

As filed with the Securities and Exchange Commission on February 17, 1998

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

APPLIED POWER INC.

(Exact name of registrant as specified in its charter)

<TABLE>		
<CAPTION>		
<S>	<C>	
WISCONSIN		39-0168610
(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification No.)
13000 West Silver Spring Drive		
Butler, Wisconsin		53007-1093
(Address of Principal Executive Offices)		(Zip Code)

-----  
APPLIED POWER INC.  
1996 STOCK OPTION PLAN  
(Full title of the plan)  
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ROBERT C. ARZBAECHER Vice President and Chief Financial Officer Applied Power Inc. 13000 West Silver Spring Drive Butler, Wisconsin 53007-1093	Copy to: ANTHONY W. ASMUTH III, ESQ. Quarles & Brady 411 East Wisconsin Avenue Milwaukee, Wisconsin 53202
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</TABLE> (Name and address of agent for service)

(414) 781-6600  
(Telephone number, including area code, of agent for service)

CALCULATION OF REGISTRATION FEE

<TABLE>				
<CAPTION>				
=====				
Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
-----	-----	-----	-----	---
<S>	<C>	<C>	<C>	<C>
Class A Common Stock, par value \$.20 per share	3,000,000 shares (1)	(2)	\$105,787,313(2)	\$31,208
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</TABLE>

(1) The Applied Power Inc. 1996 Stock Option Plan (the "Plan") provides for the issuance of up to 3,000,000 shares of Class A common stock, par value \$.20 per share ("Common Stock"). The Plan provides for possible adjustment of the number, price and kind of shares covered by options granted or to be granted, and of the number and kind of shares that may be awarded as restricted stock, in the event of certain capital or other changes affecting the Common Stock. Pursuant to Rule 416(a) under the Securities Act of 1933, this Registration Statement covers, in addition to the above 3,000,000 shares, an indeterminate number of shares that may become subject to the Plan by means of any such adjustment. All share amounts reflected herein have been adjusted for the effect of the Registrant's two-for-one stock split paid on February 3, 1998 to shareholders of record on January 22, 1998.

(2) Pursuant to Rule 457(h), estimated solely for the purpose of computing the registration fee, based upon (i) the aggregate exercise price for the 6,000 shares underlying options granted on May 8, 1997 at \$22.375 per share, (ii) the aggregate exercise price for the 6,000 shares underlying options granted on May 19, 1997 at \$21.875 per share, (iii) the aggregate exercise price for the 12,000 shares underlying options granted on August 4, 1997 at

\$26.125 per share, (iv) the aggregate exercise price for the 219,600 shares underlying options granted on November 4, 1997 at \$31.625 per share, (v) the aggregate exercise price for the 16,800 shares underlying options granted on January 8, 1998 at \$34.50 per share, and (vi) as to the remaining 2,739,600 shares available under the Plan, \$35.65625 per share, which is the average of the high and low sales prices of the Common Stock reported on the New York Stock Exchange on February 12, 1998. In the case of options, the actual offering price will be determined in accordance with the terms of the Plan; provided, however, that in no event shall it be less than 100% of the Fair Market Value of the Common Stock at the time of grant unless, with respect to nonqualified stock options only, the grantee pays to the Company at the time of grant cash in an amount at least equal to the difference between the exercise price and the Fair Market Value of the Common Stock. All share amounts and exercise prices reflected herein have been adjusted for the effect of the Registrant's two-for-one stock split paid on February 3, 1998 to shareholders of record on January 22, 1998.

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PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

Information specified in Part I of Form S-8 (Items 1 and 2) will be sent or given to Plan participants as specified by Rule 428(b)(1) under the Securities Act of 1933.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents By Reference.

The following documents filed by Applied Power Inc. (the "Registrant") (Commission File No. 1-11288) with the Securities and Exchange Commission (the "Commission") pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "1934 Act"), are incorporated herein by reference:

- (a) The Registrant's Annual Report on Form 10-K for the fiscal year ended August 31, 1997;
- (b) The Registrant's Quarterly Report on Form 10-Q for the quarterly period ended November 30, 1997;
- (c) The Registrant's Current Report on Form 8-K dated October 3, 1997 and the Registrant's Amendment to Current Report on Form 8-K/A filed December 17, 1997;
- (d) The Registrant's Current Report on Form 8-K dated November 4, 1997; and
- (e) The Registrant's Current Report on Form 8-K dated January 28, 1991, including specifically the description of the Common Stock in Item 5 thereof filed for the purpose of updating the description of the Common Stock contained in the Company's registration statement filed with respect thereto under the 1934 Act, including any amendment or report filed for the purpose of updating such description.

All documents subsequently filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the 1934 Act, prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference herein and to be a part hereof from the date of the filing of such documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes hereof to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part hereof.

Item 4. Description of Securities.

Not applicable. See Item 3(e) above.

Item 5. Interests of Named Experts and Counsel.

The legality of the shares of Common Stock registered hereunder will be passed on for the Registrant by Quarles & Brady, the Registrant's legal counsel. The Registrant's Secretary, Anthony W. Asmuth III, is a partner of Quarles & Brady which serves as counsel to the Registrant.

Item 6. Indemnification of Directors and Officers.

The Registrant is incorporated under the Wisconsin Business Corporation Law ("WBCL"). Under Section 180.0851(1) of the WBCL, the Registrant is required to indemnify a director or officer, to the extent such person is successful on the merits or otherwise in the defense of a proceeding, for all reasonable expenses incurred in the proceeding if such person was a party because he or she was a director or officer of the Registrant. In all other cases, the Registrant is required by Section 180.0851(2) of the WBCL to indemnify a director or officer against liability incurred in a proceeding to which such person was a party because he or she was an officer or director of the Registrant, unless it is determined that he or she breached or failed to perform a duty owed to the Registrant and the breach or failure to perform constitutes: (i) a willful failure to deal fairly with the Registrant or its shareholders in connection with a matter in which the director or officer has a material conflict of interest; (ii) a violation of criminal law, unless the director or officer had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful; (iii) a transaction from which the director or officer derived an improper personal profit; or (iv) willful misconduct. Section 180.0858(1) of the WBCL provides that, subject to certain limitations, the mandatory indemnification provisions do not preclude any additional right to indemnification or allowance of expenses that a director or officer may have under the Registrant's articles of incorporation, bylaws, a written agreement or a resolution of the Board of Directors or shareholders.

Section 180.0859 of the WBCL provides that it is the public policy of the State of Wisconsin to require or permit indemnification, allowance of expenses and insurance to the extent required or permitted under Sections 180.0850 to 180.0858 of the WBCL for any liability incurred in connection with a proceeding involving a federal or state statute, rule or regulation regulating the offer, sale or purchase of securities.

Section 180.0828 of the WBCL provides that, with certain exceptions, a director is not liable to a corporation, its shareholders, or any person asserting rights on behalf of the corporation or its shareholders, for damages, settlements, fees, fines, penalties or other monetary liabilities arising from a breach of, or failure to perform, any duty resulting solely from his or her status as a director, unless the person asserting liability proves that the breach or failure to perform constitutes any of the four exceptions to mandatory indemnification under Section 180.0851(2) referred to above.

Under Section 180.0833 of the WBCL, directors of the Registrant against whom claims are asserted with respect to the declaration of an improper dividend or other distribution to shareholders to which they assented are entitled to contribution from other directors who assented to such distribution and from shareholders who knowingly accepted the improper distribution, as provided therein.

Article VIII of the Registrant's Bylaws contains provisions that generally parallel the indemnification provisions of the WBCL and cover certain procedural matters not dealt with in the WBCL. Directors and officers of the Registrant are also covered by directors' and officers' liability insurance under which they are insured (subject to certain exceptions and limitations specified in the policy) against expenses and liabilities arising out of proceedings to which they are parties by reason of being or having been directors or officers.

Item 7. Exemption From Registration Claimed.

Not applicable.

Item 8. Exhibits.

See Exhibit Index following the Signatures page in this Registration Statement, which Exhibit Index is incorporated herein by reference.

Item 9. Undertakings.

(a) The undersigned Registrant hereby undertakes:

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(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

- (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
- (ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total

dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

- (iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) of this section do not apply if the Registration Statement is on Form S-3 or Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant with the Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(h) Reference is made to the indemnification provisions described in Item 6 of this Registration Statement.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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#### SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Butler, State of Wisconsin, on February 17, 1998.

APPLIED POWER INC.  
(Registrant)

By: /s/ ROBERT C. ARZBAECHER  
-----  
Robert C. Arzbaecher  
Vice President and  
Chief Financial Officer

#### POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Richard G. Sim and Robert C. Arzbaecher, and each

of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and any other regulatory authority, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.\*

SIGNATURE	TITLE
/s/ RICHARD G. SIM ----- Richard G. Sim	Chairman of the Board, President and Chief Executive Officer; Director
/s/ ROBERT C. ARZBAECHER ----- Robert C. Arzbaecher	Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ RICHARD D. CARROLL ----- Richard D. Carroll	Treasurer, Controller and Principal Accounting Officer
/s/ H. RICHARD CROWTHER ----- H. Richard Crowther	Director
/s/ JACK L. HECKEL ----- Jack L. Heckel	Director
/s/ RICHARD A. KASHNOW ----- Richard A. Kashnow	Director
----- L. Dennis Kozlowski	Director
----- John J. McDonough	Director

\*Each of the above signatures is affixed as of February 17, 1998.

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APPLIED POWER INC.  
(the "Registrant")  
(Commission File No. 1-11288)

EXHIBIT INDEX  
TO  
FORM S-8 REGISTRATION STATEMENT

<TABLE> <CAPTION> Exhibit Number	Description	Incorporated Herein by Reference To	Filed Herewith
-----	-----	-----	-----
<C>	<S>	<C>	<C>
4.1	Amended and Restated Articles of Incorporation of the Registrant (dated as of February 13, 1998)		X
4.2	Amended and Restated Bylaws of the Registrant (effective as of January 8, 1997)	Exhibit 3.2 to the Registrant's Form 10-K for the fiscal year ended August 31, 1997	
5	Opinion of Counsel		X
23.1	Consent of Independent Accountants		X

23.2	Consent of Counsel	Contained in Opinion filed as Exhibit 5
24	Power of Attorney	Contained in Signatures page to this Registration Statement
99	Applied Power Inc. 1996 Stock Option Plan	Annex A to the Registrant's Proxy Statement dated November 19, 1996 for the 1997 Annual Meeting of Shareholders

</TABLE>

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APPLIED POWER INC.

ARTICLES OF RESTATEMENT

The undersigned officers of APPLIED POWER INC. (the "Company"), a Wisconsin corporation with its registered office in Milwaukee County, Wisconsin, hereby certify that:

1. The Board of Directors of the Company has adopted the Restated Articles of Incorporation (the "Restated Articles") in the form attached hereto as Exhibit A in accordance with Wis. Stat. (S) 180.1007.
2. The Restated Articles do not contain an amendment to the articles of incorporation of the Company requiring shareholder approval.
3. The Restated Articles supersede the original articles of incorporation, any restated articles of incorporation previously adopted and all amendments to the original and any restated articles of incorporation of the Company.

Executed and seal affixed this 13th day of February, 1998.

(Corporate Seal)

/s/ Richard G. Sim

-----  
Richard G. Sim, President

/s/ Anthony W. Asmuth III

-----  
Anthony W. Asmuth III, Secretary

This document was drafted by, and the returned copy should be mailed to:

Kathryn M. Coates  
Quarles & Brady  
411 E. Wisconsin Avenue  
Milwaukee, WI 53202  
(414) 277-5000

Exhibit A

RESTATED ARTICLES OF INCORPORATION  
OF  
APPLIED POWER INC.

These Restated Articles of Incorporation supersede and take the place of the heretofore existing Amended and Restated Articles of Incorporation and any amendments thereto.

ARTICLE I.

Name

The name of the Corporation is APPLIED POWER INC.

ARTICLE II.

Purposes

The purposes for which this Corporation is organized are to engage in any lawful activity within the purposes for which corporations may be organized under the Wisconsin Business Corporation Law.

ARTICLE III.

Capital Stock

3.1 Number of Shares and Classes. The aggregate number of shares which the Corporation shall have authority to issue is as follows:

- (a) Class A Common Stock. 80,000,000 shares of Class A Common Stock, having a par value of \$.20 per share.

(b) Class B Common Stock. 7,500,000 shares of Class B Common Stock, having a par value of \$.20 per share.

(c) Cumulative Preferred Stock. 800,000 shares of Cumulative Preferred Stock, having a par value of \$1.00 per share.

3.2 Relative Rights of Class A and Class B Common Stock. The relative rights and preferences of shares of Class A Common Stock and Class B Common Stock are as follows:

(a) Voting. On all matters other than the election of the Board of Directors, the holders of Class A Common Stock and Class B Common Stock (no class voting as a separate class unless otherwise required by the Wisconsin Business Corporation Law) shall possess full and equal voting power of one vote per share. On the election of the Board of Directors, and except as otherwise provided below, the holders of the Class A Common Stock, together with the holders of Cumulative Preferred Stock of all series having voting power (no class voting as a separate class) shall elect a maximum minority of the number of directors to be elected and the holders of the Class B Common Stock shall elect a minimum majority of the number of directors to be elected. Although the maximum minority of the number of directors to be elected by the holders of the Class A Common Stock, together with the holders of the Cumulative Preferred Stock having voting power, shall at no time be less than one, the determination of the maximum minority of the number of directors shall at all times be made without regard to fractions, the holders of Class B Common Stock to elect a minimum majority of one if an odd number directors are to be elected or two if an even number of directors are to be elected. In the event that there are no shares of Class

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B Common Stock outstanding, the holders of Class A Common Stock, together with the holders of Cumulative Preferred Stock of all series having voting power (no class voting as a separate class), shall elect all of the directors to be elected. A director, once elected and duly qualified, may be removed only by the requisite affirmative vote of the holders of that class of stock by which such director was elected.

(b) Stock Dividends. Stock dividends on Class A Common Stock shall be paid only in Class A Common Stock and stock dividends on Class B Common Stock shall be paid only in Class B Common Stock.

(c) Conversion of Class B Common Stock:

(i) Optional Conversion. Any holder of shares of Class B Common Stock may convert any or all such shares into shares of Class A Common Stock on a share-for-share basis, at any time or from time to time, by surrender to the Corporation of the certificate(s) representing such shares of Class B Common Stock to be converted by the holder and by giving written notice to the Corporation of the holder's election to convert in the form prescribed by the Corporation. The Corporation shall, as soon as practicable after receipt of such written notice and the proper surrender to the Corporation of the certificate(s) representing the shares of Class B Common Stock to be so converted, issue and deliver to, or in accordance with the instructions of, the holder certificates for the number of shares of Class A Common Stock to which the holder shall be entitled and for the number, if any, of shares of Class B Common Stock represented by the certificate(s) surrendered which are not being so converted. Such conversion shall be deemed to have been effective immediately prior to the close of business on the date on which the Corporation shall have received both such written notice and the properly surrendered certificate(s) for shares of Class B Common Stock to be converted (the "Conversion Date"), and at such time the rights of the holder as to the converted shares shall cease and the person or persons entitled to receive the shares of Class A Common Stock issuable upon the conversion shall be deemed to be, and shall be treated for all purposes as, the record holder or holders of such Class A Common Stock on the Conversion Date.

(ii) Automatic Conversion. When the number of outstanding shares of Class B Common Stock is reduced to less than 500,000 (which number shall be appropriately adjusted to reflect capital adjustments resulting from a stock split, stock dividend, reverse stock split, recapitalization, reorganization, merger, consolidation, combination or exchange of shares, and the like), all of the then outstanding shares of Class B Common Stock shall be deemed without further action on the part of any person (including, without limitation, the Corporation and its shareholders) to be immediately and automatically converted into shares of Class A Common Stock on a share-for-share basis, and stock certificates formerly representing outstanding shares of Class B Common Stock shall thereupon and thereafter be deemed to represent a like number of shares of Class A Common Stock possessing

all the rights and privileges incident thereto.

(d) Other. Except as set forth in subsections (a), (b) and (c), each share of Class A Common Stock and Class B Common Stock shall be equal in every respect and entitled to the same rights and privileges, and shall be treated in the same manner with respect to any stock splits or stock dividends; such shares are collectively referred to herein as "Common Stock".

3.3 Directors' Authority to Establish Series of Cumulative Preferred Stock. The Board of Directors is authorized to divide the Cumulative Preferred Stock into series and to fix and determine the relative rights and preferences of each series. Each series shall be so designated by the Board of Directors as to distinguish the shares thereof from the shares of all other series. All shares of Cumulative Preferred Stock shall be identical except as to the following relative rights and preferences, as to which the Board of Directors may establish variations between different series not inconsistent with the provisions of these Articles:

(a) The rate of dividend;

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(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 shares;

(e) The terms and conditions on which shares may be converted into Common Stock, if the shares of any series are issued with the privilege of conversion;

(f) Voting rights, if any, subject to the provisions of Section 3.2 hereof.

3.4 Dividends and Distributions. The holders of Cumulative Preferred Stock of all series shall be entitled to receive dividends at such rates upon such conditions and at such times as shall be stated in the resolution or resolutions of the Board of Directors providing for the issuance thereof. All dividends on Cumulative Preferred Stock shall be without priority as between series, shall be paid out of net earnings or any surplus properly applicable to the payment of dividends, and shall be paid or set apart before any dividends or other distributions shall be paid or set apart for Common Stock; provided, however, that dividends may be declared and paid on Common Stock in Common Stock prior to dividends on the Cumulative Preferred Stock being paid or set apart. Any dividends paid upon the Cumulative Preferred Stock in an amount less than full cumulative dividends accrued and in arrears upon all Cumulative Preferred Stock outstanding shall, if more than one series be outstanding, be distributed among the different series in proportion to the aggregate amounts which would be distributable to the Cumulative Preferred Stock of each series if full cumulative dividends were declared and paid thereon. The dividends on the Cumulative Preferred Stock shall be cumulative, so that if at any time the full amount of dividends accrued and in arrears on the Cumulative Preferred Stock shall not be paid, the deficiency shall be payable before any dividends or other distributions shall be paid or set apart on Common Stock (other than a distribution payable in shares of Common Stock), and before any sums shall be paid or set apart for the redemption of less than all of the Cumulative Preferred Stock then outstanding. Dividends on Cumulative Preferred Stock shall accrue from date of issue. Whenever all dividends accrued and in arrears on Cumulative Preferred Stock shall have been declared and shall have been paid or set apart, the Board of Directors may declare dividends on Common Stock out of the remaining net profits of the Corporation, or out of surplus applicable to the payment of such dividends.

3.5 Liquidation Rights. In the event of the voluntary liquidation or winding up of the Corporation, the holders of Cumulative Preferred Stock shall be entitled to receive out of the assets of the Corporation in full the fixed voluntary liquidation amount thereof, plus accrued dividends thereon, all as provided in the resolution or resolutions providing for the issuance thereof, before any amount shall be paid to the holders of Common Stock. In the event of the involuntary liquidation of the Corporation, the holders of the Cumulative Preferred Stock shall be entitled to receive out of the assets of the Corporation in full the fixed involuntary liquidation amount thereof, plus accrued dividends thereon, all as provided in the resolution or resolutions providing for the issuance thereof, before any amount shall be paid to the holders of Common Stock. If, upon the voluntary or involuntary liquidation or winding up of the Corporation, the assets of the Corporation shall be insufficient to pay the holders of all of the Cumulative Preferred Stock the entire amounts to which they may be entitled, the assets of the Corporation shall, if more than one series be outstanding, be distributed among the different series in proportion to the aggregate amounts which would be distributable to the Cumulative Preferred Stock of each series if sufficient

assets were available. The holders of Cumulative Preferred Stock shall not otherwise be entitled to participate in any distribution of assets of the Corporation, which shall be divided or distributed among the holders of Common Stock. No consolidation or merger of the Corporation with or into another corporation or corporations and no sale by the Corporation of all or substantially all of its assets shall be deemed a liquidation or winding up of the Corporation.

3.6 Voting Rights of Cumulative Preferred Stock. The holders of Cumulative Preferred Stock shall have only such voting rights as shall be stated in the resolution or resolutions of the Board of Directors providing for the issuance thereof, except to the extent that such limitation may be inconsistent with the provisions of the Wisconsin Business Corporation Law.

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3.7 Repurchase, etc. of Shares. The Corporation, acting through its Board of Directors, shall have the right to purchase, take, receive, or otherwise dispose of its own shares, to the fullest extent provided by law at the time of any such transaction.

#### ARTICLE IV.

##### Pre-emptive Rights

No holder of any stock of the Corporation shall have any pre-emptive or other subscription rights nor be entitled, as of right, to purchase or subscribe for any part of the unissued stock of this Corporation or any additional stock issued by reason of any increase of authorized capital stock of this Corporation or other securities whether or not convertible into stock of the Corporation.

#### ARTICLE V.

##### Voting

The affirmative vote of two-thirds of all shares entitled to vote thereon (and/or of each class which shall be entitled to vote thereon as a class) shall be required in order to constitute shareholder approval or adoption of any of the following:

- (a) Merger or consolidation of the Corporation.
- (b) Liquidation of the Corporation.
- (c) Sale, lease, exchange or other disposition of all or substantially all assets of the Corporation.
- (d) Amendment of the Articles of Incorporation or the By-laws.
- (e) Removal of any director of the Corporation.

#### ARTICLE VI.

##### Registered Office and Agent

The address of the registered office of the Corporation is c/o Quarles & Brady, 411 East Wisconsin Avenue, Milwaukee, Wisconsin 53202, and the name of the registered agent at such office is Anthony W. Asmuth III.

#### ARTICLE VII.

##### Directors

The number of directors constituting the Board of Directors shall be such number, not less than three (3), as shall be fixed from time to time by the By-laws of the Corporation, subject to the provisions of this Article VII. The By-laws may provide for the division of the Board of Directors into two or three classes of directors and for the terms and manner of election thereof not inconsistent with the applicable provisions of the Wisconsin Business Corporation Law. In the event of such classification and provided that shares of Class B Common Stock are then outstanding, each class of directors so created shall contain as nearly as possible an equal number of directors elected by the holders of Class A Common Stock and Cumulative Preferred Stock having voting power, as a group, and shall also contain as nearly as possible an equal number of directors elected by the holders of Class B Common Stock. In the event there should be two classes of directors specified by the By-laws, then from the next succeeding annual meeting of shareholders and for so long as there are two classes of directors the total number of directors shall not be less than five (5). In the event there should be three classes of directors

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specified by the By-laws, then from the next succeeding annual meeting of

shareholders and for so long as there are three classes of directors the total number of directors shall not be less than seven (7). Each director shall serve for the term for which such director was elected, regardless of any subsequent change in the By-laws relating to the length of directors' terms.

ARTICLE VIII.

Amendments

These Articles may be amended in the manner authorized by law at the time of amendment, provided that the provisions of Article V hereof have been satisfied.

February 17, 1998

Applied Power Inc.  
13000 West Silver Spring Drive  
Butler, Wisconsin 53007-1093

Re: Applied Power Inc. 1996 Stock Option Plan

Ladies and Gentlemen:

We are providing this opinion in connection with the Registration Statement of Applied Power Inc. (the "Company") on Form S-8 (the "Registration Statement") to be filed under the Securities Act of 1933, as amended (the "Act"), with respect to the proposed sale by the Company of up to 3,000,000 shares (as adjusted to reflect the effect of the Company's two-for-one stock split paid on February 3, 1998 to shareholders of record on January 22, 1998) of Class A Common Stock, par value \$.20 per share ("Shares"), of the Company pursuant to the Applied Power Inc. 1996 Stock Option Plan (the "Plan").

We have examined: (i) the Registration Statement; (ii) the Company's Amended and Restated Articles of Incorporation and Amended and Restated Bylaws, each as amended to date; (iii) the Plan; (iv) the corporate proceedings relating to the authorization for the issuance of the Shares; and (v) such other documents and records and such matters of law as we have deemed necessary in order to render this opinion.

On the basis of the foregoing, we advise you that, in our opinion:

1. The Company is a corporation duly incorporated and validly existing under the laws of the State of Wisconsin.
2. The Shares to be sold from time to time pursuant to the Plan which are original issuance shares, when issued and paid for as contemplated by the Registration Statement and the Plan, will be validly issued, fully paid and nonassessable by the Company, subject to the personal liability which may be imposed on shareholders by Section 180.0622(2)(b) of the Wisconsin Business Corporation Law, as judicially interpreted, for debts owing to employees for services performed, but not exceeding six months service in any one case. Although Section 180.0622(2)(b) provides that such personal liability of shareholders shall be "to an amount equal to the par value of shares owned by them respectively, and to the consideration for which their shares without par value was issued," the Wisconsin Supreme Court, by a split decision without a written opinion, has affirmed a judgment holding shareholders of a corporation liable under the substantially identical predecessor statute in effect prior to January 1, 1991 (Section 180.40(6)) for unpaid employee wages to an amount equal to the consideration for which their par value shares were issued rather than the shares' lower stated par value. Local 257 of Hotel and Restaurant Employees and Bartenders International Union v. Wilson Street East Dinner Playhouse, Inc., 126 Wis. 2d 284, 375 N.W.2d 664 (1985) (affirming the 1983 decision of the Circuit Court for Dane County, Wisconsin, in Case No. 82-CV-0023).

The Company's Secretary, Anthony W. Asmuth III, is a partner of Quarles & Brady, which serves as counsel to the Registrant.

Applied Power Inc.  
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We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. In giving consent, we do not admit that we are "experts" within the meaning of Section 11 of the Act, or that we come within the category of persons whose consent is required by Section 7 of the Act.

Very truly yours,

/s/ QUARLES & BRADY

Quarles & Brady

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Applied Power Inc. on Form S-8 of our report dated September 25, 1997, appearing in the Annual Report on Form 10-K of Applied Power Inc. for the year ended August 31, 1997. We also consent to the incorporation by reference in this Registration Statement of our report dated May 9, 1997 relating to Versa Technologies, Inc. appearing in the Current Report on Form 8-K of Applied Power Inc. dated October 3, 1997.

/s/ Deloitte & Touche LLP

DELOITTE & TOUCHE LLP  
Milwaukee, Wisconsin  
February 12, 1998