity, the provisions of the foregoing sentence do not apply to vacancies on the Board of Directors (including a vacancy resulting from an increase in the number of directors) filled by a vote of the Board of Directors.

## ARTICLE V

### Registered Office and Agent

The address of the registered office is 5757 North Green Bay Avenue, Glendale, Wisconsin 53209, and the name of the registered agent at such address is Jerome D. Okarma.

## ARTICLE VI

### Indemnification

(A) The corporation shall indemnify any person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suite or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorney's fees, judgments, fines and

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amounts paid in settlement actually and reasonably incurred by him in connect with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(B) The corporation shall indemnify any person who was or is a party threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including attorney' s fees, actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(C) To the extent that a director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in the preceding Sections (A) and (B) of this Article VI, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses, including attorney' s fees, actually and reasonably incurred by him in connection therewith.

(D) Any indemnification under Sections (A) or (B) of this Article VI, unless ordered by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in such Sections. Such determination shall be made:

(1) By the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding.

(2) If such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion;

(3) By the shareholders; or

(4) By the chief legal officer of the corporation only in the following circumstances

(a) the indemnified is a non-officer, non-director employee of the corporation, and

(b) the chief legal officer reasonably concludes that the actions of the indemnified were in accordance with the laws of the U.S. and Wisconsin, meet the requirements of this Article and were in accordance with the current Ethics Policy of the corporation; the chief legal officer reports fully on such decisions to the Audit Committee of the Board of Directors at its next meeting.

(E) Expenses, including attorney' s fees, incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in Section (D) upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this Article VI.

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(F) The right to indemnification provided by this Article VI shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any by-law, agreement, vote of shareholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(G) The corporation may purchase and maintain insurance on behalf of any person who is or was a director, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Article VI.

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These Restated Articles of Incorporation supersede and take the place of the existing Articles of Incorporation and all amendments to the Articles of Incorporation through January 23, 2013.

*This document was drafted by Jerome D. Okarma, Esq.*

## JOHNSON CONTROLS, INC.

## BY-LAWS

(\*As in effect January 24, 2013)

ARTICLE IOFFICES

The principal office of the corporation in the State of Wisconsin shall be located in the City of Glendale, County of Milwaukee. The corporation may have such other offices, either within or without the State of Wisconsin, as the Board of Directors may designate or as the business of the corporation may require from time to time.

The registered office of the corporation required by the Wisconsin Business Corporation Law to be maintained in the State of Wisconsin may be, but need not be, identical with the principal office in the State of Wisconsin, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE IISHAREHOLDERS

Section 1. ANNUAL MEETING. The Annual Meeting of the shareholders of the Corporation (an "Annual Meeting") shall be held on the fourth Wednesday in the month of January in each year, at the hour of 2:00 o' clock P.M., or at such other hour or day as may be designated by the Board of Directors. At each Annual Meeting, the shareholders shall elect a number of directors equal to the number of the class whose term expires at the time of such meeting and shall conduct any other business properly brought before the Annual Meeting in accordance with Article II, Section 13 of the By-Laws. In the event of failure, through oversight or otherwise, to hold the Annual Meeting of shareholders in any year on the date herein provided therefore, the Annual Meeting, upon waiver of notice or upon due notice, may be held at a later date and any election had or business done at such Annual Meeting shall be as valid and effectual as if had or done at the Annual Meeting on the date herein provided. In fixing a meeting date for any Annual Meeting, the Board of Directors may consider such factors as it deems relevant within the good faith exercise of its business judgment.

Section 2. SPECIAL MEETINGS.

(a) A special meeting of the shareholders of the Corporation (a "Special Meeting") may be called only by (i) the Chairman of the Board, (ii) the Vice Chairman of the Board, (iii) the President or (iv) the Board of Directors and shall be called by the Chairman of the Board or the President upon the demand, in accordance with this Section 2, of the holders of record of shares representing at least 10% of all the votes entitled to be cast on any issue proposed to be considered at the Special Meeting.

(b) In order that the Corporation may determine the shareholders entitled to demand a Special Meeting, the Board of Directors may fix a record date to determine the shareholders entitled to make such a demand (the "Demand Record Date"). The Demand Record Date shall not precede the date upon which the resolution fixing the Demand Record Date is adopted by the Board of Directors and shall not be more than 10 days after the date upon which the resolution fixing the Demand Record Date is adopted by the Board of Directors. Any shareholder of record seeking to have shareholders demand a Special Meeting shall, by sending written notice to the Secretary of the Corporation by hand or by certified or registered

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mail, return receipt requested, request the Board of Directors to fix a Demand Record Date. The Board of Directors shall promptly, but in all events within 10 days after the date on which a valid request to fix a Demand Record Date is received, adopt a resolution fixing the Demand Record Date and shall make a public announcement of such Demand Record Date. If no Demand Record Date has been fixed by the Board of Directors within 10 days after the date on which such request is received by the Secretary, the Demand Record Date shall be the 10th day after the first date on which a valid written request to set a Demand Record Date is received by the Secretary. To be valid, such written request shall set forth the purpose or purposes for which the Special Meeting is to be held, shall be signed by one or more shareholders of record (or their duly authorized proxies or other representatives), shall bear the date of signature of each such shareholder (or proxy or other representative) and shall set forth all information about each such shareholder and about the beneficial owner or owners, if any, on whose behalf the request is made that would be required to be set forth in a shareholder's notice described in paragraph (a)(ii) of Article II, Section 13 of these By-Laws.

(c) In order for a shareholder or shareholders to demand a Special Meeting, a written demand or demands for a Special Meeting by the holders of record as of the Demand Record Date of shares representing at least 10% of all the votes entitled to be cast on each issue proposed to be considered at the Special Meeting must be delivered to the Corporation. To be valid, each written demand by a shareholder for a Special Meeting shall set forth the specific purpose or purposes for which the Special Meeting is to be held (which purpose or purposes shall be limited to the purpose or purposes set forth in the written request to set a Demand Record Date received by the Corporation pursuant to paragraph (b) of this Section 2), shall be signed by one or more persons who as of the Demand Record Date are shareholders of record (or their duly authorized proxies or other representatives), shall bear the date of signature of each such shareholder (or proxy or other representative), and shall set forth the name and address, as they appear in the Corporation's books, of each shareholder signing such demand and the class and number of shares of the Corporation which are owned of record and beneficially by each such shareholder, shall be sent to the Secretary by hand or by certified or registered mail, return receipt requested, and shall be received by the Secretary within 70 days after the Demand Record Date.

(d) The Corporation shall not be required to call a Special Meeting upon shareholder demand unless, in addition to the documents required by paragraph (c) of this Section 2, the Secretary receives a written agreement signed by each Soliciting Shareholder, pursuant to which each Soliciting Shareholder, jointly and severally, agrees to pay the Corporation's costs of holding the special meeting, including the costs of preparing and mailing proxy materials for the Corporation's own solicitation, provided that if each of the resolutions introduced by any Soliciting Shareholder at such meeting is adopted, and each of the individuals nominated by or on behalf of any Soliciting Shareholder for election as director at such meeting is elected, then the Soliciting Shareholders shall not be required to pay such costs. For purposes of this paragraph (d), the following terms shall have the meanings set forth below:

(i) "Affiliate" of any Person shall mean any Person controlling, controlled by or under common control with such first Person.

(ii) "Participant" shall have the meaning assigned to such term in Rule 14a-11 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(iii) "Person" shall mean any individual, firm, corporation, partnership, joint venture association, trust, unincorporated organization or other entity.

(iv) "Proxy" shall have the meaning assigned to such term in Rule 14a-1 promulgated under the Exchange Act.

(v) "Solicitation" shall have the meaning assigned to such term in Rule 14a-11 promulgated under the Exchange Act.

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(vi) “Soliciting Shareholder” shall mean, with respect to any Special Meeting demanded by a shareholder or shareholders, any of the following Persons:

(A) if the number of shareholders signing the demand or demands of meeting delivered to the Corporation pursuant to paragraph (c) of this Section 2 is ten or fewer, each shareholder signing any such demand;

(B) if the number of shareholders signing the demand or demands of meeting delivered to the Corporation pursuant to paragraph (c) of this Section 2 is more than ten, each Person who either (I) was a Participant in any Solicitation of such demand or demands or (II) at the time of the delivery to the Corporation of the documents described in paragraph (c) of this Section 2, had engaged or intended to engage in any Solicitation of Proxies for use at such Special Meeting (other than a Solicitation of Proxies on behalf of the Corporation); or

(C) any Affiliate of a Soliciting Shareholder, if a majority of the directors then in office determine, reasonably and in good faith, that such Affiliate should be required to sign the written notice described in paragraph (c) of this Section 2 and/or the written agreement described in this paragraph (d) in order to prevent the purposes of this Section 2 from being evaded.

(e) Except as provided in the following sentence, any Special Meeting shall be held at such hour and day as may be designated by whichever of the Chairman of the Board, the Vice Chairman of the Board, the President or the Board of Directors shall have called such meeting. In the case of any Special Meeting called by the Chairman of the Board, the Vice Chairman of the Board, or the President upon the demand of shareholders (a “Demand Special Meeting”), such meeting shall be held at such hour and day as may be designated by the Board of Directors; provided, however, that the date of any Demand Special Meeting shall be not more than 70 days after the Meeting Record Date (as defined in Article II, Section 5); and provided further that in the event that the directors then in office fail to designate an hour and date for a Demand Special Meeting within 10 days after the date that valid written demands for such meeting by the holders of record as of the Demand Record Date of shares representing at least 10% of all the votes entitled to be cast on each issue proposed to be considered at the special meeting are delivered to the Corporation (the “Delivery Date”), then such meeting shall be held at 2:00 P.M. local time on the 100th day after the Delivery Date or, if such 100th day is not a Business Day (as defined below), on the first preceding Business Day. In fixing a meeting date for any Special Meeting, the Chairman of the Board, the Vice Chairman of the Board, the President or the Board of Directors may consider such factors as he or it deems relevant within the good faith exercise of his or its business judgment, including, without limitation, the nature of the action proposed to be taken, the facts and circumstances surrounding any demand for such meeting, and any plan of the Board of Directors to call an Annual Meeting or a Special Meeting for the conduct of related business.

(f) The Corporation may engage nationally recognized independent inspectors of elections to act as an agent of the Corporation for the purpose of promptly performing a ministerial review of the validity of any purported written demand or demands for a Special Meeting received by the Secretary. For the purpose of permitting the inspectors to perform such review, no purported demand shall be deemed to have been delivered to the Corporation until the earlier of (i) five Business Days following receipt by the Secretary of such purported demand and (ii) such date as the independent inspectors certify to the Corporation that the valid demands received by the Secretary represent at least 10% of all the votes entitled to be cast on each issue proposed to be considered at the Special Meeting. Nothing contained in this paragraph shall in any way be construed to suggest or imply that the Board of Directors or any shareholder shall not be entitled to contest the validity of any demand, whether during or after such five Business Day period, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto).

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(g) For purposes of these By-Laws, “Business Day” shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the State of Wisconsin are authorized or obligated by law or executive order to close.

Section 3. PLACE OF MEETING. The Board of Directors, the Chairman, the Vice Chairman, or the President may designate any place, either within or without the State of Wisconsin, as the place of meeting for any Annual Meeting or Special Meeting, or for any postponement thereof, and in case the Board of Directors, the Chairman, the Vice Chairman, or the President shall fail or neglect to make such designation, the Secretary shall designate the time and place of such meeting. Any adjourned meeting may be reconvened at any place designated by vote of the Board of Directors or by the Chairman, the Vice Chairman, or the President.

Section 4. NOTICE OF MEETING. The Corporation shall send written or printed notice stating the place, day and hour of any Annual Meeting or Special Meeting not less than 10 days nor more than 70 days before the date of such meeting either personally or by mail to each shareholder of record entitled to vote at such meeting and to other shareholders as may be required by law or by the Restated Articles of Incorporation. In the event of any Demand Special Meeting, such notice of meeting shall be sent not more than 30 days after the Delivery Date. If mailed, such notice of meeting shall be addressed to the shareholder at his address as it appears on the Corporation’s record of shareholders. Unless otherwise required by law or the Restated Articles of Incorporation, a notice of an Annual Meeting need not include a description of the purpose for which the meeting is called. In the case of any Special Meeting, (a) the notice of meeting shall describe any business that the Board of Directors shall have theretofore determined to bring before the meeting and (b) in the case of a Demand Special Meeting, the notice of meeting (i) shall describe any business set forth in the statement of purpose of the demands received by the Corporation in accordance with Article II, Section 2 of these By-Laws and (ii) shall contain all of the information required in the notice received by the Corporation in accordance with Article II, Section 13(b)(ii) of these By-Laws.

Section 5. FIXING OF RECORD DATE. The Board of Directors may fix a future date not less than 10 days and not more than 70 days prior to the date of any Annual Meeting or Special Meeting as the record date for the determination of shareholders entitled to notice of, or to vote at, such meeting (the “Meeting Record Date”). In the case of any Demand Special Meeting, (i) the Meeting Record Date shall be not later than the 30th day after the Delivery Date and (ii) if the Board of Directors fails to fix the Meeting Record Date within 30 days after the Delivery Date, then the close of business on such 30th day shall be the Meeting Record Date. The shareholders of record on the Meeting Record Date shall be the shareholders entitled to notice of and to vote at the meeting. Except as may be otherwise provided by law, a determination of shareholders entitled to notice of or to vote at a meeting of shareholders is effective for any adjournment of such meeting unless the Board of Directors fixes a new Meeting Record Date, which it shall do if the meeting is postponed or adjourned to a date more than 120 days after the date fixed for the original meeting.

Section 6. SHAREHOLDER LISTS. After a record date has been fixed for a meeting of shareholders, the Secretary or agent having charge of the shareholder record shall prepare a list of the names of all of the shareholders who are entitled to notice of the meeting. The list shall be arranged by class or series of shares and shall show the address of and number of shares held by each shareholder. The corporation shall make the shareholders’ list available for inspection by any shareholder, beginning 2 business days after notice of the meeting is given for which the list was prepared and continuing to the date of the meeting, at the corporation’s principal office or at a place identified in the meeting notice in the city where the meeting will be held. The corporation shall make the shareholders’ list available at the meeting, and any shareholder or his or her agent or attorney may inspect the list at any time during the meeting or any adjournment. Refusal or failure to prepare or make available the shareholders’ list does not affect the validity of action taken at the meeting.

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Section 7. QUORUM; POSTPONEMENTS; ADJOURNMENTS.

(a) Except as otherwise provided by law or by the Restated Articles of Incorporation, when specified business is to be voted upon by one or more classes or series of shares entitled to vote as a separate voting group, the holders of shares representing a majority of the votes entitled to be cast on the matter by the voting group shall constitute a quorum of that voting group for the transaction of such business. Once a share is represented for any purpose at a meeting, other than for the purpose of objecting to holding the meeting or transacting business at the meeting, it is considered present, for purposes of determining whether a quorum exists, for the remainder of the meeting and for any adjournment of that meeting unless a new Meeting Record Date is or must be set for that adjourned meeting.

(b) The Board of Directors acting by resolution may postpone and reschedule any previously scheduled Annual Meeting or Special Meeting; provided, however, that a Demand Special Meeting shall not be postponed beyond the 100th day following the Delivery Date. Any Annual Meeting or Special Meeting may be adjourned from time to time, whether or not there is a quorum, (i) at any time, upon a resolution of shareholders if the votes cast in favor of such resolution by the holders of shares of each voting group entitled to vote on any matter theretofore properly brought before the meeting exceed the number of votes cast against such resolution by the holders of shares of each such voting group or (ii) at any time prior to the transaction of any business at such meeting, by the Chairman of the Board or pursuant to resolution of the Board of Directors. No notice of the time and place of adjourned meetings need be given except as required by law. At any adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 8. PROXIES. At all the meetings of shareholders, a shareholder entitled to vote may vote his or her shares in person or by proxy. A shareholder may appoint a proxy to vote or otherwise act for the shareholder by signing an appointment form, either personally or by his or her attorney-in-fact. An appointment of a proxy is effective when received by the secretary or other officer or agent of the corporation authorized to tabulate votes. An appointment is valid for 11 months from the date of its signing unless a different period is expressly provided in the appointment form.

Section 9. VOTING OF SHARES. Except as otherwise provided by law or by the Articles of Incorporation, holders of Common Stock and holders of Preferred Stock shall be entitled to one vote for each share of each such class held on all questions on which shareholders are entitled to vote, and the holders of Common Stock and the holders of Preferred Stock shall vote together as one class.

Section 10. ACCEPTANCE OF INSTRUMENTS SHOWING SHAREHOLDER ACTION. If the name signed on a vote, waiver or proxy appointment does not correspond to the name of its shareholder, the corporation may accept the vote, waiver or proxy appointment and give it effect as the act of the shareholder if any of the following apply:

(a) The shareholder is an entity and the name signed purports to be that of an officer or agent of the entity.

(b) The name purports to be that of a personal representative, administrator, executor, guardian or conservator representing the shareholder and, if the corporation requests, evidence of fiduciary status acceptable to the corporation is presented with respect to the vote, waiver or proxy appointment.

(c) The name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder and, if the corporation requests, evidence of this status acceptable to the corporation is presented with respect to the vote, waiver or proxy appointment.

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(d) The name signed purports to be that of a pledgee, beneficial owner, or attorney-in-fact of the shareholder and, if the corporation requests, evidence acceptable to the corporation of the signatory' s authority to sign for the shareholder is presented with respect to the vote, waiver or proxy appointment.

(e) Two or more persons are the shareholder as co-tenants or fiduciaries and the name signed purports to be the name of at least one of the co-owners and the person signing appears to be acting on behalf of all co-owners.

Section 11. WAIVER OF NOTICE BY SHAREHOLDERS. A shareholder may waive any notice whatever required to be given to any shareholder of the corporation under the Articles of Incorporation or By-Laws or any provision of law, by a waiver thereof in writing, signed at any time, whether before or after the date and time stated in the notice, by the shareholder entitled to such notice; provided that such waiver shall contain the same information as would have been required to be included in such notice under any applicable provisions of Chapter 180, Wisconsin Statutes, except the time and place of meeting, and shall be delivered to the corporation for inclusion in the corporate records. A shareholder' s attendance at a meeting, in person or by proxy, waives objection to the following: (a) lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting or promptly upon arrival objects to holding the meeting or transacting business at the meeting; and (b) consideration of a particular matter at the meeting that is not within the purpose described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

Section 12. VALIDITY OF PROXIES, ETC. The Corporation or its authorized officers, agents or other representatives may reject a vote, waiver, proxy appointment, request to fix a Demand Record Date or demand for a Special Meeting if the Secretary or other duly authorized officer or agent of the Corporation, acting in good faith, has reasonable basis for doubt about the validity of the signature or signatures on it, about the signatory' s authority to sign for the shareholder or about any other matter affecting the validity of such vote, waiver, proxy appointment, request or demand.

Section 13. NOTICE OF SHAREHOLDER BUSINESS AND NOMINATION OF DIRECTORS; REQUIRED VOTE FOR DIRECTORS.

(a) Annual Meetings of Shareholders.

(i) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the shareholders may be made at an Annual Meeting (A) pursuant to the Corporation' s notice of meeting, (B) by or at the direction of the Board of Directors or (C) by any shareholder of the Corporation who (i) was a shareholder of record at the time of giving of notice provided for in this By-Law and at the time of the Annual Meeting, (ii) is entitled to vote at the meeting and (iii) complies with the notice procedures set forth in this Section 13.

(ii) Without qualification, for any nominations or any other business to be properly brought before an annual meeting by a shareholder pursuant to paragraph (a)(i)(C) of this Section 13, the shareholder must have given timely notice thereof in writing to the Secretary of the and such other business must otherwise be a proper matter for shareholder action. To be timely, a shareholder' s notice shall be received by the Secretary of the Corporation at the principal executive offices of the Corporation not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year' s annual meeting of shareholders; provided, however, that in the event that the date of the Annual Meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, notice by the shareholder to be timely must be so received not earlier than the 120<sup>th</sup> day prior to the date of such Annual Meeting and not later than the close of business on the later of (x) the 90<sup>th</sup> day prior to such Annual Meeting and (y) the 10<sup>th</sup> day following the day on which the public announcement of the date of such meeting is first made. In no event shall any adjournment or postponement of an Annual Meeting or the announcement thereof commence a new time period for the giving of a shareholder' s notice as

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described above. To be in proper form, a shareholder's notice (whether given pursuant to this Section 13(a)(ii) or paragraph (b) of this Section 13) to the Secretary must: (a) set forth, as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such shareholder, as they appear on the Corporation's books, and of such beneficial owner, if any, (ii) (A) the class or series and number of shares of the Corporation which are, directly or indirectly, owned beneficially and of record by such shareholder and such beneficial owner, (B) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (a "Derivative Instrument") directly or indirectly owned beneficially by such shareholder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (C) any proxy, contract, arrangement, understanding, or relationship pursuant to which such shareholder has a right to vote any shares of any security of the Corporation, (D) any short interest in any security of the Corporation (for purposes of this By-Law a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (E) any rights to dividends on the shares of the Corporation owned beneficially by such shareholder that are separated or separable from the underlying shares of the Corporation, (F) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such shareholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (G) any performance-related fees (other than an asset-based fee) that such shareholder is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such shareholder's immediate family sharing the same household (which information shall be supplemented by such shareholder and beneficial owner, if any, not later than 10 days after the record date for the meeting to disclose such ownership as of the record date), and (iii) any other information relating to such shareholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder; (b) if the notice relates to any business other than a nomination of a director or directors that the shareholder proposes to bring before the meeting, set forth (i) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of such shareholder and beneficial owner, if any, in such business and (ii) a description of all agreements, arrangements and understandings between such shareholder and beneficial owner, if any, and any other person or persons (including their names) in connection with the proposal of such business by such shareholder; (c) set forth, as to each person, if any, whom the shareholder proposes to nominate for election or reelection to the Board of Directors (i) all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected) and (ii) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such shareholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the shareholder making the nomination and

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any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the “registrant” for purposes of such rule and the nominee were a director or executive officer of such registrant; and (d) with respect to each nominee for election or reelection to the Board of Directors, include a completed and signed questionnaire, representation and agreement required by paragraph (d) of this Section 13. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder’s understanding of the independence, or lack thereof, of such nominee.

(iii) Notwithstanding anything in the second sentence of paragraph (a)(ii) of this Section 13 to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least 70 days prior to the first anniversary of the previous year’s annual meeting, a shareholder’s notice required by this Section 13 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(b) Special Meetings of Shareholders. Only such business shall be conducted at a Special Meeting as shall have been described in the notice of meeting sent to shareholders pursuant to Article II, Section 4 of the By-Laws. Nominations of persons for election to the Board of Directors may be made at a Special Meeting at which directors are to be elected pursuant to such notice of meeting (i) by or at the direction of the Board of Directors or (ii) by any shareholder of the Corporation who (A) is a shareholder of record at the time of giving of such notice of meeting, (B) is entitled to vote at the meeting and (C) complies with the notice procedures set forth in this Section 13. Any shareholder desiring to nominate persons for election to the Board of Directors at such a Special Meeting shall cause a written notice complying with the requirements as to proper form set forth in paragraph (a)(ii) of this Section 13 to be received by the Secretary of the Corporation at the principal executive offices of the Corporation not earlier than 120 days prior to such Special Meeting and not later than the close of business on the later of (x) the 90<sup>th</sup> day prior to such Special Meeting and (y) the 10th day following the day on which public announcement is first made of the date of such Special Meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall any adjournment or postponement of a special meeting or the announcement thereof commence a new time period for the giving of a shareholder’s notice as described above.

(c) General.

(i) Only persons who are nominated in accordance with the procedures set forth in this Section 13 shall be eligible to serve as directors. Only such business shall be conducted at a meeting of shareholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 13. The chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Section 13 and, if any proposed nomination or business is not in compliance with this Section 13, to declare that such defective proposal shall be disregarded.

(ii) For purposes of this Section 13, “public announcement” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

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(iii) Notwithstanding the foregoing provisions of this Section 13, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 13; provided, however, that any references in these By-Laws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to limit the requirements applicable to nominations or shareholder action pursuant to paragraph (a)(ii) or paragraph (b) of this Section 13. Nothing in this Section 13 shall be deemed to affect any rights of shareholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

(d) Required Vote for Directors.

(i) Majority voting in uncontested director elections. Election of directors at all meetings of the shareholders at which directors are to be elected shall be by ballot. Except as set forth in paragraph (d)(ii) of this Section 13, a majority of the votes cast at any meeting of the shareholders for the election of directors at which a quorum is present shall elect directors, subject to the rights of the holders of any series of Preferred Stock to elect directors under specified circumstances. For purposes of this By-Law, a "majority of the votes cast" means that the number of shares voted "for" a director's election exceeds 50% of the number of votes cast with respect to that director's election. Votes cast shall include votes "for" and "against" that director's election and direction to withhold authority in each case and exclude abstentions and broker nonvotes with respect to that director's election.

(ii) Contested elections. In the event of a "contested election" of directors, directors shall be elected by the vote of a plurality of the votes cast at any meeting for the election of directors at which a quorum is present. For purposes of this By-Law, a "contested election" means any election of directors in which the number of candidates for election as directors exceeds the number of directors to be elected, as determined by the Secretary. The Secretary makes this determination (i) the day after the meeting of the Board of Directors at which the nominees for director of the Board of Directors for such election are approved, when such meeting occurs after the last day on which a shareholder may propose the nomination of a director for election in such election pursuant to the Restated Articles of Incorporation or these By-Laws, or (ii) the day after the last day on which a shareholder may propose the nomination of a director for election in such election pursuant to the Restated Articles of Incorporation or these By-Laws, when the last day for such a proposal occurs after the meeting of the Board of Directors at which the nominees for director of the Board of Directors for such election are approved, whichever of clause (i) or (ii) is applicable. This determination that an election is a "contested election" shall be determinative only as to the timeliness of a notice of nomination and not otherwise as to its validity. In all cases, once an election is determined to be a contested election, directors shall be elected by the vote of a plurality of the votes cast.

Section 14. CONDUCT OF MEETING. The Chairman of the Board of Directors, and in his absence (or if no person then holds such office), the President, and in his absence, any officer or director designated by the President, and in his absence, a Vice President in the order provided under Section 6 of Article IV of the By-Laws, and in their absence, any person chosen by the shareholders present shall call any Annual Meeting or Special Meeting to order and shall act as chairman of the meeting, and the Secretary of the Corporation shall act as secretary of all meetings of the shareholders, but, in the absence of the Secretary, the presiding officer may appoint any other person to act as secretary of the meeting. The Board of Directors may, to the extent not prohibited by law, adopt by resolution any rules and regulations for the conduct of an Annual Meeting or Special Meeting as it deems appropriate. Except to the extent inconsistent with such rules and regulations, the chairman of the meeting shall have the right and authority to act or to prescribe any rules, regulations, or procedures as the chairman of the meeting deems appropriate for the proper conduct of the meeting. Such rules, regulations, or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may to the extent not prohibited

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by law include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to shareholders of record of the corporation, their duly authorized and constituted proxies (which shall be reasonable in number) or such other persons as the chairman of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the meeting's commencement; (e) limitations on the time allotted to questions or comments by participants; (f) rules and procedures regarding the execution of election ballots before or after the time fixed for the commencement of the meeting; (g) the appointment of an inspector of election or an officer or agent of the corporation authorized to tabulate votes; and (h) rules and procedures to facilitate the conduct of, and participation in, the meeting by electronic means. The chairman of the meeting shall determine the time at which the polls shall close for each matter to be voted on at any Annual Meeting or Special Meeting but shall not be obligated to announce the closing of such polls at any Annual Meeting or Special Meeting or otherwise.

### ARTICLE III

#### BOARD OF DIRECTORS

Section 1. NUMBER AND TENURE QUALIFICATIONS. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation managed under the direction of a Board of Directors comprised of not less than nine (9) nor more than thirteen (13) members. Until the annual meeting of shareholders of the Corporation held in 2014, the directors shall be divided into three classes, to consist of three to four members each, depending on the size of the Board of Directors, and the term of office of one class shall expire at each annual meeting, subject to the terms of the Restated Articles of Incorporation. The number of directors shall be determined by resolution of the Board of Directors. At each annual meeting prior to the annual meeting of the shareholders of the Corporation held in 2014, the number of directors equal to the number of the class whose term expires at the time of such meeting shall be elected to hold office until the third succeeding annual meeting. Each director shall hold office for the term for which he is elected and until his death or until he shall resign or shall have been removed from office. Any director may be removed from office by shareholders prior to the expiration of his or her term, but only (i) at a special meeting called for the purpose of removing the director, (ii) by the affirmative vote of the number of outstanding shares set forth in the Restated Articles of Incorporation and (iii) for cause as hereinafter defined; provided, however, that, if the Board of Directors, by resolution adopted by the Requisite Vote (as hereinafter defined), shall have recommended removal of a director, then the shareholders may remove such director without cause by the vote referred to above. As used herein, "cause" shall exist only if the director whose removal is proposed has been convicted of a felony by a court of competent jurisdiction, where such conviction is no longer subject to direct appeal, or has been adjudged liable for actions or omissions in the performance of his or her duty to the Corporation in a matter which has a materially adverse effect on the business of the Corporation, where such adjudication is no longer subject to appeal. As used herein, the term "Requisite Vote" shall mean the affirmative vote of at least two-thirds of the directors then in office plus one director. Any action by the Board of Directors, other than pursuant to a Requisite Vote, or shareholders eliminating the requirement to establish cause for the removal of a director shall not operate to eliminate such requirement with respect to any director incumbent at the time of such action. The Board of Directors, at the regular meeting thereof held immediately after the annual meeting of shareholders, may elect one of its members to act as its Chairman until his successor is elected or his prior death, resignation or removal; and such Chairman shall, when present, preside at all meetings of the Board of Directors and perform all such other duties as may be prescribed by the Board from time to time.

Section 2. REGULAR MEETINGS. A regular meeting of the Board of Directors of the Corporation shall be held without notice other than this By-Law immediately after, and at the same place as the annual meeting of the shareholders and each adjourned session thereof. The Board of Directors may provide, by resolution, the time and place either within or without the State of Wisconsin for the holding of additional regular meetings without notice other than such resolution.

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Section 3. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, Chief Executive Officer, President, Secretary, or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place, either within or without the State of Wisconsin, for the holding of any special meeting of the Board of Directors called by them.

Section 4. NOTICE. Notice of any special meeting shall be given at least six hours prior to such meeting if given orally or in writing to each director at his business address, which shall include the director's business e-mail address. If notice is given by mail, private carrier, or overnight courier or other commercial delivery service only, it shall be given at least forty-eight hours prior to such meeting. Whenever any notice whatever is required to be given to any director of the corporation under the Articles of Incorporation or By-Laws or any provision of law, a waiver thereof in writing, signed at any time, whether before or after the time of the meeting, by the director entitled to such notice and retained by the corporation, shall be deemed equivalent to the giving of such notice. The attendance of a director at or participation in a meeting shall constitute a waiver of notice of such meeting, unless the director at the beginning of the meeting or promptly upon his or her arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 5. QUORUM. Except as otherwise provided by law or by the Articles of Incorporation or these By-Laws a majority of the number of directors fixed by Section 1 of this Article III shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Notwithstanding the foregoing, if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice other than by announcement at the meeting if the adjournment shall be to the following day. If the meeting shall be adjourned to a date later than the following day, notice of such adjourned meeting shall be duly given to each director orally or in writing at his business address, which shall include the director's business e-mail address not less than six hours before the time set for such adjourned meeting. If notice is given by mail, private carrier, or overnight courier or other commercial delivery service only, it shall be given not less than forty-eight hours before the time set for such adjourned meeting.

Section 6. MANNER OF ACTING. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by the Articles of Incorporation or these By-Laws.

Section 7. VACANCIES. Any vacancy occurring in the Board of Directors, including a vacancy created by an increase in the number of directors, may be filled by any of the following: (i) the shareholders, (ii) the Board of Directors or (iii) if the directors remaining in office constitute fewer than a quorum of the Board, the directors, by the affirmative vote of a majority of all directors remaining in office; provided, however, that if the vacant office was held by a director elected by a voting group of shareholders, only the holders of shares of that voting group may vote to fill the vacancy if it is filled by the shareholders, and only the remaining directors elected by that voting group may vote to fill the vacancy if it is filled by the directors. Any director elected pursuant to this Section 7 shall serve until the next election of the class of which such director shall have been chosen and until his or her successor shall be duly elected and qualified. If a nominee for director who is not an incumbent director is not elected at any Annual Meeting or Special Meeting under Article II, Section 13 of these By-Laws, then the Board of Directors in its sole discretion either may fill the resulting vacancy pursuant to the provisions of this Section 7 or may decrease the size of the Board of Directors pursuant to Section 1 of this Article III.

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If a director's resignation is accepted by the Board of Directors pursuant to Section 13 of this Article III, then the Board of Directors, in its sole discretion, either may fill the resulting vacancy pursuant to the provisions of this Section 7 or may decrease the size of the Board of Directors pursuant to the provisions of Section 1 of this Article III.

Section 8. COMPENSATION. The Board of Directors, irrespective of any personal interest of any of its members, may establish compensation of all directors for services to the corporation as directors, officers or otherwise, or may delegate such authority to an appropriate committee. The Board of Directors also shall have authority to provide for or to delegate authority to an appropriate committee to provide for pensions, disability or death benefits, and other benefits or payments, to directors, officers and employees and to their estates, families, dependents or beneficiaries on account of prior services rendered by such directors, officers and employees to the corporation.

Section 9. PRESUMPTION OF ASSENT. A director of the corporation who is present and is announced as present at a meeting of the Board of Directors or a committee thereof at which action on any corporate matter is taken assents to the action taken unless any of the following occurs: (i) the director objects at the beginning of the meeting or promptly upon his or her arrival to the holding of the meeting or transacting business at the meeting; (ii) minutes of the meeting are prepared and the director's dissent from the action taken is entered in those minutes; or (iii) the director delivers written notice of his or her dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation immediately after adjournment of the meeting. Such right to dissent or abstain shall not apply to a director who voted in favor of such action.

Section 10. COMMITTEES. The Board of Directors by resolution approved by a majority of all the directors in office when the action is taken (if a quorum of the directors is present and acting) may designate one or more committees, including an executive committee. Each such committee shall consist of at least one director. To the extent provided in said resolution as initially adopted, and as thereafter supplemented or amended by further resolution adopted by a like vote, each such committee shall have and may exercise, when the Board of Directors is not in session, the authority of the Board of Directors in the management of the business and affairs of the corporation, subject to any limitations set forth in these By-Laws or the Wisconsin Business Corporation Law. Unless otherwise provided by the Board of Directors, members of a committee shall serve at the pleasure of the Board of Directors. The Board of Directors also at any time may elect one or more of its members as alternate members of any such committee who may take the place of any absent member or members at any meeting of such committee, upon request by the Chief Executive Officer or upon request by the chairman of such meeting. Subject to any provision of law and these By-Laws, each such committee shall fix its own rules governing the conduct of its activities and shall make such reports to the Board of Directors of its activities as the Board of Directors may request.

Section 11. INFORMAL ACTION WITHOUT MEETING. Any action required or permitted by the Articles of Incorporation or By-Laws or any provision of law to be taken by the Board of Directors at a meeting may be taken without a meeting if the action is taken by all members of the Board, and the action is evidenced by one or more written consents describing the action taken, signed by each director and retained by the corporation.

Section 12. TELEPHONIC MEETINGS. Except as herein provided and notwithstanding any place set forth in the notice of the meeting or these By-Laws, the Board of Directors (and any committees thereof) may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all participating directors may simultaneously hear each other during the meeting, including a conference telephone call. If a meeting is conducted through the use of such means, all participating directors shall be informed that a meeting is taking place at which official business may be transacted. Any participant in a meeting by such means shall be deemed present in

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person at such meeting. If action is to be taken at any meeting held by such means on (i) a plan of merger or share exchange; (ii) a sale, lease, exchange or other disposition of substantial property or assets of the corporation; (iii) a voluntary dissolution or the revocation of voluntary dissolution proceedings; or (iv) a filing for bankruptcy, then the identity of each director participating in such meeting must be verified by the disclosure of each such director's social security number to the chairman of the meeting or in such other manner as such chairman deems reasonable under the circumstances before a vote may be taken on any of the foregoing matters. For purposes of the preceding clause (ii), the phrase "substantial property or assets" shall mean property or assets of the corporation having a net book value on the date of such meeting equal to 10% or more of the net book value of all of the consolidated property and assets of the corporation on and as of the close of the fiscal year last ended prior to the date of such meeting. Notwithstanding the foregoing, no action may be taken at any meeting held by such means on any particular matter which the Chairman of the Board (or chairman of the committee) determines, in his or her discretion, to be inappropriate under the circumstances for action at a meeting held by such means, such determination to be made and announced in the notice of such meeting.

### Section 13. RESIGNATION.

(a) A director may resign at any time by delivering written notice to the chairperson of the Board of Directors or to the corporation. A resignation is effective when the notice is delivered unless the notice specifies a later effective date.

(b) If, in a director election under Article II, Section 13 of these By-Laws, neither an incumbent director nominated for election nor any successor to such incumbent is elected, such incumbent director shall promptly tender his or her resignation to the Board of Directors. The Corporate Governance Committee of the Board of Directors (or other committee of the Board of Directors performing a similar function) shall make a recommendation to the Board of Directors as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Board of Directors shall act on the tendered resignation, taking into account the Corporate Governance Committee's recommendation, and publicly disclose (by a press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision regarding the tendered resignation and the rationale behind the decision within 90 days from the date of the certification of the election results. The Corporate Governance Committee in making its recommendation, and the Board of Directors in making its decision, may each consider any factors or other information that it considers appropriate and relevant. The director who tenders his or her resignation shall not participate in the recommendation of the Corporate Governance Committee or the decision of the Board of Directors with respect to his or her resignation. If such incumbent director's resignation is not accepted by the Board of Directors, such director shall continue to serve until the next annual meeting and until his or her successor is duly elected, or his or her earlier resignation or removal.

## ARTICLE IV

### OFFICERS

Section 1. NUMBER. The principal officers of the corporation shall be a Chairman of the Board of Directors (said office to exist at such times as the Board of Directors shall deem advisable), a President, one or more Vice Presidents, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors or, to the extent authorized by the Board of Directors or by these By-Laws, by a duly appointed officer of the Corporation. Any two or more offices may be held by the same person. The Chairman of the Board, shall be chosen from among the Board of Directors; the other officers need not be directors.

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Section 2. ELECTION AND TERM OF OFFICE. The officers of the corporation to be elected by the Board of Directors shall be elected annually at the first meeting of the Board of Directors following the annual meeting of shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3. RESIGNATION. An officer may resign at any time by delivering written notice to the corporation. The resignation is effective when the notice is delivered, unless the notice specifies a later effective date and the corporation accepts the later effective date.

Section 4. REMOVAL. The Board of Directors may remove any officer and, unless restricted by the By-Laws or by the Board of Directors, an officer may remove any officer or assistant officer appointed by that officer, at any time, with or without cause and notwithstanding the contract rights, if any, of the officer removed. The appointment of an officer does not itself create contract rights.

Section 5. CHAIRMAN; PRESIDENT. The Chairman of the Board shall be the Chief Executive Officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control the business and affairs of the corporation. He shall have authority, subject to such rules as may be prescribed by the Board of Directors, to appoint such agents and employees of the corporation as he shall deem necessary, to prescribe their powers, duties, and compensation and to delegate authority to them. The President shall be the Chief Operating Officer of the Corporation, and shall have authority to appoint one or more Assistant Secretaries of the Corporation from time to time for limited purposes, which he shall do by giving the Secretary notice of any such appointment. Such agents, employees and officers shall hold office at the discretion of the President. Both the Chairman of the Board and the President shall have authority to sign, execute and acknowledge, on behalf of the corporation, all deeds, mortgages, bonds, stock certificates, contracts, leases, reports and all other documents or instruments necessary or proper to be executed in the course of the corporation's regular business, or which shall be authorized by resolution of the Board of Directors, and, except as otherwise provided by law or the Board of Directors, either of them may authorize any Vice President or other officer or agent of the corporation to sign, execute and acknowledge such documents or instruments in his place and stead. The President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors or by the Executive Committee from time to time. In the absence of the Chairman of the Board, or the event of his death, inability or refusal to act, the Vice Chairman, if any, or the President shall preside at meetings of the shareholders and of the Board of Directors.

Section 6. THE VICE PRESIDENTS. Any Vice President may sign deeds, mortgages, stock certificates, contracts and other instruments in the absence of the Chairman of the Board and the President and the execution of any instrument by any Vice President shall be conclusive evidence of the absence of the President at the time of execution of such instrument. The Vice Presidents shall perform such duties as usually devolve upon such office and as may from time to time be assigned to them by the Board of Directors or by the Executive Committee or by the Chief Executive Officer, or by the President.

At the request of the President, or in his absence or disability, the Vice President designated by the President (or in the absence of such designation, the Vice President designated by the Board of Directors or Executive Committee or Chairman of the Board) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President.

Section 7. THE SECRETARY. The Secretary shall: (a) keep as permanent records any of the following that has been prepared: minutes of the shareholders' and of the Board of Directors' meetings; records of actions taken by the shareholders or the Board of Directors without a meeting; and records of actions taken by a committee of the Board of Directors in place of the Board of Directors and on behalf of

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the Corporation; (b) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized; (d) maintain or cause an authorized agent to maintain a record of the corporation's shareholders, in a form that permits preparation of a list of the names and addresses of all shareholders, by class or series of shares and showing the number and class or series of shares held by each shareholder; (e) sign with the Chairman or the President, or a Vice President, certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the corporation; and (g) in general perform all duties incident to the office of Secretary and have such other duties and exercise such authority as from time to time may be delegated or assigned to him by the Chief Executive Officer, the President, or by the Board of Directors.

Section 8. THE TREASURER. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. Subject to the review of and approval by the Chief Financial Officer of all acts affecting his duties and responsibilities as Treasurer, he shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article V of these By-Laws; (b) maintain appropriate accounting records for the Corporation; and (c) in general perform all of the duties incident to the office of Treasurer and have such other duties and exercise such other authority as from time to time may be delegated or assigned to him by the Chief Executive Officer, the President, or by the Board of Directors.

Section 9. ASSISTANT SECRETARIES AND ASSISTANT TREASURERS. There shall be such number of Assistant Secretaries and Assistant Treasurers as the Board of Directors may from time to time authorize and as these By-Laws or the Board of Directors may from time to time authorize a duly appointed officer to appoint. The Assistant Secretaries may sign with the President or a Vice President certificates for shares of the corporation the issuance of which shall have been authorized by a resolution of the Board of Directors. The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties and have such authority as shall from time to time be delegated or assigned to them by the Secretary or the Treasurer, respectively, or by the Chief Executive Officer, the President, or the Board of Directors.

Section 10. OTHER ASSISTANTS AND ACTING OFFICERS. The Board of Directors shall have the power to appoint any person to act as assistant to any officer, or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer so appointed by the Board of Directors shall have the power to perform all the duties of the office to which he is so appointed to be assistant, or as to which he is so appointed to act, except as such power may be otherwise defined or restricted by the Board of Directors.

Section 11. SALARIES. The salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

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ARTICLE V  
CONTRACTS LOANS, CHECKS  
AND DEPOSITS

Section 1. CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authorization may be general or confined to specific instances.

Section 2. LOANS. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors. Such authorization may be general or confined to specific instances.

Section 3. CHECKS, DRAFTS, ETC. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. DEPOSITS. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as may be selected by or under the authority of the Board of Directors.

ARTICLE VI  
CERTIFICATES FOR SHARES AND THEIR TRANSFER

Section 1. CERTIFICATES FOR SHARES. Certificates representing shares of the corporation shall be in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the Chairman, the President or a Vice President and by the Secretary or an Assistant Secretary and shall be sealed with the seal of the corporation or a facsimile thereof. Such signatures upon a certificate may be facsimiles if the certificate is countersigned by the transfer agent, or registered by a registrar, other than the corporation itself or an employee of the corporation. In case any officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer at the date of its issue. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled, except that in case of a lost, destroyed, or mutilated certificate a new one may be issued therefore upon such terms and indemnity to the corporation as the Board of Directors may prescribe.

Section 2. UNCERTIFIED SHARES. The Board of Directors hereby authorizes the issuance of any shares of its classes or series without certificates to the full extent that the Secretary of the corporation determines that such issuance is allowed by applicable law and rules of the New York Stock Exchange, any such determination to be conclusively evidenced by the delivery to the corporation's transfer agent and registrar by the Secretary of a certificate referring to this bylaw and providing instructions of the Secretary to the transfer agent and registrar to issue any such shares without certificates in accordance with applicable law. In any event, the foregoing authorization does not affect shares already represented by certificates until the certificates are surrendered to the corporation.

Section 3. TRANSFER OF SHARES. Transfer of shares of the corporation shall be made on the stock transfer books of the corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the corporation and on surrender for cancellation of the certificate for such shares if such shares are represented by certificates. The person in whose name shares stand on the books of the corporation shall be deemed by the corporation to be the owner thereof for all purposes.

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The Board of Directors may appoint a registrar and/or transfer agent for any stock of the corporation and may provide that all certificates of stock issued be countersigned by such registrar and/or transfer agent.

Section 4. STOCK REGULATIONS. The Board of Directors shall have the power and authority to make all such further rules and regulations not inconsistent with the statutes of the State of Wisconsin as they may deem expedient concerning the issue, transfer and registration of certificates representing shares of the corporation.

## ARTICLE VII

### SEAL

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the words "JOHNSON CONTROLS, INC., MILWAUKEE, WIS." around the circumference, and the words, "CORPORATE SEAL" in the center.

## ARTICLE VIII

### AMENDMENTS

Section 1. AMENDMENT BY SHAREHOLDERS. The affirmative vote of shareholders possessing at least four-fifths of the voting power of the then outstanding shares of all classes of stock of the Corporation generally possessing voting rights in elections for directors, considered for this purpose as one class (subject to the rights of holders of any class or series of stock having a preference over the Common Stock of the Corporation as to dividends or upon liquidation), shall be required to amend, alter, change or repeal Sections 4 and 13 of Article II of these By-Laws; Sections 1 and 7 of Article III of these By-Laws; Section 2 of Article VIII of these By-Laws; and this Section, or any provision of any of the foregoing. Subject to the foregoing and to any other restriction contained in any specific By-Law, these By-Laws or any provision hereof may be altered, amended or repealed by vote of the holders of a majority interest of the stock of the corporation present or represented at a meeting of the shareholders, annual or special (at which a quorum shall be present), where the proposed action is properly brought before the meeting.

Section 2. AMENDMENT BY DIRECTORS. A Requisite Vote, as defined in Section 1 of Article III of these By-Laws, shall be required to amend, alter, change or repeal Sections 4 and 13 of Article II of these By-Laws; Sections 1 and 7 of Article III of these By-Laws; Section 1 of Article VIII of these By-Laws; and this Section, or any provision of any of the foregoing. Subject to the foregoing, to action by the shareholders prohibiting the exercise of such power generally or in particular instances and to any restriction contained in any Specific By-Law, the Board of Directors may alter, amend, or repeal these By-Laws or any provision hereof or may enact additional By-Laws by a vote of the majority of the whole Board at any meeting of the Board.

By-Laws altered, amended, repealed or enacted by the directors under the power hereby conferred may be altered or repealed by the shareholders at any annual meeting or at any special meeting thereof.

## ARTICLE IX

### NOTICES

Except as otherwise required by law or these By-Laws, any notice required to be given by these By-Laws may be given orally or in writing, and notice may be communicated in person; by telephone, facsimile, e-mail, or other form of wire or wireless communication; or by mail, private carrier, or

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overnight courier. Except where these By-Laws require a notice to be delivered to or received by the recipient of the notice, written notice required to be given by these By-Laws is effective, if communicated (i) by mail, when deposited in the United States, if mailed postpaid and correctly addressed, or (ii) by private carrier, including any overnight courier or other commercial delivery service, when delivered to the carrier.

**JOHNSON CONTROLS, INC.**  
**2012 OMNIBUS INCENTIVE PLAN**

**1. Purpose and Effective Date.**

(a) *Purpose.* The Johnson Controls, Inc. 2012 Omnibus Incentive Plan has two complementary purposes: (i) to attract and retain outstanding individuals to serve as officers and employees and (ii) to increase shareholder value. This Plan will provide participants incentives to increase shareholder value by offering the opportunity to acquire shares of the Company's common stock, or receive monetary payments, on the potentially favorable terms that this Plan provides.

(b) *Effective Date.* This Plan will become effective on September 25, 2012 (the "Effective Date"), subject to the approval of the Company's shareholders within twelve (12) months of the Effective Date. Awards may be granted under this Plan on and after the Effective Date, provided that any Awards granted prior to the date that the Plan is approved by the Company's shareholders shall be conditioned on such shareholder approval.

(c) *Prior Plans.* If the Company's shareholders approve this Plan, then the Johnson Controls, Inc. 2007 Stock Option Plan, the Johnson Controls, Inc. 2001 Restricted Stock Plan, the Johnson Controls, Inc. Annual Incentive Performance Plan and the Johnson Controls, Inc. Long-Term Incentive Performance Plan (collectively, the "Prior Plans") will terminate on the date of such shareholder approval, and no new awards will be granted under the Prior Plans after their termination date; provided that the Prior Plans will continue to govern awards outstanding as of the date of the Prior Plans' termination and such awards shall continue in force and effect until fully distributed or terminated pursuant to their terms.

**2. Definitions.** Capitalized terms used in this Plan have the meanings given below. Additional defined terms are set forth in other sections of this Plan.

(a) "10% Shareholder" means an Eligible Employee who, as of the date an ISO is granted to such individual, owns more than ten percent (10%) of the total combined voting power of all classes of Stock then issued by the Company or a Subsidiary corporation.

(b) "Administrator" means the Committee. In addition, subject to any limitations imposed by law and any restrictions imposed by the Committee, the Chief Executive Officer of the Company may act as the Administrator with respect to Awards granted (or to be granted) to employees who are not Section 16 Participants or subject to Code Section 162(m) at the time such authority or responsibility is exercised.

(c) "Affiliate" means any entity that, directly or through one or more intermediaries, is controlled by, controls, or is under common control with the Company within the meaning of Code Sections 414(b) or (c), provided that, in applying such provisions, the phrase "at least 50 percent" shall be used in place of "at least 80 percent" each place it appears therein.

(d) "Affiliated Company" or "Affiliated Companies" shall include any company or companies controlled by, controlling or under common control with the Company; provided that when determining when a Participant has experienced a separation from service for purposes of the Plan, control shall be determined pursuant to Code Sections 414(b) or (c), except that the phrase "at least 50 percent" shall be used in place of the phrase "at least 80 percent" in each place it appears in the regulations thereunder.

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(e) “Award” means a grant of Options, Stock Appreciation Rights, Performance Shares, Performance Units, Restricted Stock, Restricted Stock Units, Deferred Stock Rights, Dividend Equivalent Units, an Annual Incentive Award, a Long-Term Incentive Award, or any other type of award permitted under the Plan.

(f) “Beneficial Ownership” (or derivatives thereof) shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act.

(g) “Board” means the Board of Directors of the Company.

(h) “Cause” means (1) if the Participant is subject to an employment agreement with the Company or an Affiliate that contains a definition of “cause”, such definition, or (2) otherwise, except as otherwise determined by the Administrator and set forth in an Award agreement, any of the following as determined by the Administrator: (A) violation of the provisions of any employment agreement, non-competition agreement, confidentiality agreement, or similar agreement with the Company or an Affiliate, or the Company’s or an Affiliate’s code of ethics, as then in effect, (B) conduct rising to the level of gross negligence or willful misconduct in the course of employment with the Company or an Affiliate, (C) commission of an act of dishonesty or disloyalty involving the Company or an Affiliate, (D) violation of any federal, state or local law in connection with the Participant’s employment or service, or (E) breach of any fiduciary duty to the Company or an Affiliate.

(i) “Change of Control” means the first to occur of the following events:

(i) The acquisition by any Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 35% or more of either (A) the then-outstanding Shares (the “Outstanding Company Common Stock”) or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliated Company or (4) any acquisition by any corporation pursuant to a transaction that complies with Sections 2(i)(iii)(A) - 2(i)(iii)(C);

(ii) Any time at which individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(iii) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any

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of its subsidiaries (each, a “Business Combination”), in each case unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation that, as a result of such transaction, owns the Company or all or substantially all of the Company’ s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or an Affiliated Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 35% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

- (iv) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, for purposes of an Award (1) that provides for the payment of deferred compensation that is subject to Code Section 409A or (2) with respect to which the Company permits a deferral election, the definition of Change of Control herein shall be deemed amended to conform to the requirements of Code Section 409A to the extent necessary for the Award and deferral election to comply with Code Section 409A.

(j) “Code” means the Internal Revenue Code of 1986, as amended. Any reference to a specific provision of the Code includes any successor provision and the regulations promulgated under such provision.

(k) “Commission” means the United States Securities and Exchange Commission or any successor agency.

(l) “Committee” means the Compensation Committee of the Board (or a successor committee with the same or similar authority), or such other committee of the Board designated by the Board to administer the Plan and composed of no fewer than two directors, each of whom is a “non-employee director” within the meaning of Rule 16b-3 and an “outside director” within the meaning of Code Section 162(m)(4)(C); provided that if no such committee shall be in existence at any time, the functions of the Committee shall be carried out by the Board.

(m) “Company” means Johnson Controls, Inc., a Wisconsin corporation, or any successor thereto.

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(n) “Deferred Compensation Plan” means the Johnson Controls, Inc. Executive Deferred Compensation Plan, as from time to time amended and in effect.

(o) “Deferred Stock Right” means the right to receive Stock or Restricted Stock at some future time.

(p) “Director” means a member of the Board, and “Non-Employee Director” means a Director who is not also an officer or an employee of the Company or an Affiliate.

(q) “Disability” means, except as otherwise determined by the Administrator and set forth in an Award agreement: (i) with respect to an ISO, the meaning given in Code Section 22(e)(3), and (ii) with respect to all other Awards, the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of at least twelve (12) months, as determined by the Administrator. The Administrator shall make the determination of Disability and may request such evidence of disability as it reasonably determines.

(r) “Dividend Equivalent Unit” means the right to receive a payment, in cash or property, equal to the cash dividends or other distributions paid with respect to a Share.

(s) “Eligible Employee” means any officer or other employee of the Company or of any Affiliate, or any individual that the Company or an Affiliate has engaged to become an officer or employee.

(t) “Exchange Act” means the Securities Exchange Act of 1934, as amended. Any reference to a specific provision of the Exchange Act includes any successor provision and the regulations and rules promulgated under such provision.

(u) “Excluded Items” means any gains or losses from the sale of assets outside the ordinary course of business; any gains or losses from discontinued operations; any extraordinary gains or losses; the effects of accounting changes; any unusual, nonrecurring, transition, one-time or similar items or charges; the diluted impact of goodwill on acquisitions; and any other items specified by the Administrator; provided that, for Awards intended to qualify as performance-based compensation under Code Section 162(m), the Administrator shall specify the Excluded Items in writing at the time the Award is made unless, after application of the Excluded Items, the amount payable under the Award is reduced.

(v) “Fair Market Value” means, per Share on a particular date: (i) the closing price on such date on the New York Stock Exchange or, if no sales of Stock occur on the date in question, on the last preceding date on which there was a sale on such market; (ii) if the Shares are not listed on the New York Stock Exchange, but are traded on another national securities exchange or in an over-the-counter market, the last sales price (or, if there is no last sales price reported, the average of the last bid and asked prices) for the Shares on the particular date, or on the last preceding date on which there was a sale of Shares on that exchange or market; or (iii) if the Shares are neither listed on a national securities exchange nor traded in an over-the-counter market, the price determined by the Administrator. The Administrator also shall establish the Fair Market Value of any other property. If an actual sale of a Share occurs on the market, then the Company may consider the sale price to be the Fair Market Value of such Share.

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- (w) “Incentive Award” means the right to receive a cash payment to the extent Performance Goals are achieved, and shall include “Annual Incentive Awards” as described in Section 10 and “Long-Term Incentive Awards” as described in Section 11.
- (x) “Incentive Stock Option” or “ISO” mean an Option that meets the requirements of Code Section 422.
- (y) “Option” means the right to purchase Shares at a stated price for a specified period of time.
- (z) “Participant” means an individual selected by the Administrator to receive an Award.
- (aa) “Performance Awards” means a Performance Share and Performance Unit, and any Award of Restricted Stock, Restricted Stock Units or Deferred Stock Rights the payment or vesting of which is contingent on the attainment of one or more Performance Goals.
- (bb) “Performance Goals” means the following categories (in all cases after taking into account any Excluded Items, as applicable), including in each case any measure based on such category:
- (i) Basic earnings per common share for the Company on a consolidated basis.
  - (ii) Diluted earnings per common share for the Company on a consolidated basis.
  - (iii) Total shareholder return.
  - (iv) Fair Market Value of Shares.
  - (v) Net sales.
  - (vi) Cost of sales.
  - (vii) Gross profit.
  - (viii) Selling, general and administrative expenses.
  - (ix) Operating income.
  - (x) Segment income.
  - (xi) Earnings before interest and the provision for income taxes (EBIT).
  - (xii) Earnings before interest, the provision for income taxes, depreciation, and amortization (EBITDA).
  - (xiii) Net income.
  - (xiv) Accounts receivable.

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- (xv) Inventories.
  - (xvi) Trade working capital.
  - (xvii) Return on equity.
  - (xviii) Return on assets.
  - (xix) Return on invested capital.
  - (xx) Return on sales.
  - (xxi) Economic value added, or other measure of profitability that considers the cost of capital employed.
  - (xxii) Free cash flow.
  - (xxiii) Net cash provided by operating activities.
  - (xxiv) Net increase (decrease) in cash and cash equivalents.
  - (xxv) Customer satisfaction, which may include customer backlog and/or relationships.
  - (xxvi) Market share.
  - (xxvii) Quality.
  - (xxviii) Safety.
  - (xxix) Realization or creation of innovation projects or products.
  - (xxx) Employee engagement.
  - (xxxi) Employee and/or supplier diversity improvement.
  - (xxxii) Sustainability measures, such as reduction in greenhouse gases.
  - (xxxiii) Completion of integration of acquired businesses and/or strategic activities.
  - (xxxiv) Development, completion and implementation of succession planning.

The Performance Goals described in items (v) through (xxxiv) may be measured (A) for the Company on a consolidated basis, (B) for any one or more Affiliates or divisions of the Company and/or (C) for any other business unit or units of the Company or an Affiliate as defined by the Administrator at the time of selection.

In addition, the Administrator may designate other categories, including categories involving individual performance and subjective targets, not listed above (A) with respect to Awards that are not intended to qualify as performance-based compensation within the meaning of Code Section 162(m) or (B) to the extent that the application of such categories results in a reduction of the maximum amount otherwise payable under the Award.

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Where applicable, the Performance Goals may be expressed, without limitation, in terms of attaining a specified level of the particular criterion or the attainment of an increase or decrease (expressed as absolute numbers, averages and/or percentages) in the particular criterion or achievement in relation to a peer group or other index. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be paid (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur).

(cc) “Performance Shares” means the right to receive Shares (including Restricted Stock) to the extent Performance Goals are achieved.

(dd) “Performance Unit” means the right to receive a payment valued in relation to a unit that has a designated dollar value or the value of which is equal to the Fair Market Value of one or more Shares, to the extent Performance Goals are achieved.

(ee) “Person” means any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act).

(ff) “Plan” means this Johnson Controls, Inc. 2012 Omnibus Incentive Plan, as may be amended from time to time.

(gg) “Restriction Period” means the length of time established relative to an Award during which the Participant cannot sell, assign, transfer, pledge or otherwise encumber the Stock or Stock Units subject to such Award and at the end of which the Participant obtains an unrestricted right to such Stock or Stock Units.

(hh) “Restricted Stock” means a Share that is subject to a risk of forfeiture or a Restriction Period, or both a risk of forfeiture and a Restriction Period.

(ii) “Restricted Stock Unit” means the right to receive a payment equal to the Fair Market Value of one Share that is subject to a risk of forfeiture or restrictions on transfer, or both a risk of forfeiture and restrictions on transfer.

(jj) “Retirement” means, except as otherwise determined by the Administrator and set forth in an Award agreement, termination of employment from the Company and its Affiliates (for other than Cause) on a date the Participant is then eligible to receive immediate early or normal retirement benefits under the provisions of any of the Company’s or its Affiliate’s defined benefit pension plans, or if the Participant is not covered under any such plan, on or after attainment of age fifty-five (55) and completion of ten (10) years of continuous service with the Company and its Affiliates or on or after attainment of age sixty-five (65) and completion of five (5) years of continuous service with the Company and its Affiliates.

(kk) “Rule 16b-3” means Rule 16b-3 promulgated by the Commission under the Exchange Act, or any successor rule or regulation thereto.

(ll) “Section 16 Participants” means Participants who are subject to the provisions of Section 16 of the Exchange Act.

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- (mm) “Share” means a share of Stock.
- (nn) “Stock” means the Common Stock of the Company.
- (oo) “Stock Appreciation Right” or “SAR” means the right to receive a payment equal to the appreciation of the Fair Market Value of a Share during a specified period of time.
- (pp) “Stock Unit” means a right to receive a payment equal to the Fair Market Value of one Share.
- (qq) “Subsidiary” means any corporation, limited liability company or other limited liability entity in an unbroken chain of entities beginning with the Company if each of the entities (other than the last entity in the chain) owns the stock or equity interest possessing more than fifty percent (50%) of the total combined voting power of all classes of stock or other equity interests in one of the other entities in the chain.
- (rr) “Unrestricted Shares” means Shares issued under the Plan that are not subject to either a risk of forfeiture or a Restriction Period.

### **3. Administration.**

(a) *Administration.* The Administrator shall administer this Plan. In addition to the authority specifically granted to the Administrator in this Plan, the Administrator has full discretionary authority to administer this Plan and all Awards, including but not limited to the authority to: (i) interpret the provisions of this Plan and any Award agreement; (ii) prescribe, amend and rescind rules and regulations relating to this Plan; (iii) correct any defect, supply any omission, or reconcile any inconsistency in this Plan, any Award or agreement covering an Award in the manner and to the extent it deems desirable to carry this Plan or such Award into effect; and (iv) make all other determinations necessary or advisable for the administration of this Plan. All Administrator determinations shall be made in the sole discretion of the Administrator and are final and binding on all interested parties.

Notwithstanding the above statement or any other provision of the Plan, the Committee shall have no discretion to increase the amount, once established, of compensation payable under an Award that is intended to be performance-based compensation under Code Section 162(m), although the Committee may decrease the amount of compensation a Participant may earn under such an Award.

(b) *Delegation to Other Committees or Officers.* To the extent applicable law permits, the Board may delegate to another committee of the Board or to one or more officers of the Company, or the Committee may delegate to one or more officers of the Company, any or all of their respective authority and responsibility as an Administrator of the Plan; provided that no such delegation is permitted with respect to Stock-based Awards made to Section 16 Participants or Awards made to Participants subject to Code Section 162(m) at the time any such delegated authority or responsibility is exercised unless the delegation is to another committee of the Board consisting entirely of directors who are “non-employee directors” within the meaning of Rule 16b-3 and “outside directors” within the meaning of Code Section 162(m)(4)(C). If the Board or the Committee has made such a delegation, then all references to the Administrator in this Plan include such other committee or one or more officers to the extent of such delegation.

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(c) *Indemnification.* The Company will indemnify and hold harmless each member of the Board and the Committee, and each officer or member of any other committee to whom a delegation under Section 3(b) has been made, as to any acts or omissions with respect to this Plan or any Award to the maximum extent that the law and the Company's articles of incorporation and by-laws permit.

4. **Eligibility.** The Administrator (to the extent of its authority) may designate any of the following as a Participant from time to time: any officer or other employee of the Company or its Affiliates or any individual that the Company or an Affiliate has engaged to become an officer or employee. The Administrator's designation of a Participant in any year will not require the Administrator to designate such person to receive an Award in any other year. No individual shall have any right to be granted an Award, even if an Award was granted to such individual at any prior time, or if a similarly-situated individual is or was granted an Award under similar circumstances.

5. **Types of Awards.** Subject to the terms of this Plan, the Administrator may grant any type of Award to any Participant it selects, but only employees of the Company or a Subsidiary may receive grants of Incentive Stock Options. Awards may be granted alone or in addition to, in tandem with, or (subject to the prohibition on repricing set forth in Section 16(e)) in substitution for any other Award (or any other award granted under another plan of the Company or any Affiliate).

6. **Shares Reserved under this Plan.**

(a) *Plan Reserve.* Subject to adjustment as provided in Section 18, an aggregate of thirty-six million, eight hundred thousand (36,800,000) Shares are reserved for issuance under this Plan. The Shares reserved for issuance may be either authorized and unissued Shares or Shares reacquired at any time and now or hereafter held as treasury stock. The aggregate number of Shares reserved under this Section 6(a) shall be depleted by one Share for each Share subject to an Option or SAR (that will be settled in Shares), and the aggregate number of Shares reserved under this Section 6(a) shall be depleted by 2.65 Shares for each Share subject to an Award other than an Option or SAR. For purposes of determining the aggregate number of Shares reserved for issuance under this Plan, any fractional Share shall be rounded to the next highest full Share.

(b) *Incentive Stock Option Award Limits.* Subject to adjustment as provided in Section 18, the Company may issue an aggregate of three million (3,000,000) Shares upon the exercise of Incentive Stock Options.

(c) *Replenishment of Shares Under this Plan.* If (i) an Award lapses, expires, terminates or is cancelled without the issuance of Shares under the Award (whether due currently or on a deferred basis), (ii) it is determined during or at the conclusion of the term of an Award that all or some portion of the Shares with respect to which the Award was granted will not be issuable on the basis that the conditions for such issuance will not be satisfied, (iii) Shares are forfeited under an Award or (iv) Shares are issued under any Award and the Company subsequently reacquires them pursuant to rights reserved upon the issuance of the Shares, then such Shares shall be recredited to the Plan's reserve (in the same number as they depleted the reserve) and may again be used for new Awards under this Plan, but Shares recredited to the Plan's reserve pursuant to clause (iv) may not be issued pursuant to Incentive Stock Options. Notwithstanding the foregoing, in no event shall the following Shares be recredited to the Plan's reserve: Shares tendered in payment of the exercise price of an Option; Shares withheld to satisfy federal, state or local tax withholding obligations; and Shares purchased by the Company using proceeds from Option exercises.

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(d) *Addition of Shares from Prior Plans.* After the termination date of the Prior Plans, if any Shares subject to awards granted under the Prior Plans would again become available for new grants under the terms of such plans if such plans were still in effect (taking into account such plan's provisions concerning termination or expiration, if any), then those Shares will be available for the purpose of granting Awards under this Plan, thereby increasing the number of Shares available for issuance under this Plan as determined under Section 6(a). Any such Shares will not be available for future awards under the terms of the Prior Plans.

(e) *Participant Limitations.* Subject to adjustment as provided in Section 18, no Participant may be granted Awards that could result in such Participant:

- (i) receiving Options for, and/or Stock Appreciation Rights with respect to, more than two million (2,000,000) Shares during any fiscal year of the Company;
- (ii) receiving Awards of Restricted Stock (including any dividends paid thereon) and/or Restricted Stock Units (including any associated Dividend Equivalent Units) and/or Deferred Stock Rights (including any associated Dividend Equivalent Units) relating to more than five hundred thousand (500,000) Shares during any fiscal year of the Company;
- (iii) receiving Awards of Performance Shares, and/or Awards of Performance Units the value of which is based on the Fair Market Value of Shares, for more than one million (1,000,000) Shares during any fiscal year of the Company;
- (iv) receiving Awards of Performance Units the value of which is not based on the Fair Market Value of Shares that would pay more than six million dollars (\$6,000,000) during any fiscal year of the Company;
- (v) receiving other Stock-based Awards pursuant to Section 13 relating to more than five hundred thousand (500,000) Shares during any fiscal year of the Company;
- (vi) receiving an Annual Incentive Award in any fiscal year of the Company that would pay more than six million dollars (\$6,000,000); or
- (vii) receiving a Long-Term Incentive Award in any fiscal year of the Company that would pay more than six million dollars (\$6,000,000).

In all cases, determinations under this Section 6(e) should be made in a manner that is consistent with the exemption for performance-based compensation that Code Section 162(m) provides.

**7. Options.** Subject to the terms of this Plan, the Administrator will determine all terms and conditions of each Option, including but not limited to:

- (a) Whether the Option is an Incentive Stock Option or a "nonqualified stock option" which does not meet the requirements of Code Section 422;

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- (b) The number of Shares subject to the Option;
  - (c) The date of grant, which may not be prior to the date of the Administrator' s approval of the grant;
  - (d) The exercise price, which may not be less than the Fair Market Value of the Shares subject to the Option as determined on the date of grant; provided that an Incentive Stock Option granted to a 10% Shareholder must have an exercise price at least equal to 110% of the Fair Market Value of the Shares subject to the Option as determined on the date of grant;
  - (e) The terms and conditions of exercise, including the manner and form of payment of the exercise price; provided that if the aggregate Fair Market Value of the Shares subject to all ISOs granted to a Participant (as determined on the date of grant of each such Option) that become exercisable during a calendar year exceeds the dollar limitation set forth in Code Section 422(d), then such ISOs shall be treated as nonqualified stock options to the extent such limitation is exceeded; and
  - (f) The term; provided that each Option must terminate no later than ten (10) years after the date of grant and each Incentive Stock Option granted to a 10% Shareholder must terminate no later than five (5) years after the date of grant.

In all other respects, the terms of any Incentive Stock Option should comply with the provisions of Code Section 422 except to the extent the Administrator determines otherwise. If an Option that is intended to be an Incentive Stock Option fails to meet the requirements thereof, the Option shall automatically be treated as a nonqualified stock option to the extent of such failure.

**8. Stock Appreciation Rights.** Subject to the terms of this Plan, the Administrator will determine all terms and conditions of each SAR, including but not limited to:

- (a) Whether the SAR is granted independently of an Option or relates to an Option;
- (b) The number of Shares to which the SAR relates;
- (c) The date of grant, which may not be prior to the date of the Administrator' s approval of the grant;
- (d) The grant price, provided that the grant price shall not be less than the Fair Market Value of the Shares subject to the SAR as determined on the date of grant;
- (e) The terms and conditions of exercise or maturity;
- (f) The term, provided that each SAR must terminate no later than ten (10) years after the date of grant; and
- (g) Whether the SAR will be settled in cash, Shares or a combination thereof.

If an SAR is granted in relation to an Option, then, unless otherwise determined by the Administrator, the SAR shall be exercisable or shall mature at the same time or times, on the same conditions and to the extent and in the proportion, that the related Option is exercisable and may be exercised or mature for all or part of the Shares subject to the related

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Option. Upon exercise of any number of SARs, the number of Shares subject to the related Option shall be reduced accordingly and such Option may not be exercised with respect to that number of Shares. The exercise of any number of Options that relate to an SAR shall likewise result in an equivalent reduction in the number of Shares covered by the related SAR.

**9. Performance and Stock Awards.** Subject to the terms of this Plan, the Administrator will determine all terms and conditions of each award of Restricted Stock, Restricted Stock Units, Deferred Stock Rights, Performance Shares or Performance Units, including but not limited to:

- (a) The number of Shares and/or units to which such Award relates;
- (b) Whether, as a condition for the Participant to realize all or a portion of the benefit provided under the Award, one or more Performance Goals must be achieved during such period as the Administrator specifies;
- (c) The Restriction Period with respect to Restricted Stock or Restricted Stock Units and the period of deferral for Deferred Stock Rights;
- (d) The performance period for Performance Awards;
- (e) With respect to Performance Units, whether to measure the value of each unit in relation to a designated dollar value or the Fair Market Value of one or more Shares; and
- (f) With respect to Restricted Stock Units and Performance Units, whether to settle such Awards in cash, in Shares, or a combination thereof.

Except as otherwise provided in the Plan, at such time as all restrictions applicable to an Award of Restricted Stock, Deferred Stock Rights or Restricted Stock Units are met and the Restriction Period expires, ownership of the Stock subject to such restrictions shall be transferred to the Participant free of all restrictions except those that may be imposed by applicable law; provided that if Restricted Stock Units are paid in cash, then the payment shall be made to the Participant after all applicable restrictions lapse and the Restriction Period expires.

**10. Annual Incentive Awards.** Subject to the terms of this Plan, the Administrator will determine all terms and conditions of an Annual Incentive Award, including but not limited to the Performance Goals, performance period, the potential amount payable, and the timing of payment, subject to the following: (a) the Administrator must require that payment of all or any portion of the amount subject to the Annual Incentive Award is contingent on the achievement of one or more Performance Goals during the period the Administrator specifies, although the Administrator may specify that all or a portion of the Performance Goals subject to an Award are deemed achieved upon a Participant's death, Disability or (for Awards not intended to qualify as performance-based compensation within the meaning of Code Section 162(m)) Retirement, or such other circumstances as the Administrator may specify; and (b) the performance period must relate to a period of one fiscal year of the Company except that, if the Award is made in the year this Plan becomes effective, at the time of commencement of employment with the Company or on the occasion of a promotion, then the Award may relate to a period shorter than one fiscal year.

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**11. Long-Term Incentive Awards.** Subject to the terms of this Plan, the Administrator will determine all terms and conditions of a Long-Term Incentive Award, including but not limited to the Performance Goals, performance period, the potential amount payable, and the timing of payment, subject to the following: (a) the Administrator must require that payment of all or any portion of the amount subject to the Long-Term Incentive Award is contingent on the achievement of one or more Performance Goals during the period the Administrator specifies, although the Administrator may specify that all or a portion of the Performance Goals subject to an Award are deemed achieved upon a Participant's death, Disability or (for Awards not intended to qualify as performance-based compensation within the meaning of Code Section 162(m)) Retirement, or such other circumstances as the Administrator may specify; and (b) the performance period must relate to a period of more than one fiscal year of the Company.

**12. Dividend Equivalent Units.** Subject to the terms of this Plan, the Administrator will determine all terms and conditions of each award of Dividend Equivalent Units, including but not limited to whether: (a) such Award will be granted in tandem with another Award; (b) payment of the Award be made currently or credited to an account for the Participant that provides for the deferral of such amounts until a stated time; provided that Dividend Equivalent Units that relate to Performance Awards that are contingent on the achievement of a Performance Goal at the time the cash dividend or other distribution is paid with respect to a Share shall also be contingent on the achievement of such Performance Goal and shall not be paid until such Performance Goal is achieved; and (c) the Award will be settled in cash or Shares; provided that Dividend Equivalent Units may be granted only in connection with a "full-value Award." For this purpose, a "full-value Award" includes Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units (valued in relation to a Share), Deferred Stock Rights and any other similar Award under which the value of the Award is measured as the full value of a Share, rather than the increase in the value of a Share.

**13. Other Stock-Based Awards.** Subject to the terms of this Plan, the Administrator may grant to Participants other types of Awards, which shall be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, Shares, either alone or in addition to or in conjunction with other Awards, and payable in Stock or cash. Without limitation, such Award may include the issuance of Unrestricted Shares (which may be awarded in lieu of cash compensation to which a Participant is otherwise entitled, in exchange for cancellation of a compensation right, as a bonus, upon the attainment of Performance Goals or otherwise) or rights to acquire Stock from the Company. The Administrator shall determine all terms and conditions of the Award, including but not limited to, the time or times at which such Awards shall be made, and the number of Shares to be granted pursuant to such Awards or to which such Award shall relate; provided that any Award that provides for purchase rights shall be priced at 100% of Fair Market Value on the date of grant of the Award; and provided further that the date of grant cannot be prior to the date the Administrator takes action to approve the Award.

**14. Effect of Termination on Awards.** The Administrator shall have the discretion to determine, at the time an Award is made to a Participant or any time thereafter, the effect of the Participant's termination of employment or service with the Company and its Affiliates on the Award.

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**15. Transferability.**

(a) *Restrictions on Transfer.* No Award (other than Unrestricted Shares), and no right under any such Award, shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution, unless and to the extent the Administrator allows a Participant to: (i) designate in writing a beneficiary to exercise the Award after the Participant's death; or (ii) transfer an Award.

(b) *Restrictions on Exercisability.* Each Award, and each right under any Award, shall be exercisable during the lifetime of the Participant only by such individual or, if permissible under applicable law, by such individual's guardian or legal representative.

**16. Termination and Amendment of Plan; Amendment, Modification or Cancellation of Awards.**

(a) *Term of Plan.* Unless the Board or Committee earlier terminates this Plan pursuant to Section 16(b), this Plan will terminate on the date all Shares reserved for issuance have been issued. If the term of this Plan extends beyond ten (10) years from the Effective Date, no Incentive Stock Options may be granted after such time unless the shareholders of the Company have approved an extension of this Plan for such purpose.

(b) *Termination and Amendment.* The Board or the Committee may amend, alter, suspend, discontinue or terminate this Plan at any time, subject to the following limitations:

(i) the Board must approve any amendment of this Plan to the extent the Company determines such approval is required by: (A) prior action of the Board, (B) applicable corporate law, or (C) any other applicable law;

(ii) shareholders must approve any amendment of this Plan to the extent the Company determines such approval is required by: (A) Section 16 of the Exchange Act, (B) the Code, (C) the listing requirements of any principal securities exchange or market on which the Shares are then traded, or (D) any other applicable law; and

(iii) shareholders must approve any of the following Plan amendments: (A) an amendment to materially increase any number of Shares specified in Section 6(a) or 6(b) or the limits set forth in Section 6(e) (except as permitted by Section 18), (B) an amendment to materially expand the group of individuals that may become Participants, or (C) an amendment that would diminish the protections afforded by Section 16(e).

(c) *Amendment, Modification, Cancellation and Disgorgement of Awards.*

(i) Subject to the requirements of the Plan, including the limitations of Section 16(e), the Administrator may modify, amend or cancel any Award or waive any restrictions or conditions applicable to any Award or the exercise of the Award, provided that any modification or amendment that materially diminishes the rights of the Participant, or the cancellation of the Award, shall be effective only if agreed to by the Participant or any other person(s) as may then have an interest in the Award, but the Administrator need not obtain Participant (or other interested party) consent for the modification, amendment or cancellation of an Award pursuant to the provisions of Section 18 or as follows: (A) to the extent the Administrator deems such action necessary to comply with any applicable law or the listing requirements of any principal securities exchange or market on which the Shares are then traded; (B) to the extent the Administrator deems necessary to preserve favorable accounting or tax treatment of any

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Award for the Company; or (C) to the extent the Administrator determines that such action does not materially and adversely affect the value of an Award or that such action is in the best interest of the affected Participant or any other person(s) as may then have an interest in the Award. Notwithstanding the foregoing, unless determined otherwise by the Administrator, any such amendment shall be made in a manner that will enable an Award intended to be exempt from Code Section 409A to continue to be so exempt, or to enable an Award intended to comply with Code Section 409A to continue to so comply.

(ii) Any Awards granted pursuant to this Plan, and any Stock issued or cash paid pursuant to an Award, shall be subject to (A) any recoupment, clawback, equity holding, stock ownership or similar policies adopted by the Company from time to time and (B) any recoupment, clawback, equity holding, stock ownership or similar requirements made applicable by law, regulation or listing standards to the Company from time to time.

(iii) Unless the Award agreement specifies otherwise, the Administrator may cancel any Award at any time if the Participant is not in compliance with all applicable provisions of the Award agreement and the Plan.

(d) *Survival of Authority and Awards.* Notwithstanding the foregoing, the authority of the Board and the Administrator under this Section 16 and to otherwise administer the Plan will extend beyond the date of this Plan's termination. In addition, termination of this Plan will not affect the rights of Participants with respect to Awards previously granted to them, and all unexpired Awards will continue in force and effect after termination of this Plan except as they may lapse or be terminated by their own terms and conditions.

(e) *Repricing and Backdating Prohibited.* Notwithstanding anything in this Plan to the contrary, and except for the adjustments provided in Section 18, neither the Administrator nor any other person may (i) amend the terms of outstanding Options or SARs to reduce the exercise price of such outstanding Options or SARs; (ii) cancel outstanding Options or SARs in exchange for Options or SARs with an exercise price that is less than the exercise price of the original Options or SARs; or (iii) cancel outstanding Options or SARs with an exercise price above the current Share price in exchange for cash or other securities. In addition, the Administrator may not make a grant of an Option or SAR with a grant date that is effective prior to the date the Administrator takes action to approve such Award.

(f) *Foreign Participation.* To assure the viability of Awards granted to Participants employed or residing in foreign countries, the Administrator may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Administrator may approve such supplements to, or amendments, restatements or alternative versions of, this Plan as it determines is necessary or appropriate for such purposes. Any such amendment, restatement or alternative versions that the Administrator approves for purposes of using this Plan in a foreign country will not affect the terms of this Plan for any other country. In addition, all such supplements, amendments, restatements or alternative versions must comply with the provisions of Section 16(b).

In addition, if an Award is held by a Participant who is employed or residing in a foreign country and the amount payable or Shares issuable under such Award would be taxable to the Participant under Code Section 457A in the year such Award is no longer subject to a substantial risk of forfeiture, then the amount payable or Shares issuable under such Award

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shall be paid or issued to the Participant as soon as practicable after such substantial risk of forfeiture lapses (or, for Awards that are not considered nonqualified deferred compensation subject to Code Section 409A, no later than the end of the short-term deferral period permitted by Code Section 457A) notwithstanding anything in this Plan or the Award agreement to contrary.

(g) *Code Section 409A.* The provisions of Code Section 409A are incorporated herein by reference to the extent necessary for any Award that is subject to Code Section 409A to comply therewith.

## **17. Taxes.**

(a) *Withholding.* In the event the Company or an Affiliate of the Company is required to withhold any Federal, state or local taxes or other amounts in respect of any income recognized by a Participant as a result of the grant, vesting, payment or settlement of an Award or disposition of any Shares acquired under an Award, the Company may deduct (or require an Affiliate to deduct) from any payments of any kind otherwise due the Participant cash, or with the consent of the Committee, Shares otherwise deliverable or vesting under an Award, to satisfy such tax obligations. Alternatively, the Company may require such Participant to pay to the Company, in cash, promptly on demand, or make other arrangements satisfactory to the Company regarding the payment to the Company of the aggregate amount of any such taxes and other amounts. If Shares are deliverable upon exercise or payment of an Award, the Committee may permit a Participant to satisfy all or a portion of the Federal, state and local withholding tax obligations arising in connection with such Award by electing to (a) have the Company withhold Shares otherwise issuable under the Award, (b) tender back Shares received in connection with such Award or (c) deliver other previously owned Shares; provided that the amount to be withheld may not exceed the total minimum federal, state and local tax withholding obligations associated with the transaction to the extent needed for the Company to avoid an accounting charge. If an election is provided, the election must be made on or before the date as of which the amount of tax to be withheld is determined and otherwise as the Committee requires. In any case, the Company may defer making payment or delivery under any Award if any such tax may be pending unless and until indemnified to its satisfaction.

(b) *No Guarantee of Tax Treatment.* Notwithstanding any provisions of the Plan, the Company does not guarantee to any Participant or any other Person with an interest in an Award that (i) any Award intended to be exempt from Code Section 409A shall be so exempt, (ii) any Award intended to comply with Code Section 409A or Code Section 422 shall so comply, (iii) any Award shall otherwise receive a specific tax treatment under any other applicable tax law, nor in any such case will the Company or any Affiliate indemnify, defend or hold harmless any individual with respect to the tax consequences of any Award.

(c) *Participant Responsibilities.* If a Participant shall dispose of Stock acquired through exercise of an ISO within either (i) two (2) years after the date the Option is granted or (ii) one (1) year after the date the Option is exercised (i.e., in a disqualifying disposition), such Participant shall notify the Company within seven (7) days of the date of such disqualifying disposition. In addition, if a Participant elects, under Code Section 83, to be taxed at the time an Award of Restricted Stock (or other property subject to such Code section) is made, rather than at the time the Award vests, such Participant shall notify the Company within seven (7) days of the date the Participant makes such an election.

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## 18. Adjustment Provisions; Change of Control.

(a) *Adjustment of Shares.* If: (i) the Company shall at any time be involved in a merger or other transaction in which the Shares are changed or exchanged; (ii) the Company shall subdivide or combine the Shares or the Company shall declare a dividend payable in Shares, other securities or other property; (iii) the Company shall effect a cash dividend the amount of which, on a per Share basis, exceeds ten percent (10%) of the Fair Market Value of a Share at the time the dividend is declared, or the Company shall effect any other dividend or other distribution on the Shares in the form of cash, or a repurchase of Shares, that the Board determines by resolution is special or extraordinary in nature or that is in connection with a transaction that the Company characterizes publicly as a recapitalization or reorganization involving the Shares; or (iv) any other event shall occur, which, in the case of this clause (iv), in the judgment of the Board or Committee necessitates an adjustment to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Plan, then the Administrator shall, in such manner as it may deem equitable to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Plan, adjust as applicable: (A) the number and type of Shares subject to this Plan (including the number and type of Shares described in Section 6) and which may after the event be made the subject of Awards; (B) the number and type of Shares subject to outstanding Awards; (C) the grant, purchase, or exercise price with respect to any Award; and (D) to the extent such discretion does not cause an Award that is intended to qualify as performance-based compensation under Code Section 162(m) to lose its status as such, the Performance Goals of an Award. In any such case, the Administrator may also (or in lieu of the foregoing) make provision for a cash payment to the holder of an outstanding Award in exchange for the cancellation of all or a portion of the Award (without the consent of the holder of an Award) in an amount determined by the Administrator effective at such time as the Administrator specifies (which may be the time such transaction or event is effective). However, in each case, with respect to Awards of Incentive Stock Options, no such adjustment may be authorized to the extent that such authority would cause this Plan to violate Code Section 422(b). Further, the number of Shares subject to any Award payable or denominated in Shares must always be a whole number. In any event, previously granted Options or SARs are subject only to such adjustments as are necessary to maintain the relative proportionate interest the Options and SARs represented immediately prior to any such event and to preserve, without exceeding, the value of such Options or SARs.

Without limitation, in the event of any reorganization, merger, consolidation, combination or other similar corporate transaction or event, whether or not constituting a Change of Control (other than any such transaction in which the Company is the continuing corporation and in which the outstanding Stock is not being converted into or exchanged for different securities, cash or other property, or any combination thereof), the Administrator may substitute, on an equitable basis as the Administrator determines, for each Share then subject to an Award and the Shares subject to this Plan (if the Plan will continue in effect), the number and kind of shares of stock, other securities, cash or other property to which holders of Stock are or will be entitled in respect of each Share pursuant to the transaction.

Notwithstanding the foregoing, in the case of a stock dividend (other than a stock dividend declared in lieu of an ordinary cash dividend) or subdivision or combination of the Shares (including a reverse stock split), if no action is taken by the Administrator, adjustments contemplated by this subsection that are proportionate shall nevertheless automatically be made as of the date of such stock dividend or subdivision or combination of the Shares.

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(b) *Issuance or Assumption.* Notwithstanding any other provision of this Plan, and without affecting the number of Shares otherwise reserved or available under this Plan, in connection with any merger, consolidation, acquisition of property or stock, or reorganization, the Administrator may authorize the issuance or assumption of awards under this Plan upon such terms and conditions as it may deem appropriate, subject to the listing requirements of any principal securities exchange or market on which the Shares are then traded.

(c) *Change of Control.* If the Participant has in effect an employment, retention, change of control, severance or similar agreement with the Company or any Affiliate that discusses the effect of a Change of Control on the Participant's Awards, then such agreement shall control. In all other cases, unless provided otherwise in an Award agreement or by the Administrator prior to the date of the Change of Control, in the event of a Change of Control:

(i) If the purchaser, successor or surviving corporation (or parent thereof) (the "Survivor") so agrees, some or all outstanding Awards shall be assumed, or replaced with the same type of award with similar terms and conditions, by the Survivor in the Change of Control transaction. If applicable, each Award which is assumed by the Survivor shall be appropriately adjusted, immediately after such Change of Control, to apply to the number and class of securities which would have been issuable to the Participant upon the consummation of such Change of Control had the Award been exercised, vested or earned immediately prior to such Change of Control, and other appropriate adjustments in the terms and conditions of the Award shall be made.

(ii) To the extent the Survivor in the Change of Control transaction does not agree to assume the Awards or issue replacement awards as provided in clause (i), then immediately prior to the date of the Change of Control:

(A) Each Option or SAR that is then held by a Participant who is employed by or in the service of the Company or an Affiliate shall become immediately and fully vested, and, unless otherwise determined by the Board or Committee, all Options and SARs shall be cancelled on the date of the Change of Control in exchange for a cash payment equal to the excess of the Change of Control price of the Shares covered by the Option or SAR that is so cancelled over the purchase or grant price of such Shares under the Award.

(B) Restricted Stock, Restricted Stock Units and Deferred Stock Rights (that are not Performance Awards) that are not then vested shall vest.

(C) All Performance Awards and Annual and Long-Term Incentive Awards that are earned but not yet paid shall be paid upon the Change of Control, and all Performance Awards and Annual and Long-Term Incentive Awards for which the performance period has not expired shall be cancelled in exchange for a cash payment to be made within thirty (30) days after the Change of Control equal to the product of (1) the target value payable to the Participant under his Award and (2) a fraction, the numerator of which is the number of days after the first day of the performance period on which the Change of Control occurs and the denominator of which is the number of days in the performance period.

(D) All Dividend Equivalent Units that are not vested shall vest and be paid in cash, and all other Awards that are not vested shall vest and if an amount is payable under such vested Award, such amount shall be paid in cash based on the value of the Award.

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(iii) In the event that (1) the Survivor terminates the Participant's employment or service without cause (as defined in the agreement relating to the Award or, if not defined therein, as defined by the Administrator) or (2) if the Participant has in effect an employment, retention, change of control, severance or similar agreement with the Company or any Affiliate that contemplates the termination of his or her employment or service for good reason, and the Participant terminates his or her employment or service for good reason (as defined in such agreement), in the case of either (1) or (2) within twenty-four (24) months following a Change of Control, then the following provisions shall apply to any assumed Awards or replacement awards described in paragraph (i) and any Awards not cancelled in connection with the Change of Control pursuant to paragraph (ii):

(A) Effective upon the date of the Participant's termination of employment or service, all outstanding Awards or replacement awards automatically shall vest (assuming for any Award the vesting of which is subject to Performance Goals, that such goals had been met at the target level); and

(B) With respect to Options or Stock Appreciation Rights, at the election of the Participant, such Awards or replacement awards shall be cancelled as of the date of such termination in exchange for a payment in cash and/or Shares (which may include shares or other securities of the Survivor) equal to the excess of the Fair Market Value of the Shares on the date of such termination covered by the portion of the Option or Stock Appreciation Right that has not been exercised over the exercise or grant price of such Shares under the Award; and

(C) With respect to Restricted Stock, Restricted Stock Units or Deferred Stock Rights, at the election of the Participant, such Awards or replacement awards shall be cancelled as of the date of such termination in exchange for a payment in cash and/or Shares (which may include shares or other securities of the Survivor) equal to the Fair Market Value of a Share on the date of such termination; and

(D) With respect to Performance Awards and Annual and Long-Term Incentive Awards that are earned but not yet paid, such Awards or replacement awards shall be paid upon the termination of employment or service, and with respect to Performance Awards and Annual and Long-Term Incentive Awards for which the performance period has not expired, such Awards shall be cancelled in exchange for a cash payment to be made within thirty (30) days after the date of termination equal to the product of (1) the target value payable to the Participant under his Award and (2) a fraction, the numerator of which is the number of days after the first day of the performance period on which the termination occurs and the denominator of which is the number of days in the performance period; and

(E) With respect to other Awards, such Awards or replacement awards shall be cancelled as of the date of such termination in exchange for a payment in cash in an amount equal to the value of the Award.

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Notwithstanding anything to the contrary in the foregoing, the Participant has a deferral election in effect with respect to any amount payable under this Section 18(c), such amount shall be deferred pursuant to such election and shall not be paid in a lump sum as provided herein; provided that, with respect to amounts payable to a Participant (or the Participant's beneficiary or estate) who is entitled to a payment hereunder because the Participant's employment terminated as a result of death or Disability, or payable to a Participant who has met the requirements for Retirement (without regard to whether the Participant has terminated employment), no payment shall be made unless the Change of Control also constitutes a change of control within the meaning of Code Section 409A.

If the value of an Award is based on the Fair Market Value of a Share, Fair Market Value shall be deemed to mean the per share Change of Control price. The Administrator shall determine the per share Change of Control price paid or deemed paid in the Change of Control transaction.

(d) *Application of Limits on Payments.* Except as otherwise expressly provided in any agreement between a Participant and the Company or an Affiliate, if the receipt of any payment by a Participant under the circumstances described above would result in the payment by the Participant of any excise tax provided for in Section 280G and Section 4999 of the Code, then the amount of such payment shall be reduced to the extent required to prevent the imposition of such excise tax.

## **19. Miscellaneous.**

(a) *Other Terms and Conditions.* The grant of any Award may also be subject to other provisions (whether or not applicable to the Award granted to any other Participant) as the Administrator determines appropriate, including, without limitation, provisions for:

(i) the payment of the purchase price of Options by delivery of cash or other Shares or other securities of the Company (including by attestation) having a then Fair Market Value equal to the purchase price of such Shares, or by delivery (including by fax) to the Company or its designated agent of an executed irrevocable option exercise form together with irrevocable instructions to a broker-dealer to sell or margin a sufficient portion of the Shares and deliver the sale or margin loan proceeds directly to the Company to pay for the exercise price;

(ii) one or more means to enable Participants to defer the delivery of Shares or recognition of taxable income relating to Awards or cash payments derived from the Awards on such terms and conditions as the Administrator determines, including, by way of example, the form and manner of the deferral election, the treatment of dividends paid on the Shares during the deferral period or a means for providing a return to a Participant on amounts deferred, and the permitted distribution dates or events (provided that no such deferral means may result in an increase in the number of Shares issuable under this Plan);

(iii) restrictions on resale or other disposition of Shares; and

(iv) compliance with federal or state securities laws and stock exchange requirements.

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(b) *Employment and Service.* The issuance of an Award shall not confer upon a Participant any right with respect to continued employment or service with the Company or any Affiliate. Unless determined otherwise by the Administrator, for purposes of the Plan and all Awards, the following rules shall apply:

- (i) a Participant who transfers employment between the Company and its Affiliates, or between Affiliates, will not be considered to have terminated employment; and
- (ii) a Participant employed by an Affiliate will be considered to have terminated employment when such entity ceases to be an Affiliate.

Notwithstanding the foregoing, for purposes of an Award that is subject to Code Section 409A, if a Participant's termination of employment or service triggers the payment of compensation under such Award, then the Participant will be deemed to have terminated employment or service upon his or her "separation from service" within the meaning of Code Section 409A. Notwithstanding any other provision in this Plan or an Award to the contrary, if any Participant is a "specified employee" within the meaning of Code Section 409A as of the date of his or her "separation from service" within the meaning of Code Section 409A, then, to the extent required by Code Section 409A, any payment made to the Participant on account of such separation from service shall not be made before a date that is six months after the date of the separation from service.

(c) *No Fractional Shares.* No fractional Shares or other securities may be issued or delivered pursuant to this Plan, and the Administrator may determine whether cash, other securities or other property will be paid or transferred in lieu of any fractional Shares or other securities, or whether such fractional Shares or other securities or any rights to fractional Shares or other securities will be canceled, terminated or otherwise eliminated.

(d) *Offset.* The Company shall have the right to offset, from any amount payable or stock deliverable hereunder, any amount that the Participant owes to the Company or any Affiliate without the consent of the Participant or any individual with a right to the Participant's Award.

(e) *Unfunded Plan.* This Plan is unfunded and does not create, and should not be construed to create, a trust or separate fund with respect to this Plan's benefits. This Plan does not establish any fiduciary relationship between the Company and any Participant or other person. To the extent any person holds any rights by virtue of an Award granted under this Plan, such rights are no greater than the rights of the Company's general unsecured creditors. Income recognized by a Participant pursuant to an Award shall not be included in the determination of benefits under any employee pension benefit plan (as such term is defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended) or group insurance or other benefit plans applicable to the Participant which are maintained by the Company or any Affiliate, except as may be provided under the terms of such plans or determined by resolution of the Board.

(f) *Requirements of Law and Securities Exchange.* The granting of Awards and the issuance of Shares in connection with an Award are subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required. Notwithstanding any other provision of this Plan or any Award agreement, the Company has no liability to deliver any Shares under this Plan or make any

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payment unless such delivery or payment would comply with all applicable laws and the applicable requirements of any securities exchange or similar entity, and unless and until the Participant has taken all actions required by the Company in connection therewith. The Company may impose such restrictions on any Shares issued under the Plan as the Company determines necessary or desirable to comply with all applicable laws, rules and regulations or the requirements of any national securities exchange.

(g) *Restrictive Legends; Representations.* All Shares delivered (whether in certificated or book entry form) pursuant to any Award or the exercise thereof shall bear such legends or be subject to such stop transfer orders as the Administrator may deem advisable under the Plan or under applicable laws, rules or regulations or the requirements of any national securities exchange. The Administrator may require each Participant or other Person who acquires Shares under the Plan by means of an Award to represent to the Company in writing that such Participant or other Person is acquiring the Shares without a view to the distribution thereof.

(h) *Governing Law.* This Plan, and all Awards hereunder, and all determinations made and actions taken pursuant to this Plan, shall be governed by the internal laws of the State of Wisconsin (without reference to conflict of law principles thereof) and construed in accordance therewith, to the extent not otherwise governed by the laws of the United States or as otherwise provided hereinafter. Notwithstanding anything to the contrary herein, if any individual (other than the Company) brings a claim involving the Company or an Affiliate, regardless of the basis of the claim (including but not limited to claims relating to wrongful discharge, Title VII discrimination, the Participant's employment or service with the Company or its Affiliates or the termination thereof, benefits under this Plan or other matters), such claim shall be settled by final binding arbitration in accordance with the rules of the American Arbitration Association ("AAA") and the following provisions, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

(i) *Initiation of Action.* Arbitration must be initiated by serving or mailing a written notice of the complaint to the other party. Normally, such written notice should be provided to the other party within one year (365 days) after the day the complaining party first knew or should have known of the events giving rise to the complaint. However, this time frame may be extended if the applicable statute of limitation provides for a longer period of time. If the complaint is not properly submitted within the appropriate time frame, all rights and claims that the complaining party has or may have against the other party shall be waived and void. Any notice sent to the Company shall be delivered to:

Office of General Counsel  
Johnson Controls, Inc.  
5757 North Green Bay Avenue  
P.O. Box 591  
Milwaukee, WI 53201-0591

The notice must identify and describe the nature of all complaints asserted and the facts upon which such complaints are based. Notice will be deemed given according to the date of any postmark or the date of time of any personal delivery.

(ii) *Compliance with Personnel Policies.* Before proceeding to arbitration on a complaint, the claimant must initiate and participate in any complaint resolution

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procedure identified in the personnel policies of the Company or an Affiliate, as applicable. If the claimant has not initiated the complaint resolution procedure before initiating arbitration on a complaint, the initiation of the arbitration shall be deemed to begin the complaint resolution procedure. No arbitration hearing shall be held on a complaint until any complaint resolution procedure of the Company or an Affiliate, as applicable, has been completed.

(iii) *Rules of Arbitration.* All arbitration will be conducted by a single arbitrator according to the Employment Dispute Arbitration Rules of the AAA. The arbitrator will have authority to award any remedy or relief that a court of competent jurisdiction could order or grant including, without limitation, specific performance of any obligation created under the award or policy, the awarding of punitive damages, the issuance of any injunction, costs and attorney's fees to the extent permitted by law, or the imposition of sanctions for abuse of the arbitration process. The arbitrator's award must be rendered in a writing that sets forth the essential findings and conclusions on which the arbitrator's award is based.

(iv) *Representation and Costs.* Each party may be represented in the arbitration by an attorney or other representative selected by the party. The Company or Affiliate shall be responsible for its own costs, the AAA filing fee and all other fees, costs and expenses of the arbitrator and AAA for administering the arbitration. The claimant shall be responsible for his attorney's or representative's fees, if any. However, if any party prevails on a statutory claim which allows the prevailing party costs and/or attorneys' fees, the arbitrator may award costs and reasonable attorneys' fees as provided by such statute.

(v) *Discovery; Location; Rules of Evidence.* Discovery will be allowed to the same extent afforded under the Federal Rules of Civil Procedure. Arbitration will be held at a location selected by the Company. AAA rules notwithstanding, the admissibility of evidence offered at the arbitration shall be determined by the arbitrator who shall be the judge of its materiality and relevance. Legal rules of evidence will not be controlling, and the standard for admissibility of evidence will generally be whether it is the type of information that responsible people rely upon in making important decisions.

(vi) *Confidentiality.* The existence, content or results of any arbitration may not be disclosed by a party or arbitrator without the prior written consent of both parties. Witnesses who are not a party to the arbitration shall be excluded from the hearing except to testify.

(i) *Construction.* Whenever any words are used herein in the masculine, they shall be construed as though they were used in the feminine in all cases where they would so apply; and wherever any words are used in the singular or plural, they shall be construed as though they were used in the plural or singular, as the case may be, in all cases where they would so apply. Titles of sections are for general information only, and this Plan is not to be construed with reference to such titles.

(j) *Severability.* If any provision of this Plan or any Award agreement or any Award (a) is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person or Award, or (b) would disqualify this Plan, any Award agreement or any Award under any law the Administrator deems applicable, then such provision should be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed

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amended without, in the determination of the Administrator, materially altering the intent of this Plan, Award agreement or Award, then such provision should be stricken as to such jurisdiction, person or Award, and the remainder of this Plan, such Award agreement and such Award will remain in full force and effect.



**JOHNSON CONTROLS, INC.  
PERFORMANCE SHARE UNIT AWARD**

**Grant - Terms for Performance Share Units**

Johnson Controls, Inc. has adopted the 2012 Omnibus Incentive Plan to permit awards of performance share units to be made to certain key employees of the Company or any Affiliate. The Company desires to provide incentives and potential rewards for future performance by the employee by providing the Participant with a means to acquire or to increase his/her proprietary interest in the Company's success.

**Definitions.** Capitalized terms used in this Award have the following meanings:

- (a) "Award" means this grant of Performance Units.
- (b) "Award Notice" means the Award notification delivered to the Participant.
- (c) "Company" means Johnson Controls, Inc., a Wisconsin corporation, or any successor thereto.
- (d) "Fair Market Value" means, per Share on a particular date, the closing sales price on such date on the New York Stock Exchange, or if no sales of Stock occur on the date in question, on the last preceding date on which there was a sale on such market.
- (e) "Inimical Conduct" means any act or omission that is inimical to the best interests of the Company or any Affiliate as determined by the Administrator in its sole discretion, including but not limited to: (i) violation of any employment, noncompete, confidentiality or other agreement in effect with the Company or any Affiliate, (ii) taking any steps or doing anything which would damage or negatively reflect on the reputation of the Company or an Affiliate, or (iii) failure to comply with applicable laws relating to trade secrets, confidential information or unfair competition.
- (f) "Participant" means an individual selected to receive this Award.
- (g) "Performance Unit" or "Unit" means the right to receive one Share, to the extent the Performance Goals specified in the Summary of Terms and Conditions delivered to the Participant are achieved.
- (h) "Plan" means the Johnson Controls, Inc. 2012 Omnibus Incentive Plan, as may be amended from time to time.
- (i) "Retirement" means \_\_\_\_\_.
- (j) "Share" means a share of Stock.
- (k) "Stock" means the Common Stock of the Company.

Other capitalized terms used in this Award have the meanings given in the Plan.

The parties agree as follows:

1. **Grant of Award.** Subject to the terms and conditions of the Plan, a copy of which has been delivered to the Participant and made a part of this Award, and to the terms and conditions of this Award, the Company grants to the Participant an award of Performance Units on the date and with respect to the number of Units specified in the Award Notice.
2. **Units Earned.** At the end of the performance period indicated in the Award Notice, the number of Units earned by the Participant shall be determined as set forth in the Summary of Terms and Conditions delivered to the Participant.

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3. **Dividend Equivalent Units.** Any cash dividends or other distributions paid or delivered with respect to the Stock for which the record date occurs on or before the settlement of the Performance Units under Section 4 below will result in a credit to a bookkeeping account for the benefit of the Participant. The credit will be equal to the dividends or other distributions that would have been paid with respect to the Shares subject to the Performance Units had such Shares been outstanding. For U.S. domestic Participants, the account will be converted into and settled in additional Shares issued under the Plan at the same time as the Performance Units are settled under Section 4 below; for any other Participants, the account will be paid to the Participant in cash at such time. Such account will be subject to the same terms and conditions (including Performance Goals and risk of forfeiture) as the Performance Units to which the dividends or other distributions relate.

4. **Settlement of Units.** Subject to any applicable deferral election under Johnson Controls, Inc. Executive Deferred Compensation Plan (or any successor plan) and to the provisions of Section 7 below, the Company will issue a number of Shares to the Participant equal to the number of whole Units that have been earned within 90 days following the end of the performance period.

5. **Alienation of Award.** The Participant (or beneficiary) shall not have any right to assign, transfer, sell, pledge or otherwise encumber this Award.

6. **No Voting Rights.** The Participant shall not have any voting rights with respect to the number of Shares underlying the Units until such Shares have been earned and issued.

7. **Termination of Employment - Risk of Forfeiture.**

- a. Retirement, Death or Disability. If, prior to the settlement of the Units, the Participant terminates employment from the Company and its Affiliates due to Retirement on or after the last day of the calendar year following the calendar year in which the Award of Units is made, or due to death or Disability, in each case at a time when the Participant's employment could not have been terminated for Cause, then the Participant shall be eligible to earn a number of Units at the end of the performance period based on actual performance but prorated based on the number of days of employment during the performance period.

Notwithstanding the foregoing, if the Participant engages in Inimical Conduct, as determined by the Administrator, the Participant's right to receive any Units shall automatically be forfeited as of the date of the Administrator's determination.

- b. Other Termination. If the Participant's employment terminates for any reason not described above prior to the settlement of the Units, then this Award shall automatically be forfeited in its entirety immediately upon such termination. The Company may suspend payment or delivery of Shares (without liability for interest thereon) pending the Committee's determination of whether the Participant was or should have been terminated for Cause or whether the Participant has engaged in Inimical Conduct.

8. **Withholding.** The Participant agrees to remit to the Company any foreign, Federal, state and/or local taxes (including the Participant's FICA obligation) required by law to be withheld with respect to the Units or the issuance of Shares under this Award. The Company can delay the issuance of Shares or can withhold from cash or property, including cash or Shares under this Award, payable or issuable to the Participant, in the amount needed to satisfy any withholding obligations; provided that, in the case of Shares, the amount withheld may not exceed the Participant's minimum withholding obligations.

Notwithstanding anything to the contrary in this Award, if the Company or any Affiliate of the Company is required to withhold any Federal, state or local taxes or other amounts in connection with the Award, then the Company may require the Participant to pay to the Company, in cash, promptly on demand, amounts sufficient to satisfy such tax obligations or make other arrangements satisfactory to the Company regarding the payment to the Company of the aggregate amount of any such taxes and other amounts.

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9. **No Claim for Forfeiture.** Neither the Award nor any benefit accruing to the Participant from the Award will be considered to be part of the Participant's normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments. Notwithstanding anything to the contrary in this Award, in no event may the Award or any benefit accruing to the Participant from the Award be considered as compensation for, or relating in any way to, past services for the Company or any Affiliate, nor shall the Participant have at any time a legally binding right to compensation under this Award unless and until the Committee approves, in its discretion, the number of Units earned at the completion of the performance period. In consideration of the Award, no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of the Participant's employment by the Company or any Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and the Participant irrevocably releases the Company and its Affiliates from any such claim that may arise. If, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting the grant, the Participant shall have been deemed irrevocably to have waived any entitlement to pursue such claim.

10. **Electronic Delivery.** The Company or its Affiliates may, in its or their sole discretion, decide to deliver any documents related to current or future participation in the Plan or related to this Award by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. The Participant hereby agrees that all on-line acknowledgements shall have the same force and effect as a written signature.

11. **Securities Compliance.** The Company may place a legend or legends upon the certificates for Shares issued under the Plan and may issue "stop transfer" instructions to its transfer agent in respect of such Shares as it determines to be necessary or appropriate to (a) prevent a violation of, or to obtain an exemption from, the registration requirements of the Securities Act of 1933, as amended, applicable state securities laws or other legal requirements, or (b) implement the provisions of the Plan, this Award or any other agreement between the Company and the Participant with respect to such Shares.

12. **Successors.** All obligations of the Company under this Award shall be binding on any successor to the Company. The terms of this Award and the Plan shall be binding upon and inure to the benefit of the Participants and his or her heirs, executors, administrators or legal representatives.

13. **Legal Compliance.** The granting of this Award and the issuance of Shares under this Award shall be subject to all applicable laws, rules, and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required.

14. **Governing Law; Arbitration.** This Award and the rights and obligations hereunder shall be governed by and construed in accordance with the internal laws of the State of Wisconsin. Arbitration will be conducted per the provisions in the Plan.

15. **Data Privacy and Sharing.** As a condition of the granting of the Award, the Participant acknowledges and agrees that it is necessary for some of the Participant's personal identifiable information to be provided to certain employees of the Company, the third party data processor that administers the Plan and the Company's designated third party broker in the United States. These transfers will be made pursuant to a contract that requires the processor to provide adequate levels of protection for data privacy and security interests in accordance with the EU Data Privacy Directive 95/46 EC and the implementing legislation of the Participant's home country. By accepting the Award, the Participant acknowledges having been informed of the processing of the Participant's personal identifiable information described in the preceding paragraph and consents to the Company collecting and transferring to the Company's Shareholder Services Department, and its independent benefit plan administrator and third party broker, the Participant's personal data that are necessary to administer the Award and the Plan. The Participant understands that his or her personal information may be transferred, processed and stored outside of the Participant's home country in a country that may not have the same data protection laws as his or her home country, for the purposes mentioned in this Award.

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This Award, the Award Notice, the Summary of Terms and Conditions delivered to the Participant and any other documents expressly referenced in this Award contain all of the provisions applicable to the Award and no other statements, documents or practices may modify, waive or alter such provisions unless expressly set forth in writing, signed by an authorized officer of the Company and delivered to the Participant.

The Company has caused this Award to be executed by one of its authorized officers as of the date of grant.

**JOHNSON CONTROLS, INC.**

A handwritten signature in black ink, appearing to read "Jerome D. Okarma". The signature is fluid and cursive, with a large initial "J" and "O".

Jerome D. Okarma  
Vice President, Secretary and General Counsel



**JOHNSON CONTROLS, INC.**  
**RESTRICTED STOCK OR RESTRICTED STOCK UNIT AWARD**

**Grant - Terms for Restricted Stock and Restricted Stock Units**

Johnson Controls, Inc. has adopted the 2012 Omnibus Incentive Plan to permit awards of restricted stock or restricted stock units to be made to certain key employees of the Company or any Affiliate. The Company desires to provide incentives and potential rewards for future performance by the employee by providing the Participant with a means to acquire or to increase his/her proprietary interest in the Company's success.

**Definitions.** Capitalized terms used in this Award have the following meanings:

- (a) "Award" means this grant of Restricted Stock and/or Restricted Stock Units.
- (b) "Award Notice" means the Award notification delivered to the Participant.
- (c) "Company" means Johnson Controls, Inc., a Wisconsin corporation, or any successor thereto.
- (d) "Fair Market Value" means, per Share on a particular date, the closing sales price on such date on the New York Stock Exchange, or if no sales of Stock occur on the date in question, on the last preceding date on which there was a sale on such market.
- (e) "Inimical Conduct" means any act or omission that is inimical to the best interests of the Company or any Affiliate as determined by the Administrator in its sole discretion, including but not limited to: (i) violation of any employment, noncompete, confidentiality or other agreement in effect with the Company or any Affiliate, (ii) taking any steps or doing anything which would damage or negatively reflect on the reputation of the Company or an Affiliate, or (iii) failure to comply with applicable laws relating to trade secrets, confidential information or unfair competition.
- (f) "Participant" means the individual selected to receive this Award.
- (g) "Plan" means the Johnson Controls, Inc. 2012 Omnibus Incentive Plan, as may be amended from time to time.
- (h) "Restriction Period" means the length of time indicated in the Award Notice (as defined below) during which the Participant cannot sell, transfer, pledge, assign or otherwise encumber the Restricted Stock or Restricted Stock Units subject to this Award, as specified in the Award Notice.
- (i) "Restricted Stock" means a Share that is subject to a risk of forfeiture and the Restriction Period.
- (j) "Restricted Stock Unit" means the right to receive a payment, in cash or Shares, equal to the Fair Market Value of one Share, that is subject to a risk of forfeiture and the Restriction Period.
- (k) "Retirement" means \_\_\_\_\_.
- (l) "Share" means a share of Stock.
- (m) "Stock" means the Common Stock of the Company.

Other capitalized terms used in this Award have the meanings given in the Plan.

The parties agree as follows:

1. **Grant of Award.** Subject to the terms and conditions of the Plan, a copy of which has been delivered to the Participant and made a part of this Award, and to the terms and conditions of this Award, the Company grants to the Participant an award of Restricted Stock or Restricted Stock Units, as specified in the Award Notice, on the date and with respect to the number of Shares specified in the Award Notice.

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2. **Restricted Shares.** If the Award is in the form of Shares of Restricted Stock, the Shares are subject to the following terms:
- a. Restriction Period. The Company will hold the Shares in escrow for the Restriction Period. During this period, the Shares shall be subject to forfeiture as provided in Section 4.
  - b. Removal of Restrictions. Subject to any applicable deferral election under the Johnson Controls, Inc. Executive Deferred Compensation Plan (or any successor plan) and to Section 4 below, Shares that have not been forfeited shall become available to the Participant after the last day of the Restriction Period upon payment in full of all taxes due with respect to such Shares.
  - c. Voting Rights. During the Restriction Period, the Participant may exercise full voting rights with respect to the Shares.
  - d. Dividends and Other Distributions. Any cash dividends or other distributions paid or delivered with respect to Shares of Restricted Stock for which the record date occurs on or before the last day of the Restriction Period will be credited to a bookkeeping account for the benefit of the Participant. For U.S. domestic Participants, the account will be converted into and settled in additional Shares issued under the Plan at the end of the applicable Restriction Period; for all other Participants, the account will be paid to the Participant in cash at the end of the applicable Restriction Period. Prior to the end of the Restriction Period, such account will be subject to the same terms and conditions (including risk of forfeiture) as the Shares of Restricted Stock to which the dividends or other distributions relate.
3. **Restricted Stock Units.** If the Award is in the form of Restricted Stock Units, the Restricted Stock Units are subject to the following terms:
- a. Restriction Period. During the Restriction Period, the Restricted Stock Units shall be subject to forfeiture as provided in Section 4.
  - b. Settlement of Restricted Stock Units. Subject to any applicable deferral election under the Johnson Controls, Inc. Executive Deferred Compensation Plan (or any successor plan thereto) and to Section 4 below, the Restricted Stock Units shall be settled by, for U.S. domestic Participants, payment of one Share per Restricted Stock Unit or, for all other Participants, payment of cash equal to the Fair Market Value of one Share per Restricted Stock Unit, in each case after the last day of the Restriction Period and upon payment in full of all taxes due with respect to such Restricted Stock Units.
  - c. Dividend Equivalent Units. Any cash dividends or other distributions paid or delivered with respect to the Stock for which the record date occurs on or before the last day of the Restriction Period will result in a credit to a bookkeeping account for the benefit of the Participant. The credit will be equal to the dividends or other distributions that would have been paid with respect to the Shares subject to the Restricted Stock Units had such Shares been outstanding. For U.S. domestic Participants, the account will be converted into and settled in additional Shares issued under the Plan at the end of the applicable Restriction Period; for all other Participants, the account will be paid to the Participant in cash at the end of the applicable Restriction Period. Prior to the end of the Restriction Period, such account will be subject to the same terms and conditions (including risk of forfeiture) as the Restricted Stock Units to which the dividends or other distributions relate.
4. **Termination of Employment - Risk of Forfeiture.**
- a. Retirement. If the Participant terminates employment from the Company and its Affiliates due to Retirement on or after the last day of the calendar year following the calendar year in which this Award is made, and at a time when the Participant could not have been

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terminated for Cause, then any remaining Restriction Period shall continue as if the Participant continued in active employment. If the Participant engages in Inimical Conduct after his Retirement, as determined by the Administrator, any Restricted Stock and/or Restricted Stock Units still subject to a Restriction Period shall automatically be forfeited as of the date of the Administrator's determination.

- b. Death or Disability. If the Participant's employment with the Company and its Affiliates terminates because of death or Disability at a time when the Participant could not have been terminated for Cause, or if the Participant dies after Retirement while this Award is still subject to the Restriction Period, any remaining Restriction Period shall automatically lapse as of the date of such termination of employment or death, as applicable; provided that, if the Participant's employment with the Company and its Affiliates terminates because of Disability after the Participant reaches eligibility for Retirement (regardless of whether the Participant has retired), then the Restriction Period shall continue as if the Participant had terminated due to Retirement under Section 4(a) above.
- c. Other Termination. If the Participant's employment terminates for any reason not described above, then any Shares of Restricted Stock or any Restricted Stock Units (and all deferred dividends paid or credited thereon) still subject to the Restriction Period as of the date of such termination shall automatically be forfeited and returned to the Company. In the event of the Participant's involuntary termination of employment by the Company or an Affiliate for other than Cause, the Administrator may waive the automatic forfeiture of any or all such Shares of Restricted Stock or Restricted Stock Units (and all deferred dividends or other distribution paid or credited thereon) and may add such new restrictions to such Restricted Stock or Restricted Stock Units as it deems appropriate. The Company may suspend payment or delivery of Shares (without liability for interest thereon) pending the Administrator's determination of whether the Participant was or should have been terminated for Cause or whether the Participant has engaged in Inimical Conduct.

5. **Withholding**. The Participant agrees to remit to the Company any foreign, Federal, state and/or local taxes (including the Participant's FICA obligation) required by law to be withheld with respect to the issuance of Shares under this Award, the vesting of this Award or the payment of cash under this Award. Notwithstanding anything to the contrary in this Award, if the Company or any Affiliate of the Company is required to withhold any Federal, state or local taxes or other amounts in connection with the Award, then the Company may require the Participant to pay to the Company, in cash, promptly on demand, amounts sufficient to satisfy such tax obligations or make other arrangements satisfactory to the Company regarding the payment to the Company of the aggregate amount of any such taxes and other amounts. Alternatively, the Company can withhold Shares no longer restricted, or can withhold from cash or property, including cash or Shares under this Award, payable or issuable to the Participant, in the amount needed to satisfy any withholding obligations; provided that, in the case of Shares, the amount withheld may not exceed the Participant's minimum withholding obligations.

6. **No Claim for Forfeiture**. Neither the Award nor any benefit accruing to the Participant from the Award will be considered to be part of the Participant's normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments. In no event may the Award or any benefit accruing to the Participant from the Award be considered as compensation for, or relating in any way to, past services for the Company or any Affiliate. In consideration of the Award, no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of the Participant's employment by the Company or any Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and the Participant irrevocably releases the Company and its Affiliates from any such claim that may arise. If, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting the grant, the Participant shall have been deemed irrevocably to have waived any entitlement to pursue such claim.

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7. **Electronic Delivery.** The Company or its Affiliates may, in its or their sole discretion, decide to deliver any documents related to current or future participation in the Plan or related to this Award by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. The Participant hereby agrees that all on-line acknowledgements shall have the same force and effect as a written signature.

8. **Securities Compliance.** The Company may place a legend or legends upon the certificates for Shares issued under the Plan and may issue “stop transfer” instructions to its transfer agent in respect of such Shares as it determines to be necessary or appropriate to (a) prevent a violation of, or to obtain an exemption from, the registration requirements of the Securities Act of 1933, as amended, applicable state securities laws or other legal requirements, or (b) implement the provisions of the Plan, this Award or any other agreement between the Company and the Participant with respect to such Shares.

9. **Successors.** All obligations of the Company under this Award shall be binding on any successor to the Company. The terms of this Award and the Plan shall be binding upon and inure to the benefit of the Participant, and his or her heirs, executors, administrators or legal representatives.

10. **Legal Compliance.** The granting of this Award and the issuance of Shares under this Award shall be subject to all applicable laws, rules, and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required.

11. **Governing Law; Arbitration.** This Award and the rights and obligations hereunder shall be governed by and construed in accordance with the internal laws of the State of Wisconsin. Arbitration will be conducted per the provisions in the Plan.

12. **Data Privacy and Sharing.** As a condition of the granting of the Award, the Participant acknowledges and agrees that it is necessary for some of the Participant’s personal identifiable information to be provided to certain employees of the Company, the third party data processor that administers the Plan and the Company’s designated third party broker in the United States. These transfers will be made pursuant to a contract that requires the processor to provide adequate levels of protection for data privacy and security interests in accordance with the EU Data Privacy Directive 95/46 EC and the implementing legislation of the Participant’s home country. By accepting the Award, the Participant acknowledges having been informed of the processing of the Participant’s personal identifiable information described in the preceding paragraph and consents to the Company collecting and transferring to the Company’s Shareholder Services Department, and its independent benefit plan administrator and third party broker, the Participant’s personal data that are necessary to administer the Award and the Plan. The Participant understands that his or her personal information may be transferred, processed and stored outside of the Participant’s home country in a country that may not have the same data protection laws as his or her home country, for the purposes mentioned in this Award.

This Award, the Award Notice and any other documents expressly referenced in this Award contain all of the provisions applicable to the Award and no other statements, documents or practices may modify, waive or alter such provisions unless expressly set forth in writing, signed by an authorized officer of the Company and delivered to the Participant.

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The Company has caused this Award to be executed by one of its authorized officers as of the date of grant.

**JOHNSON CONTROLS, INC.**

A handwritten signature in black ink, appearing to read "Jerome D. Okarma". The signature is fluid and cursive, with a large initial "J" and "O".

Jerome D. Okarma  
Vice President, Secretary and General Counsel

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**JOHNSON CONTROLS, INC.  
OPTION OR STOCK APPRECIATION RIGHT AWARD**

**Grant - Terms for Nonqualified Stock Options and Stock Appreciation Rights**

Johnson Controls, Inc. has adopted the 2012 Omnibus Incentive Plan to permit awards of stock options or stock appreciation rights to be made to certain key employees of the Company or any Affiliate. The Company desires to provide incentives and potential rewards for future performance by the employee by providing the Participant with a means to acquire or to increase his/her proprietary interest in the Company's success.

**Definitions.** Capitalized terms used in this Award have the following meanings:

- (a) "Award" means this grant of Options and/or Stock Appreciation Rights.
- (b) "Award Notice" means the Award notification delivered to the Participant.
- (c) "Company" means Johnson Controls, Inc., a Wisconsin corporation, or any successor thereto.
- (d) "Fair Market Value" means, per Share on a particular date, the closing sales price on such date on the New York Stock Exchange, or if no sales of Stock occur on the date in question, on the last preceding date on which there was a sale on such market.
- (e) "Grant Date" is the date the Award was made to the Participant, as specified in the Award Notice.
- (f) "Inimical Conduct" means any act or omission that is inimical to the best interests of the Company or any Affiliate as determined by the Administrator in its sole discretion, including but not limited to: (i) violation of any employment, noncompete, confidentiality or other agreement in effect with the Company or any Affiliate, (ii) taking any steps or doing anything which would damage or negatively reflect on the reputation of the Company or an Affiliate, or (iii) failure to comply with applicable laws relating to trade secrets, confidential information or unfair competition.
- (g) "Option" means this nonqualified stock option representing the right to purchase Shares at a stated price for a specified period of time.
- (h) "Participant" means an individual selected to receive this Award.
- (i) "Plan" means the Johnson Controls, Inc. 2012 Omnibus Incentive Plan, as may be amended from time to time.
- (j) "Retirement" means \_\_\_\_\_.
- (k) "SAR" is an Award of Stock Appreciation Rights which will be settled in cash. The Participant will receive the economic equivalent of the excess of the Fair Market Value on the exercise date over the Exercise Price.
- (l) "Share" means a share of Stock.
- (m) "Stock" means the Common Stock of the Company.
- (n) "Tax Date" means the date income is recognized pursuant to the exercise of the Option or SAR.

Other capitalized terms used in this Award have the meanings given in the Plan.

The parties agree as follows:

1. **Grant of Award.** Subject to the terms and conditions of the Plan, a copy of which has been made available to the Participant and made a part of this Award, and to the terms and conditions of this Award, the Company grants to the Participant an Award of Options or an Award of Stock Appreciation Rights, as specified in the Award Notice.
2. **Exercise Price.** The purchase price payable upon exercise of the Options or used to determine the value of the SARs shall be the Exercise Price per share stated in the Award Notice.

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3. **Exercise of Vested Portion of Award.** The Award may be exercised by the Participant, in whole or in part, in increments of not less than 50 shares or the number of shares remaining subject to the Award (if less than 50), from time to time, to the extent the Award is vested and prior to the Expiration Date stated in the Award Notice. The vesting schedule of the Award is as follows:

- (a) Fifty Percent (50%) of the Award shall vest on the second anniversary of the Grant Date.
- (b) Fifty Percent (50%) of the Award shall vest on the third anniversary of the Grant Date.

The Award shall expire ten years from the Grant Date.

4. **Exercise Procedure.** The Award may only be exercised through the Company's Option/SAR execution service provider following the procedures established by the Administrator.

5. (a) **Conditions to Issuance or Payment.** Before the Company will become obligated to issue or transfer shares of Stock or pay cash upon exercise of the Option or SAR, the Company may require the Participant to pay to the Company or its Affiliates such amount as may be requested by the Company or its Affiliates for the purpose of satisfying its liability to withhold federal, state or local income or other taxes incurred by reason of the exercise of the Award. If the amount requested is not paid, the Company may refuse to issue or transfer shares of Stock or pay cash, as applicable, upon exercise of the Award.

(b) **Share Withholding or Delivery.** The Participant shall be permitted to satisfy the Company's withholding tax requirements with respect to the Option by electing to have the Company withhold shares of Stock otherwise issuable to the Participant or to deliver to the Company shares of Stock having a Fair Market Value on the Tax Date equal to the minimum amount required to be withheld by law. Such election shall be irrevocable, and shall be subject to disapproval, in whole or in part, by the Company. Such election shall be made according to such rules and regulations and in such form as the Company shall determine.

(c) **Other Withholding.** Notwithstanding anything to the contrary in this Award, if the Company or any Affiliate is required to withhold any foreign, Federal, state or local taxes or other amounts in connection with the Award, then the Company may deduct (or require an Affiliate to deduct) such taxes or other amounts from any payments of any kind otherwise due the Participant to satisfy such tax obligations.

6. (a) **Termination - General.** In the event a Participant's employment with the Company or any of its Affiliates is terminated for any reason, except Retirement, death, Disability or Cause, a Participant may exercise this Award (to the extent vested and exercisable as of the date of the Participant's termination of employment) for a period of ninety (90) days after the date of the Participant's termination of employment, but not later than the Award's expiration date. Thereafter, all rights to exercise the Award shall terminate.

(b) **Termination for Retirement.** If the Participant ceases to be an employee of the Company or any Affiliate by reason of Retirement at a time when the Participant's employment could not have been terminated for Cause, then the Award (i) shall be exercisable in full without regard to any vesting requirements; provided that an Option of a Participant who Retires shall be exercisable in full only if the Participant Retires on or after the last day of the fiscal year in which such Option was granted, unless the Administrator determines otherwise, and (ii) will remain exercisable until the Award's expiration date.

(c) **Termination for Disability.** If the Participant ceases to be an employee of the Company or any Affiliate by reason of Disability at a time when the Participant could not be terminated for Cause, then the Award shall be exercisable in full without regard to any vesting requirements, and may be exercised by the Participant at any time within five (5) years after the date of such termination, but not later than the Award's expiration date.

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(d) **Death.** In the event of the Participant's death while actively employed by the Company or any Affiliate and at a time when the Participant could not be terminated for Cause, the Award shall be exercisable immediately to the extent it would have been exercisable had the Participant remained in service in the twelve (12) months after the date of death, and may be exercised at any time until the first anniversary of the date of the Participant's death, but not later than the Award's expiration date. The Award may be exercised by the person to whom the Award is transferred by will or by applicable laws of the descent and distribution. In the event of the death of a Retired Participant or a Participant who ceased to be an employee by reason of Disability, the Award may be exercised by the person to whom the Option is transferred, by will or by applicable laws of descent and distribution, as if the Participant had remained living under Sections 6(b) or (c), as applicable.

(e) **Termination for Cause.** If the Participant's employment with the Company or any of its Affiliates is terminated for Cause, then such termination shall cause the immediate cancellation and forfeiture of any Award, regardless of vesting; and any pending exercises shall be cancelled on the date of termination.

7. **Inimical Conduct.** If the Administrator determines at any time that a Participant has engaged in Inimical Conduct, whether before or after termination of employment, the Award shall be cancelled, regardless of vesting; and any pending exercises shall be cancelled on that date. In addition, the Administrator or the Company may suspend any exercise of the Option pending the determination of whether the Participant has engaged in Inimical Conduct.

8. **Rights as Shareholder.** The Participant shall not be deemed for any purposes to be a shareholder of the Company with respect to any shares which may be acquired hereunder except to the extent that the Option shall have been exercised with respect thereto and shares of Stock issued therefor.

9. **No Reinstatement of Award.** After this Award or any portion thereof expires, is cancelled or otherwise terminates for any reason, the Award or such portion shall not be reinstated, extended or otherwise continued.

10. **Transferability.** This Award shall not be transferable (without the Administrator's consent) other than by will or the laws of descent and distribution. Following any permitted transfer, the Award shall continue to be subject to the same terms and conditions as were applicable immediately prior to the transfer, provided that the Award may be exercised during the life of the Participant only by the Participant or, if applicable, by the Participant's permitted transferees.

11. **Securities Compliance.** The Participant agrees for himself/herself and the Participant's heirs, legatees, and legal representatives, with respect to all shares of Stock acquired pursuant to this Award (or any shares of Stock issued pursuant to a stock dividend or stock split thereon or any securities issued in lieu of or in substitution or exchange for such Stock) that the Participant and the Participant's heirs, legatees, and legal representatives will not sell or otherwise dispose of such shares except pursuant to an effective registration statement under the Securities Act of 1933, as amended, or except in a transaction which, in the opinion of counsel for the Company, is exempt from registration under such act.

12. **No Restrictions on Certain Actions.** The existence of the Award shall not affect in any way the right or power of the Company or its shareholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issuance of bonds, debentures, preferred, or prior preference stock ahead of or affecting the Stock or the rights thereof, or dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

13. **Award Not Part of Normal Compensation.** Neither the Award nor any benefit accruing to the Participant from the Award will be considered to be part of the Participant's normal or expected

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compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments. In no event may the Award or any benefit accruing to the Participant from the Award be considered as compensation for, or relating in any way to, past services for the Company or any Affiliate. In consideration of the Award, no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of the Participant's employment by the Company or any Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and the Participant irrevocably releases the Company and its Affiliates from any such claim that may arise. If, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting the grant, the Participant shall have been deemed irrevocably to have waived any entitlement to pursue such claim.

14. **Electronic Communications.** The Company or its Affiliates may, in its or their sole discretion, decide to deliver any documents related to current or future participation in the Plan or related to this Award by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. The Participant hereby agrees that all on-line acknowledgements shall have the same force and effect as a written signature.

15. **Dispute Resolution.** As a condition of the granting of the Award, the Participant agrees for himself/herself and his/her legal representatives, that any dispute or disagreement which may arise under or as a result of or pursuant to this Award shall be governed by the internal laws of the State of Wisconsin (without reference to conflict of law principles thereof) and construed in accordance therewith, to the extent not otherwise governed by the laws of the United States or as otherwise provided hereinafter, and settled by final binding arbitration in accordance with the rules of the American Arbitration Association and the provisions of the Plan.

16. **Change of Control.** Notwithstanding the provisions of Section 3 of this Award, in the event of a Change of Control, if the Participant has in effect an employment, retention, change of control, severance or similar agreement with the Company or any Affiliate that discusses the effect of a Change of Control on the vesting of such Participant's Awards, then such agreement shall control the vesting of this Award upon the occurrence of a Change of Control. In all other cases, upon a Change of Control, the provisions of Section 18(c) of the Plan will apply.

17. **Data Privacy and Sharing** As a condition of the granting of the Award, the Participant acknowledges and agrees that it is necessary for some of the Participant's personal identifiable information to be provided to certain employees of the Company and the Company's Option/SAR execution service provider and the Company's designated third party broker in the United States. These transfers will be made pursuant to a contract that requires the service provider to provide adequate levels of protection for data privacy and security interests in accordance with the EU Data Privacy Directive 95/46 EC and the implementing legislation of the Participant's home country. By accepting the Award, the Participant acknowledges having been informed of the processing of the Participant's personal identifiable information described in the preceding paragraph and consents to the Company collecting and transferring to the Company's Shareholder Services Department, and its independent service provider and third party broker, the Participant's personal data that are necessary to administer the Award and the Plan. The Participant understands that his or her personal information may be transferred, processed and stored outside of the Participant's home country in a country that may not have the same data protection laws as his or her home country, for the purposes mentioned in this Award.

This Award, the Award Notice and any other documents expressly referenced in this Award contain all of the provisions applicable to the Award and no other statements, documents or practices may modify, waive or alter such provisions unless expressly set forth in writing, signed by an authorized officer of the Company and delivered to the Participant.

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The Company has caused this Award to be executed by one of its authorized officers as of the Grant Date.

**JOHNSON CONTROLS, INC.**

A handwritten signature in black ink, appearing to read "Jerome D. Okarma". The signature is fluid and cursive, with a large initial "J" and "O".

Jerome D. Okarma  
Vice President, Secretary and General Counsel

Terms for SAR-Stock Options – 2012 Plan

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