

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

FORM 8-K/A

CURRENT REPORT

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

Date of report (date of earliest event reported): **October 23, 2023**

LENNOX INTERNATIONAL INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-15149
(Commission
File Number)

42-0991521
(IRS Employer
Identification No.)

**2140 LAKE PARK BLVD.,
RICHARDSON, Texas 75080**
(Address of principal executive offices, including zip code)
Registrant's telephone number, including area code: **(972)497-5000**

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 (*see* General Instruction A.2. below):

- 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))

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	LII	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Introductory Note

On October 26, 2023, Lennox International Inc. (the "Company") filed a Current Report on Form 8-K to announce, among other things, that the Company had appointed Michael Quenzer as the Company's Chief Financial Officer, effective January 1, 2024.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 7, 2023, the Compensation and Human Resources Committee of the Company's Board of Directors (the "Committee") approved Mr. Quenzer's compensation in connection with his new role as Chief Financial Officer, which includes an annual base salary of \$550,000. In addition, Mr. Quenzer:

- will participate in the Company's short-term incentive program with a target of 75% of base salary;
- will receive an annual perquisite allowance of \$30,000;
- will receive, as part of the Company's regular annual grant cycle, long-term incentive awards in the form of: (1) restricted stock units ("RSUs") with a grant date value of \$300,000, vesting on the third anniversary of the date of grant; (2) performance share units ("PSUs") with a grant date value of \$500,000, which will vest on December 31, 2026 based on the applicable PSU performance goals; and (3) stock appreciation rights ("SARs"), with a grant date value of \$200,000, vesting in equal annual installments over a three-year term. These long-term incentive awards will be subject to the terms and conditions set forth in the Company's 2019 Equity and Incentive Compensation Plan and the form of Long-Term Incentive Award Agreement for U.S. Employees – Vice President and Above (attached hereto as Exhibit 10.1);
- entered into the Company's standard form Executive Vice President offer letter, which sets forth the terms of his initial compensation, as described above (attached hereto as Exhibit 10.2);
- entered into the Company's standard form Executive Vice President employment agreement, which sets out the duties and obligations of employment, contains post-employment covenants, including non-competition of employment and non-solicitation of employees and customers for a period of 24 months following termination of employment, and provides for the receipt of severance upon termination in certain circumstances (attached hereto as Exhibit 10.3);
- entered into the Company's standard form indemnification agreement, which sets forth the terms of the Company's contractual obligation to provide indemnification, advance expenses, and provide insurance (attached hereto as Exhibit 10.4);
- will participate in the Company's defined contribution Supplemental Restoration Retirement Plan and life insurance benefit, as described in the Company's [2023 Proxy Statement](#); and
- will continue to participate in the Company's Change in Control Severance Plan, as described in the Company's [2023 Proxy Statement](#).

The foregoing descriptions of the form of Long-Term Incentive Award Agreement for U.S. Employees – Vice President and Above and the form of offer letter, employment, and indemnification agreements do not purport to be complete and are qualified in their entirety by reference to the full text of such agreements which are filed as Exhibits 10.1, 10.2, 10.3, and 10.4 respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

**EXHIBIT
NUMBER**

DESCRIPTION

10.1	Form of Long-Term Incentive Award Agreement for U.S. Employees – Vice President and Above
10.2	Form of Offer Letter
10.3	Form of Employment Agreement
10.4	Form of Indemnification Agreement
104	Inline XBRL for the cover page of this Current Report on Form 8-K

SIGNATURES

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.

LENNOX INTERNATIONAL INC.

Date: December 11, 2023

By: /s/ Monica M. Brown

Name: Monica M. Brown

Title: Assistant Secretary

LENNOX INTERNATIONAL INC.
Long-Term Incentive Award Agreement
U.S. Employees – Vice President and Above

THIS AGREEMENT (“**Agreement**”) is made as of _____, 20__ (the “**Date of Grant**”), by and between Lennox International Inc., a Delaware corporation (the “**Company**”), and _____ (“**Participant**”).

The Company has adopted the Lennox International Inc. 2019 Equity and Incentive Compensation Plan (as amended and restated from time to time, the “**Plan**”), the terms of which are incorporated by reference and made a part of this Agreement, for the benefit of eligible employees, Directors, and certain other service providers of the Company and its Subsidiaries (together, “**LII**”). Capitalized terms used and not otherwise defined in this Agreement have the meanings set forth in the Plan.

Pursuant to the Plan, the Committee, which has responsibility for administering the Plan, has determined that it is in the interest of the Company and its Stockholders to make the awards described in this Agreement in order to increase Participant’s personal interest in the continued success and progress of the Company, to foster and enhance the long-term profitability of the Company for the benefit of its Stockholders by offering the incentive of long-term rewards, and to encourage Participant to remain in the employ of LII.

The Company and Participant therefore agree as follows:

1. **Grant of Awards.** Subject to and upon the terms of this Agreement and the Plan, the Company grants to Participant on the Date of Grant:

(a) **PSU Award** – for the performance period beginning on January 1, 20__ and ending on December 31, 20__ (the “**PSU Performance Period**”), an award of _____ performance share units (“**PSUs**,” and such award, the “**PSU Award**”). Subject to the degree of attainment of the performance goals approved by the Committee and set forth on **Schedule A** hereto (the “**Performance Goals**”), Participant may earn from 0% to 200% of the PSUs;

(b) **RSU Award** – an award of _____ service-based Restricted Stock Units (“**RSUs**” and such award, the “**RSU Award**”); and

(c) **SAR Award** – for the period beginning on the Date of Grant and ending on _____, 20__, the seventh anniversary of the Date of Grant (the “**SAR Exercise Period**”), an award of _____ Appreciation Rights (“**SARs**,” and such award, the “**SAR Award**”) with a Base Price of \$___ per SAR (the fair market value of a Common Share on the Date of Grant).

2. **Restrictions on Transfer.** Subject to Section 15 of the Plan, neither the awards evidenced hereby nor any interest therein or in the Common Shares underlying such awards shall be transferable prior to settlement other than by will or pursuant to the laws of descent and distribution.

3. Conditions for Vesting.

Subject to Participant's compliance with the terms of this Agreement:

(a) PSU Award – The PSU Award will vest on the last day of the PSU Performance Period based on the extent that the Performance Goals for the PSUs are achieved for the PSU Performance Period.

(b) RSU Award – The RSU Award will vest on _____, 20__ (the "**RSU Vesting Date**," and the period from the Date of Grant until the RSU Vesting Date, the "**RSU Restriction Period**"). If the RSU Vesting Date is not a day on which Common Shares are traded on a U.S. national securities exchange or quoted in an inter-dealer quotation system, then the RSU Vesting Date will be the preceding day on which sales of Common Shares were reported.

(c) SAR Award – The SAR Award will vest in accordance with the schedule below (the period from the Date of Grant until the final vesting date, the "**SAR Vesting Period**").

<u>Date</u>	<u>SARs Vested</u>
_____, 20__	33 1/3%
_____, 20__	66 2/3%
_____, 20__	100%

(d) Forfeiture. Any PSU Award, RSU Award, or SAR Award (or portion thereof) that does not become vested as described in this Section 3 will be forfeited, including, except as provided in Section 4 or Section 5, if Participant ceases to be continuously employed with LII prior to the end of the PSU Performance Period, RSU Restriction Period, or SAR Vesting Period, respectively.

4. **Termination of Employment.** Unless otherwise determined by the Committee in its sole discretion, and except as otherwise provided in Section 5, the PSU Award, the RSU Award and the SAR Award will be subject to vesting or cancellation in connection with the events specified below:

(a) Except as otherwise provided in Section 4(c), if, prior to the end of the PSU Performance Period, RSU Restriction Period or SAR Exercise Period (as applicable), Participant violates Section 11 of this Agreement or is terminated by LII for Cause (as defined in any applicable employment agreement between LII and Participant or as determined by the Committee in its sole discretion in the absence of any such employment agreement), then, immediately after LII becomes aware of a violation of Section 11 or Participant's termination, the PSU Award, RSU Award or SAR Award will be cancelled.

(b) If, prior to the end of the PSU Performance Period, RSU Restriction Period or SAR Exercise Period (as applicable), Participant terminates employment with LII voluntarily or Participant's employment with LII is terminated by LII not for Cause, then, (i) immediately after Participant's termination, the PSU Award, RSU Award and any unvested SAR Award will be cancelled, and (ii) immediately after Participant's termination, the vested SARs

will continue to be exercisable until the earlier of the end of the SAR Exercise Period and 90 days following Participant's termination, and the remainder of the SAR Award will be cancelled.

(c) If, prior to the end of the SAR Exercise Period, Participant's employment with LII is terminated by LII for any reason within one year following a Change in Control, then the vested SARs will continue to be exercisable until the earlier of the end of the SAR Exercise Period and 90 days following Participant's termination, and the remainder of the SAR Award will be cancelled.

(d) If, prior to the end of the PSU Performance Period, RSU Restriction Period or SAR Exercise Period (as applicable), Participant's employment with LII terminates by reason of Participant's retirement, and in connection with such termination of employment (i) Participant is at least 65 years of age, (ii) Participant is at least 62 years of age and has achieved at least 10 years of service with LII or (iii) the number of years of service Participant has achieved with LII plus Participant's age equals at least 80, then (x) Participant will vest in a pro rata amount of the PSU Award based upon the portion of the PSU Performance Period during which Participant served as an employee of LII and the Company's attainment of its performance goals in accordance with the Performance Goals, determined at the end of the PSU Performance Period, and the remainder of the PSU Award will be cancelled, (y) Participant will vest in a pro rata amount of the RSU Award based upon the portion of the RSU Restriction Period during which Participant served as an employee of LII, determined as of the date of such retirement, and the remainder of the RSU Award will be cancelled, and (z) any vested SARs will continue to be exercisable for the remainder of the SAR Exercise Period, and the remainder of the SAR Award will be cancelled.

(e) If, prior to the end of the PSU Performance Period, RSU Restriction Period or SAR Exercise Period (as applicable), Participant dies or incurs a Disability, then (i) Participant, or in the event of Participant's death, Participant's beneficiary, will vest in a pro rata amount of the PSU Award based upon the portion of the PSU Performance Period during which Participant served as an employee of LII and the Company's attainment of its performance goals in accordance with the Performance Goals (as determined in the sole discretion of the Committee), determined as of the date of death or Disability, and the remainder of the PSU Award will be cancelled, (ii) Participant, or in the event of Participant's death, Participant's beneficiary, will vest in a pro rata amount of the RSU Award based upon the portion of the RSU Restriction Period during which Participant served as an employee of LII, determined as of the date of death or Disability, and the remainder of the RSU Award will be cancelled, and (iii) the SAR Award will become fully vested and exercisable (to the extent not already vested) and will continue to be exercisable for the remainder of the SAR Exercise Period. For purposes of this Agreement, "Disability" means permanently disabled (completely unable to perform Participant's duties as defined in the benefit plans of the Company).

5. Change in Control. Section 12(b) of the Plan shall not apply to the PSU Award, the RSU Award, or the SAR Award. Instead, the PSU Award, the RSU Award and the SAR

Award, to the extent outstanding and unvested at the relevant times, will be subject to vesting terms and conditions set forth in this Section 5.

(a) Failure to Provide Qualifying Replacement Award. In the event of a Change in Control, except to the extent that a Qualifying Replacement Award is provided to Participant to continue, replace, or assume the PSU Award, the RSU Award, or the SAR Award, then these awards, as applicable, will fully vest (and, with respect to the SAR Award, become exercisable) immediately prior to (and contingent upon) the Change in Control; provided, however, that the PSU Award will vest at the Change in Control Performance Level.

(b) Qualifying Termination Following a Change in Control. If Participant experiences a Qualifying Termination, any Qualifying Replacement Award will fully vest and (to the extent applicable) become exercisable upon Participant's Qualifying Termination; provided, however, that any Qualifying Replacement Award of stock options or stock appreciation rights will remain exercisable until the earlier of (i) the date that is 90 days after the date of the Qualifying Termination and (ii) the date on which such award would have expired had Participant remained continuously employed.

(c) Certain Definitions. For purposes of this Section 5, the following capitalized terms shall have the following meanings:

(i) **"Cause"** means: (A) any violation by Participant of the Company's material written policies as they may exist or be created or modified and made available to Participant from time to time in the future, including, as examples and not as a limitation of the policies to which Participant may be subject, those policies prohibiting discrimination in the workplace, including the prohibition of harassment, on the ground of race, sex, religion, age or any other prohibited basis; (B) Participant's conviction of, or plea of guilty or nolo contendere to, a crime that constitutes a felony (or state law equivalent) or a crime involving moral turpitude; (C) the commission by Participant of any theft, embezzlement, or other material act of dishonesty related to Participant's employment; (D) any intentional or grossly negligent action or omission to act by Participant which breaches any material covenant, agreement, condition or obligation contained in this Agreement or in any material agreement to which Participant and the Company are parties; or (E) Participant's engagement in intentional or negligent misconduct that has a direct, substantial and adverse effect on the Company's reputation.

(ii) **"Change in Control Performance Level"** means, with respect to the PSU Award, the level of achievement of the Performance Goals determined in accordance with the following rules as reasonably applied by the Committee (as constituted immediately before the Change in Control):

(A) if the full PSU Performance Period has been completed as of the date of the Change in Control, the "Change in Control Performance Level" for the PSU Award shall be determined based on the actual achievement of the Performance Goals for such full PSU Performance Period; and

(B) if the full PSU Performance Period for the PSU Award has not been completed as of the date of the Change in Control, then: (1) if the PSU Performance Period can be adequately partitioned into separate fiscal year periods, the “Change in Control Performance Level” for the PSU Award will be determined based on (x) the greater of the “target” performance level or the actual performance level for any such fiscal year period that has been completed as of the date of the Change in Control, and (y) the “target” performance level for any such fiscal year period that has not been completed as of the date of the Change in Control; and (2) if the PSU Performance Period cannot be adequately partitioned into separate fiscal year periods, the “Change in Control Performance Level” for the PSU Award shall be the “target” performance level.

(iii) “**Good Reason**” means, in the absence of prior written consent of Participant: (A) any material diminution in Participant’s duties, authorities, or responsibilities; (B) any reduction in Participant’s annual base salary, target short-term cash incentive bonus, or target annual long-term incentive awards; (C) the relocation of the principal place of Participant’s employment by more than fifty (50) miles from the Company’s headquarters, which, as of the date hereof, is in Richardson, Texas; (D) in the event that Participant is serving as a member of the Board immediately prior to the Change in Control, any failure to reelect Participant as a member of the Board, unless such reelection would be prohibited by the Company’s Bylaws as in effect immediately prior to the Change in Control; provided, however, that Participant’s termination of employment will not be deemed to be for Good Reason unless (x) Participant has notified the Company in writing describing the occurrence of one or more Good Reason events within 90 days of such occurrence, (y) the Company fails to cure such Good Reason event within 30 days after its receipt of such written notice and (z) Participant’s termination of employment occurs within 180 days after the occurrence of the applicable Good Reason event.

(iv) “**Qualifying Replacement Award**” means a Replacement Award that meets all of the following conditions, as determined by the Committee, as constituted immediately before the Change in Control, in its sole discretion: (A) if the original award is the PSU Award, the Replacement Award is an award of service-based restricted share units; (B) if the original award is the RSU Award or the SAR Award, the Replacement Award is an award of the same type as the original award; provided, however, that, for such purpose, an award of stock options will be deemed to be of the same type as an award of stock appreciation rights, and vice versa; (C) the Replacement Award has a value at least equal to the value of the original award (which, in the case of the PSU Award, will be based on the Change in Control Performance Level); (D) the Replacement Award relates to publicly traded equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control; (E) if Participant is subject to U.S. federal income tax under the Code, the tax consequences of the Replacement Award to Participant under the Code are not less favorable to Participant than the tax

consequences of the original award; and (F) the other terms and conditions of the Replacement Award (including the terms related to vesting and exercisability, as applicable) are not less favorable to Participant than the terms and conditions of the original award (including the provisions that would apply in the event of a subsequent termination of employment or change in control).

(v) “**Qualifying Termination**” means the termination of Participant’s employment with the Company and/or its Subsidiaries as a result of a termination by the Company (other than due to Cause, Disability, or the Participant’s death) or, with respect to the Chief Executive Officer or an Executive Vice President of LII, a termination for Good Reason, within two years after the date on which a Change in Control occurs.

(vi) “**Replacement Award**” means an award representing a continuation, replacement, or assumption of the PSU Award, the RSU Award or the SAR Award, as applicable. A Replacement Award may be granted only to the extent it does not result in the original award or the Replacement Award failing to comply with or be exempt from Section 409A of the Code.

6. PSU Payment Timing.

(a) **General.** Except as otherwise provided in Section 5, following the end of the PSU Performance Period the Committee will determine and certify achievement of the Performance Goals. Except as otherwise provided in Section 6(b), to the extent Performance Goals are achieved and certified by the Committee, vested PSUs will be paid no later than the 15th day of the third month following the end of the PSU Performance Period. Vested PSUs will be paid in the form of one Common Share for each vested PSU.

(b) **Other Payment Events.** Notwithstanding Section 6(a), to the extent that the PSUs are not subject to a “substantial risk of forfeiture” (within the meaning of Section 409A of the Code), the PSUs shall be paid on an accelerated basis on the earliest of the following: (i) the occurrence of a Change in Control that constitutes a “change in control” for purposes of Section 409A(a)(2)(A)(v) of the Code (a “**409A Change in Control**”); (ii) a separation from service of Participant (for purposes of Treasury Regulation Section 1.409A-1(h)) within two years after a 409A Change in Control; (iii) Participant’s death; or (iv) Participant’s “disability” for purposes of Section 409A(a)(2)(C) of the Code (“**409A Disability**”).

7. RSU Payment Timing.

(a) **General.** Except as otherwise provided in Section 7(b), vested RSUs will be paid within 30 days following the RSU Vesting Date. Vested RSUs will be paid in the form of one Common Share for each vested RSU.

(b) **Other Payment Events.** Notwithstanding Section 7(a), to the extent that the RSUs are not subject to a “substantial risk of forfeiture” (within the meaning of Section 409A of the Code), the RSUs shall be paid on an accelerated basis on the earliest of the following: (i) the occurrence of a 409A Change in Control; (ii) a separation from

service of Participant (for purposes of Treasury Regulation Section 1.409A-1(h)) within two years after a 409A Change in Control; (iii) Participant's death; or (iv) Participant's 409A Disability.

8. **Exercise of SARs and SARs Payment Timing.** Vested SARs may be exercised in whole or part at any time until expiration, unless terminated earlier pursuant to this Agreement. Within 30 days of the date of exercise, the Company will deliver to Participant for each vested SAR that is being exercised ("**Exercised SAR**") a number of Common Shares equal in value to the excess (if any) of the Exercise Date Value over the Base Price of the SAR; provided that the aggregate number of Common Shares so determined for all Exercised SARs covered by such exercise will be rounded to the nearest whole Common Share. If on the last day of the SAR Exercise Period (or, if earlier, the last day of the 90-day period following termination, if Section 4(b) or Section 5(b) applies) (i) the fair market value of a Common Share exceeds the Base Price of the SAR, (ii) Participant has not exercised the vested SARs, and (iii) the SAR Award has not otherwise been cancelled, then the vested SARs will be deemed to have been exercised by Participant as of such day, and the Company will settle the Exercised SARs in accordance with this Section 8.

9. **Withholding for Taxes.** To the extent that the Company is required to withhold federal, state, local or foreign taxes or other amounts in connection with the delivery to Participant of Common Shares or any other payment to Participant or any other payment or vesting event under this Agreement, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to the obligation of the Company to make any such delivery or payment that Participant make arrangements satisfactory to the Company for payment of the balance of such taxes or other amounts required to be withheld. Unless otherwise determined by the Committee, such withholding requirement shall be satisfied by retention by the Company of a portion of the Common Shares to be delivered to Participant. The shares so retained shall be credited against such withholding requirement at the fair market value of such Common Shares on the date the applicable benefit is to be included in Participant's income. In no event will the fair market value of the Common Shares to be withheld and/or delivered pursuant to this Section 9 to satisfy applicable withholding taxes exceed the minimum amount of taxes required to be withheld.

10. **Adjustments.** The number of Common Shares subject to each award granted hereunder and the other terms and conditions of the grants evidenced by this Agreement are subject to adjustment as provided in Section 11 of the Plan.

11. **Protective Covenants.**

(a) **Noncompete Obligations.** For one year following the effective date of Participant's termination of employment with LII (the "**Termination Date**"), unless this restriction is prohibited by applicable law, Participant will not participate in any way in any activities within the same geographic area where Participant had responsibility to conduct business activity prior to the Termination Date, on behalf of a business that provides products or services that are the same or similar to products or services offered or planned by LII as of the Termination Date.

If Participant violates Section 11(a), unless prohibited by applicable law, Participant must pay LII on demand an amount equal to the sum of the pre-tax gains received from: (i) PSU Awards and RSU Awards that vested under this Agreement in the one year period prior to the Termination Date; and (ii) SAR Awards exercised under this Agreement in the period beginning one year prior to the Termination Date and ending 90 days after the Termination Date, up to a

maximum amount of the following multiple of Participant's annual base salary in effect on the Termination Date: .75 if Participant is a Vice President; 1.5 if Participant is an Executive Vice President; or 3.0 if Participant is the Chief Executive Officer.

(b) **Nonsolicitation Obligations**. For one year following the Termination Date, Participant will not, directly or indirectly: (i) solicit, recruit or hire any person who is an LII employee as of the Termination Date; or (ii) solicit or induce any customer, supplier or distributor as of the Termination Date to cease or reduce doing business with LII, or divert an LII business opportunity.

If Participant violates Section 11(b), LII will be irreparably harmed and entitled to specific performance, injunctive relief, attorneys' fees and costs incurred in obtaining relief, and any other remedy available at law or equity.

(c) **Consent**. Participant may engage in activities otherwise restricted by this Section 11 with the written consent of LII's Chief Executive Officer if Participant is a Vice President or Executive Vice President, or with the written consent of the independent members of the Board of Directors if Participant is the Chief Executive Officer.

12. **No Stockholder Rights**. Participant will not be deemed for any purpose, including voting rights and dividends or dividend equivalents, to be, or to have any of the rights of, a Stockholder with respect to any Common Shares as to which the PSU Award, the RSU Award or the SAR Award relate until such shares are issued or transferred to Participant by the Company. The existence of this Agreement will not affect the right or power of LII or its Stockholders to accomplish any corporate act.

13. **Restrictions Imposed by Law**. Participant agrees that LII will not be obligated to deliver any Common Shares if LII determines that such delivery would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which the Common Shares may be listed or quoted. LII will not be obligated to take any affirmative action to cause the delivery of Common Shares to comply with any such law, rule, regulation or agreement.

14. **Compliance with Section 409A of the Code**. To the extent applicable, it is intended that this Agreement and the Plan comply with or be exempt from the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause this Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force or effect until amended to comply with or be exempt from Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of Participant). If, at the time of Participant's separation from service (within the meaning of Section 409A of the Code), (a) Participant will be a specified employee (within the meaning of Section 409A of the Code and using the identification methodology selected by the Company from time to time) and (b) the Company makes a good faith determination that an amount payable hereunder the timing of which is triggered by such separation from service constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code in order to avoid taxes or penalties under Section 409A of the Code, then the Company will not pay such amount on the otherwise scheduled payment date but will instead pay it, without interest, on the tenth business day of the seventh month after such separation from service.

15. **No Right to Future Awards.** The grants of the awards under this Agreement to Participant are voluntary, discretionary awards being made on a one-time basis and they do not constitute commitments to make any future awards. The grants of the awards and any payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law.

16. **Notice.** Unless LII notifies Participant in writing of a different procedure, any notice or other communication to LII with respect to this Agreement must be in writing and delivered personally or by first class mail, postage prepaid, to the following address:

Lennox International Inc.
c/o Corporate Secretary
2140 Lake Park Boulevard
Richardson, Texas 75080

Any notice or other communication to Participant with respect to this Agreement must be in writing and delivered personally, or sent electronically to Participant or by first class mail, postage prepaid, to Participant's address as listed in the records of the Company on the Date of Grant, unless LII has received written notification from Participant of a change of address.

17. **Amendment.** This Agreement may be supplemented or amended from time to time as approved by the Committee as contemplated by the Plan. Participant's consent shall not be required to an amendment that is deemed necessary by the Company to ensure compliance with Section 409A of the Code or Section 10D of the Exchange Act.

18. **Participant Employment.** Nothing contained in this Agreement, and no action of LII or the Committee, will confer or be construed to confer on Participant any right to continue in the employ of LII or interfere in any way with the right of LII to terminate Participant's employment at any time, with or without cause, subject, however, to the provisions of any employment agreement between Participant and LII.

19. **Governing Law.** This Agreement is governed by Delaware law. Any dispute arising out of or related to this Agreement, or any breach or alleged breach hereof, will be exclusively decided by a state or federal court in the State of Texas in the County of Dallas. Participant irrevocably waives Participant's right, if any, to have any disputes between Participant and the Company arising out of or related to this Agreement decided in any jurisdiction or venue other than a state or federal court in the State of Texas in the County of Dallas. Participant hereby irrevocably consents to the personal jurisdiction of the state courts in the State of Texas in the County of Dallas for the purposes of any action arising out of or related to this Agreement.

20. **Construction.** This Agreement is entered into, and the PSU Award, RSU Award and SAR Award are granted, pursuant to the Plan and are governed by and construed in accordance with the Plan and the administrative interpretations adopted under the Plan. In the event of any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan will control. Notwithstanding anything in this Agreement to the contrary, Participant acknowledges and agrees that this Agreement and the awards described herein are subject to the terms and conditions of the Company's clawback policy as may be in effect from time to time (if any).

21. **Severability and Reformation.** If any restriction or covenant in this Agreement is deemed by a court of competent jurisdiction to be unreasonable or unenforceable as written,

the court may modify any unreasonable or unenforceable element of the restriction or covenant to make it reasonable and enforceable or enforce it only to the extent it is reasonable and enforceable. If the court determines that any restriction or covenant in this Agreement is wholly or partially invalid or unenforceable, the remainder of the restrictions or covenants will be given full effect.

22. **Entire Agreement.** This Agreement contains the entire agreement between the parties with respect to the PSU Award, the RSU Award and the SAR Award. If Participant has a written employment agreement or change in control agreement which contains provisions that conflict with this Agreement, the terms of the employment agreement or change in control agreement will control.

23. **Electronic Delivery.** The Participant consents to the delivery of any documents related to the awards granted hereunder by electronic means and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

24. **Participant Acceptance.** Participant must accept the terms and conditions of this Agreement by electronic signature or by signing in the space below and returning a signed copy to the Company.

25. **No-Waiver.** Any waiver by the Company of a breach of any provision of this Agreement will not operate or be construed as waiver of any subsequent breach.

26. **Other Entities Protected.** This Agreement, including the restrictions on Participant's activities apply to any subsidiary, affiliate, successor and assign of LII to which Participant provides services or about which Participant receives Confidential Information. LII has the right to assign this Agreement at its sole election without the need for further notice to or consent by Participant. Accordingly, this Agreement will inure to the benefit of, and may be enforced by, any and all successors and assigns of LII, including without limitation by asset assignment, stock sale, merger, consolidation or other corporate reorganization, and will be binding on Participant, Participant's executors, administrators, personal representatives or other successors in interest. Participant further agrees that Participant's rights are personal and may not be assigned or transferred.

27. **Acknowledgement.** Participant acknowledges that Participant (a) has received a copy of the Plan, (b) has had an opportunity to review the terms of this Agreement and the Plan, (c) understands the terms and conditions of this Agreement and the Plan and (d) agrees to such terms and conditions.

ACCEPTED:

Signed: _____
«First» «Last»

Date: «Date»

SCHEDULE A

Performance Goals

PSU Performance Period: January 1, 20__ – December 31, 20__

1. **Overview.** The actual number of Common Shares delivered to the Participant in settlement of the PSUs earned under the Long-Term Incentive Award Agreement between the Company and Participant (the “**Agreement**”) will be determined by the Committee in its reasonable discretion following the end of the PSU Performance Period based on actual performance results against the performance goals described below, subject to Section 4 and Section 5 of the Agreement. Any PSUs not earned will be canceled and forfeited. Capitalized terms used in this Statement of Performance Goals that are not specifically defined in this Statement of Performance Goals have the meanings assigned to them in the Agreement.
2. **Metrics.** 50% of the PSU Award will be earned based upon achievement of Company core net income compound annual growth rate (CAGR) over the three year PSU Performance Period (“Core Net Income”), and 50% of the PSU Award will be earned based upon achievement of Company weighted average return on invested capital over the three year PSU Performance Period with the lowest year return on invested capital weighted 20% and the remaining years each weighted 40% (“**ROIC**”).
3. **Performance Matrix.** From 0% to 200% of the PSUs will be earned based on achievement of the Core Net Income and ROIC performance goals during the PSU Performance Period as follows:

PSU Award – Performance Goals			
Performance Level	Threshold	Target	Maximum
Percentage of PSUs Earned	50%	100%	200%
Core Net Income CAGR	__%	__%	__%
ROIC Weighted Average	__%	__%	__%

If Core Net Income or ROIC for the PSU Performance Period falls between two performance levels set forth in the performance matrix above, the number of PSUs earned with respect to such performance metric will be determined based on straight-line mathematical interpolation (rounded down to the nearest whole number of PSUs). If Core Net Income or ROIC for the PSU Performance Period falls below the “Threshold” level set forth in the performance matrix above, no PSUs shall become earned with respect to that metric.

[DATE]

[Name of Employee]
[Address]
[Address]

Dear _____,

I am pleased to confirm the verbal offer made to you for the position of _____ at Lennox International Inc. (“Lennox” or the “Company”), reporting directly to me and effective _____. This letter outlines the terms of our offer.

Base Salary

Your annual base salary will be \$ _____, paid on a semi-monthly basis in the amount of \$ _____, less applicable withholdings.

Perquisites

You will receive an annual perquisite allowance of \$ _____, paid on a semi-monthly basis in the amount of \$ _____, less applicable withholdings.

Short-Term Incentive Program

You will be eligible to participate in our annual Short-Term Incentive (“STI”) program at a target level of ___% of your base salary. The program is based on selected Company performance measurements as established annually by the CEO and approved by the Compensation and Human Resources Committee of the Board of Directors. For 20___, the STI program metrics are _____.

Long-Term Incentive Program

You will be eligible to participate in our Long-Term Incentive (“LTI”) program. Awards are typically made in February of each calendar year, following review by the Compensation & Human Resources Committee of the Board of Directors. The current LTI vehicles include performance share units, stock appreciation rights, and restricted stock units. Your LTI award in February 20___ will have a grant date value of \$ _____.

Non-Qualified Supplemental Restoration Retirement Plan

You will be eligible to participate in the Company’s supplemental restoration retirement plan. This non-qualified plan provides a benefit of 6% of your eligible compensation above Internal Revenue Code annual compensation limits for tax qualified 401(k) retirement plans.

Vacation

You will be eligible for 5 weeks of paid vacation each calendar year.

Employment Agreement

Enclosed for your signature is your employment agreement, which will govern the terms and conditions of your employment with Lennox.

Change in Control Benefits

As an Executive Vice President, you are covered by the Company’s Change in Control Severance Plan (“CIC Severance Plan”). Enclosed for your reference is the CIC Severance Plan.

Indemnification Agreement

Enclosed for your signature is your indemnification agreement with the Company.

_____, I know this opportunity will prove to be very rewarding, both for you and for Lennox. Please indicate your acceptance of this offer by signing below and returning the letter along with the signed agreements to _____.

If you have questions regarding our offer, please reach out to me.

Sincerely,

AGREED TO AND ACCEPTED:

_____ Date _____

[COMPANY LETTERHEAD]

[DATE]

[Name of Employee]
[Address]
[Address]

Dear _____,

As a key employee, essential to the company's future profitability, growth, and financial strength, Lennox International Inc. is providing you with this letter agreement (including exhibits) in order to establish the material terms of your employment with Lennox (the "**Agreement**"). The specific commitments of you and Lennox that are set forth in this Agreement are intended as consideration to induce each party to enter into the Agreement. Each party agrees that this consideration is adequate for those commitments.

The term "**Employee**" is used to refer to you in this Agreement where appropriate. The term "**Lennox**" is used to refer to Lennox International Inc., as well as its subsidiaries and related companies. The terms of this Agreement are set forth in the body of this letter Agreement as well as in the Exhibits to this letter, which are incorporated by reference. The specific terms of the Exhibits are controlling should there be any confusion or conflict between them and this letter Agreement. With the signing by both parties of this Agreement, you and Lennox agree to the following:

1. **Nature of Employment.** You and Lennox have agreed that your employment relationship with Lennox will no longer be "at will" and terminable by either party at any time. Instead, this employment relationship will be governed by the terms of this Agreement for as long as it remains in effect and even after its termination for any provisions, which by their terms survive. The terms agreed upon by you and Lennox provide the consideration and inducement for each party to enter into this Agreement and are described more fully throughout the body of this Agreement and the attached Exhibits A through C.
2. **Term of Agreement; Termination Date.** This Agreement will become effective on _____ (the "**Effective Date**") and will be in effect until December 31 of that year and thereafter for a series of one-year terms.

3. Termination of Employment. Your employment with Lennox may be terminated for a number of reasons prior to the expiration of any term of this Agreement as described below. The rights of each party under each circumstance will vary and are described in the attached Exhibits. More specifically, if Lennox terminates your employment for any reason other than for “Cause,” as defined in Section B.3 of Exhibit A, or if you become permanently disabled, you will be entitled to receive, in addition to any other compensation or benefits described in Section B.2 of Exhibit A, severance benefits consisting of either the **Normal Severance Payment** defined in Section 2 of Exhibit C or the **Enhanced Severance Payment** defined in Section 3 of Exhibit C as determined by those provisions. However, the provisions of Section C.2 of Exhibit A will continue to be effective after the termination of this Agreement regardless of the reason for your termination.
- a. Termination by Employee. You may terminate your employment at any time upon 30 days’ notice to Lennox (or a lesser period if approved by Lennox) of your intent to terminate or not to renew this Agreement and, in that event, Lennox will be obligated only to pay you your Base Salary and other applicable benefits provided to employees in your position that are effective at the time of the voluntary resignation up to the effective date of termination only.
 - b. Termination for Cause. Lennox may terminate your employment at any time for Cause, as defined in Section B.3 of Exhibit A, to be effective immediately upon delivery to you of notice of termination. If Lennox terminates you for Cause, you are only entitled to receive your Base Salary and other applicable benefits provided to employees in your position that are effective at the time of termination up through the effective date of termination.
 - c. Termination Other than for Cause. Your employment may also be terminated by Lennox other than for Cause at any time (including Lennox's non-renewal of the Agreement) but such a decision triggers certain defined benefits for you. In the event Lennox elects to terminate you under this provision, Lennox agrees to pay either the Normal Severance Payment as defined in Section 2 of Exhibit C or, at your option, the Enhanced Severance Payment as defined in Section 3 of Exhibit C, provided you comply with all requirements described in Section 3 of Exhibit C. These benefits are contractually defined by this Agreement and are not dependent on the other benefits policies of Lennox at the time of your termination.
 - d. Termination as a Result of Disability or Death. Should you die or become permanently disabled (completely unable to perform your duties as defined in the benefit plans of Lennox) during the term of this Agreement, your employment will be terminated effective as of the date of your death or permanent disability.
 - f. Withholdings From Payment/Offset. Any payments made by Lennox to you under Section 3 will be subject to all applicable local, state, federal or foreign taxes, including, without limitation, income tax, withholding tax, and social security tax. Further, to the extent you have, on the date of termination, any outstanding debts or financial obligations to Lennox, including, but not limited to, loans, overpayment of wages, bonuses or other forms of incentive payments, unauthorized travel or purchasing expenses, or theft of Lennox’s funds or property, you agree that Lennox will be entitled to set off against and withhold from such payments due you for such debts or obligations.

4. Nonpayment upon Breach. Notwithstanding anything in this Agreement to the contrary, at any time after the date of termination, if you, by any intentional or grossly negligent action or omission to act, breach any covenant, agreement, condition, or obligation contained herein, Lennox is entitled to cease making any payments and to cease providing any of the benefits to you under this Agreement. Additionally, Lennox reserves the right to seek repayment of any amounts previously paid hereunder along with recovery of any other damages caused by you.
5. Resolution of Disputes. In the event that any employment dispute as defined in Section A of Exhibit B arises between Lennox and you, the parties will make all efforts to resolve any such dispute through informal means. If these informal attempts at resolution fail, Lennox and you agree to and will submit the dispute to final and binding arbitration pursuant to the policy and terms outlined in Exhibit B, to which the parties expressly agree to be bound. You fully and completely understand and agree that arbitration is the exclusive forum for all such arbitrable disputes and that the parties are giving up all rights to a court trial or jury trial; however, by agreeing to the policy for resolution of disputes outlined in Exhibit B, Lennox and you agree that the parties are not waiving any substantive rights or remedies to which they would otherwise be entitled.
6. Waiver, Modification, and Integration. The waiver by any party hereto of a breach of any provision of this Agreement will not operate or be construed as a waiver of any subsequent breach by any party. This Agreement, which includes all Exhibits referenced or attached, expresses the entire agreement of the parties concerning matters contained herein and supersedes all prior and contemporaneous representations, understandings, and agreement, either oral or in writing, between the parties hereto with respect to such matters and all such prior or contemporaneous representations, understandings, and agreements, both oral and written, are hereby terminated. This Agreement may not be modified, altered, or amended except by written agreement of the Employee and the Chief Executive Officer, except when the Chief Executive Officer is involved, and in that event, an official designated by the Board of Directors for Lennox.
7. Binding Effect. This Agreement will be binding and effective upon Lennox and its successors and permitted assigns, and upon you, your heirs, and representatives. You hereby represent and warrant to Lennox that you have not previously assumed any obligations inconsistent with those contained in this Agreement, including, but not limited to, covenants not to compete with another person, firm, corporation, or other entity.
8. Governing Law, Venue and Personal Jurisdiction. It is the intention of the parties that the laws of the State of Texas should govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties hereto. The parties agree that venue for all disputes will be in Dallas County, Texas. The parties further agree to submit to personal jurisdiction in Dallas County, Texas.

Sincerely,

LENNOX INTERNATIONAL INC.

Name:

Title:

EMPLOYEE

ACCEPTED AND AGREED this ____ day of _____, ____

[Name]

EXHIBIT A

TERMS OF EMPLOYMENT

- A. Renewal. On January 1 of each year (the “Anniversary Date”) after the end of the first term and for each year thereafter, this Agreement will be automatically renewed for an additional year, unless either party notifies the other in writing at least 30 days prior to the Anniversary Date that it does not wish to renew the Agreement. No reason need be given by either party for the non-renewal of the Agreement. If Lennox elects not to renew, however, Employee is nevertheless entitled to the benefits provided in this Agreement, subject to all of its provisions. If Employee elects not to renew, Employee will receive only those benefits provided upon voluntary termination as described in Section 3(a) of the letter agreement.
- B. Agreements by Lennox.
1. Employee Duties. Lennox will assign to the Employee such duties and responsibilities that it deems appropriate to be performed by an employee holding Employee’s position and/or job title on a permanent basis; provided, however, that Lennox can assign other duties on a temporary basis.
 2. Employee Compensation. Employee will receive a salary of that amount in effect at the initial effective or subsequent renewal dates of this Agreement (as may be, from time to time, adjusted in accordance with Lennox’s applicable salary policies which may be changed by Lennox in its sole discretion), payable in accordance with the then applicable payroll policies and subject to all required and authorized withholdings and deductions (“Base Salary”). When calculated on an annual basis, this is referred to as Annual Base Salary, and when calculated on a monthly basis, this is referred to as Monthly Base Salary. The Base Salary will be set in accordance with Lennox’s policy regarding salaries and will not be reduced during the annual term of the Agreement unless Employee’s job duties are changed, in which circumstance Lennox reserves the right to lessen Employee’s compensation by no more than ten percent for the remainder of the year without such change amounting to a breach or termination of this Agreement. Employee will be eligible for such short-term bonuses, stock options, long-term incentive program payments, and fringe benefits as are applicable to other similarly situated employees pursuant to Lennox’s then applicable policies and plans. Benefits may be subject to periodic review and may be changed by Lennox in its sole discretion.
 3. Termination for Cause Defined. Lennox may terminate Employee’s employment, at any time, for Cause as set forth in Section 3(b) of the body of the letter portion of the Agreement. “Cause” is defined as (a) any violation by Employee of Lennox’s written policies as they may exist or be created or modified from time to time in the future, including, as examples and not as a limitation of the policies to which an Employee may be subject, those policies prohibiting discrimination in the workplace, including the prohibition of harassment, on the ground of race, sex, religion, age or any other prohibited basis; (b) any state or federal criminal conviction, including, but not limited to, entry of a plea of nolo contendere or deferred adjudication upon a felony or misdemeanor charge; (c) the commission

by Employee of any material act of misconduct or dishonesty; (d) any intentional or grossly negligent action or omission to act which breaches any covenant, agreement, condition or obligation contained in this Agreement; or (e) acts that in any way have a direct, substantial and adverse effect on Lennox's reputation.

Lennox's determination to terminate for Cause is subject to the Employee's rights to a resolution of a dispute of that determination as provided in Exhibit B of this Agreement.

4. Payments upon Disability or Death. In the event Employee dies or becomes permanently disabled **during the term of the Agreement**, Employee or Employee's designated beneficiaries will be entitled to the payments described in Section 3(c) of the letter portion of the Agreement, together with any other benefits provided to employees in an equivalent position in effect at that time. Should Employee die **during the severance period**, severance payments will cease on the date of Employee's death (if Employee is receiving the normal severance benefit) or the expiration of the twelfth- or twenty-fourth-month severance period, as applicable (if Employee has agreed to the terms of the enhanced severance benefit). Any payments after Employee's death that may be due hereunder will be paid to Employee's beneficiary named in connection with Exhibit D of this Agreement, or if no such designation has been made by Employee, then to Employee's executors, administrators, heirs, personal representatives, successors, or assigns, as the case may be.

C. Agreements by Employee.

1. Effort and Cooperation. Employee agrees to devote his or her full efforts and time to the performance of this Agreement and will not, without the prior written consent of the Chief Executive Officer, or in the event the Chief Executive Officer is involved, a designee assigned by the Board of Directors, engage in any other employment, business, or other activity that would materially interfere with the performance of his or her duties under this Agreement. Employee further agrees that following his or her termination from employment, Employee will provide reasonable cooperation with and assistance to Lennox in all respects, including, but not limited to, the transition of his or her duties and responsibilities, cooperation on any project for a reasonable period not to exceed six months, or any litigation involving Lennox related to Employee's period of employment at Lennox at any time such litigation may occur. Lennox will reimburse Employee for any reasonable expenses incurred.
2. Protective Covenants. Employee recognizes that Employee's employment by Lennox is one of the highest trust and confidence. In return for the Employee's agreement to the protective covenants herein, Lennox agrees that (i) Employee will become fully familiar with many aspects of Lennox's business, including future changes customarily related to the performance of the duties of Employee's position during the term of the Agreement; (ii) Employee will be given access to proprietary confidential information of Lennox or its customers and other information which is of special and peculiar commercial or competitive value to Lennox or its customers for use in connection with Lennox's business, which proprietary confidential information is for the sole and exclusive benefit of Lennox; (iii) Employee will be given all specialized training necessary to perform his or her assigned duties; and (iv) Employee will be provided with Lennox's

goodwill in dealing with customers, vendors and potential business contacts. The parties agree and stipulate that the restrictions provided for below in Section C.2 (the “**Protective Covenants**”) are reasonable and necessary to protect Lennox’s legitimate interests and are not an unreasonable restraint on Employee’s ability to earn a living.

Employee acknowledges and agrees that if any such proprietary and confidential information of either Lennox or its customers were to become known by any persons outside of Lennox with a need to have such information, hardship, loss or irreparable injury and damage could result to Lennox or its customers which would be difficult if not impossible to measure. Therefore, Employee agrees that (i) it is necessary for Lennox to protect its business and that of its customers from such damage; (ii) that the information is of a confidential nature; (iii) that the following covenants constitute a reasonable and appropriate means, consistent with the best interests of both Employee and Lennox, to protect Lennox and its customers against such damage and to protect the value of their confidential proprietary information; (iv) that the following covenants are agreed to as a term and condition of Employee's continued employment with Lennox and are supported by adequate consideration from Lennox; and (v) that those covenants will apply to and be binding upon Employee as provided herein:

- a. Trade Secrets, Proprietary and Confidential Information. Employee will have access to, and contact with certain trade secrets and confidential and proprietary information of Lennox, including, without limitation, unique skills, concepts, sales presentations, marketing programs, marketing strategy, business practices, methods of operation, systems, sales methods, proposals, customer lists, customer leads, documents identifying past, present and future customers, hiring and training methods, financial and other customer data, lists of agents, and other confidential information (“**Trade Secrets**”). Employee agrees to protect and safeguard the Trade Secrets, business practices, and confidential and proprietary information of Lennox. Employee further agrees and covenants that, except as may be required by Lennox in connection with this Agreement, or with the prior written consent of Lennox, Employee will not, either during his or her employment with Lennox or thereafter, directly or indirectly, use for Employee's own benefit or for the benefit of another, disclose, disseminate, or distribute to another, any Trade Secret, business practice, or confidential or proprietary information (whether or not acquired, learned, obtained, or developed by Employee alone or in conjunction with others) of Lennox or of others with whom Lennox has a business relationship. Such Trade Secrets, business practices, and confidential and proprietary information include, but are not limited to, Lennox’s patents, trademarks, licenses, and technical information concerning its operations, data bases, Lennox’s sales information and marketing strategy, the identities of Lennox’s customers, contractors, suppliers, and others with whom Lennox has a business relationship, Lennox’s arrangements with such parties, Lennox’s customer lists and Lennox’s pricing policies and strategy. All memoranda, notes, records, drawings, documents, or other writings whatsoever made, compiled, acquired, or received by Employee during the term of Employee’s employment with Lennox, arising out of, in connection with, or related to any activity or business of Lennox, including, but not limited to, Lennox’s customers, contractors, suppliers,

or others with whom Lennox has a business relationship, Lennox's arrangements with such parties, and Lennox's pricing policies and strategy, are, and will continue to be, the sole and exclusive property of Lennox, and will, together with all copies thereof and all advertising literature, be returned and delivered to Lennox by Employee immediately, without demand, upon the termination of the Employee's employment with Lennox or will be returned at any time upon Lennox's demand.

Nothing in this Agreement shall prohibit or limit Employee's ability to make disclosures that are protected by Rule 21F-17 of the Securities and Exchange Act of 1934 or similar provisions of federal law or regulation, including, without limitation, disclosures pursuant to Section 922 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

- b. Non-Competition after Employment. Employee agrees that for a period of 24 complete calendar months following the termination of employment from Lennox for any reason, Employee will not be employed with, or otherwise assist, any Competing Business in any state in the United States, any province in Canada, or in any substantially similar political subdivision of any other country where Employee has assisted Lennox in doing business while employed with Lennox. The foregoing does not prohibit ownership of less than 2% of the outstanding stock of a publicly traded company or passive mutual fund investments so long as Employee's ownership does not involve a controlling interest or other active role in such company. "**Competing Business**" means any person or entity engaged in activities that involve the conception, development, sale, servicing, or production of any goods or services that are substantially similar in form or purpose to Lennox's goods or services or that would otherwise displace the business opportunities for Lennox's goods and services. Person or entity is broadly defined and includes Employee, whether operating as a sole proprietorship or in any other manner.
- c. Conflict of Interest. Employee agrees that for the duration of this Agreement, he will not engage, either directly or indirectly, in any activity that might adversely affect Lennox, including ownership of a material interest in any supplier, contractor, distributor, subcontractor, customer, or other entity with which Lennox does business. Employee further agrees to promptly inform a corporate officer of Lennox as to each offer received by Employee to engage in any such activity and to disclose any other facts of which Employee becomes aware that might involve or give rise to a conflict or potential conflict of interest.
- d. Restrictions on Diverting Employees of Lennox. Employee agrees that during employment with Lennox, and for a period of 24 complete calendar months following the termination of employment, Employee will not, either directly or indirectly (including through the efforts of others), call on, solicit, induce, or attempt to induce any of the employees or officers of Lennox that Employee had knowledge of, or association with, during Employee's employment with Lennox to terminate their association with Lennox.

- e. Restrictions on Diverting Vendors or Contractors. Employee agrees that during his or her employment with Lennox, and for a period of 24 complete calendar months following his or her termination of employment, Employee will not, either directly or indirectly (including through the efforts of others), call on, solicit, or induce any of Lennox's vendors or suppliers that Employee had contact with, direct knowledge of through his or her position with Lennox, or associated with in the course of employment with Lennox to terminate their association with Lennox.
- f. Restrictions on Soliciting Customers. For a period of 24 complete calendar months following the termination of employment, Employee will not directly or indirectly (including through the efforts of others) (i) call on, service, or solicit customers on behalf of a Competing Business; (ii) provide consulting services regarding the same from customers of Lennox that Employee had (a) direct contact with or (b) access to information and files as part of Employee's duties with Lennox within the previous 24 months; or (iii) induce or encourage customers on behalf of a Competing Business not to do business or reduce its business with Lennox.
- g. Disclosure/Limitations. Employee represents and warrants that he or she (i) will not use or disclose in the performance of Employee's duties hereunder, trade secrets or confidential information of any third party that he or she may have obtained prior to signing this Agreement, or (ii) is not limited by the terms of any contract or other restrictions(s) from performing any and all duties for Lennox as contemplated by this Agreement.
- h. Remedies. In the event of breach or threatened breach by Employee of any provision of Section C.2 hereof, Lennox will be entitled to (i) cease any payments under this Agreement as set forth in Section 4 of the letter portion of the Agreement; (ii) relief by temporary restraining order, temporary injunction, and/or permanent injunction; (iii) recovery of all attorneys' fees and costs incurred by Lennox in obtaining such relief; and (iv) any other legal and equitable relief to which it may be entitled, including any and all monetary damages. Lennox has the right to pursue partial enforcement and/or to seek declaratory relief regarding the enforceable scope of this Agreement without penalty and without waiving Lennox's right to pursue any other available remedy.
- i. Survival of Covenants. Each covenant of Employee set forth in Section C.2 will survive the termination of Employee's employment. The existence of any claim or cause of action by Employee against Lennox, whether related to this Agreement or otherwise, will not constitute a defense to the enforcement of the covenants in Section C.2. In the event an enforcement remedy is necessary under Section C.2, the restricted time periods provided for in Section C.2 will commence on the date enforcement is ordered and complied with by Employee and will be extended by the period of noncompliance.
- j. Acknowledgment of Ancillary Agreements and Consideration. Employee acknowledges that his or her agreement to be bound by the protective covenants set forth in Section C.2 is the inducement for Lennox (i) to enter

into the other terms of this Agreement; (ii) to modify existing employment agreements or other contracts, if any, affected by this Agreement; (iii) to initiate or continue the employment of Employee pursuant to the terms of this Agreement; (iv) to provide Employee with initial or continued use or access to confidential proprietary information of Lennox; and (v) to provide the Employee with unique and specialized training regarding Lennox's Trade Secrets, business practices and marketing strategy, to provide use of goodwill as a representative of Lennox and to ensure business expertise in developing relations with third parties. Employee agrees that each agreement of Lennox set forth in this Agreement is otherwise enforceable and independently sufficient to support all the protective covenants in Section C.2.

- D. Severability. If any provision or restriction contained in this Agreement is determined to be void, illegal or unenforceable, in whole or in part, then it will be modified to conform with the law so as to be enforceable. In the event the provision or restriction is incapable of modification to render it enforceable, the provision or restriction will be stricken, and all other provisions will remain in full force and effect.
- E. Notices. All communications required or allowed under this Agreement will be in writing and will be deemed to have been delivered on the date personally delivered or on the date deposited in the United States Postal Service, postage prepaid, by certified mail, return receipt requested, addressed to you at your then current residential address and to Lennox at:

Lennox International Inc.
2140 Lake Park Blvd.
Richardson, Texas 75080-2254
Attn: Chief Legal Officer

EXHIBIT B

POLICY FOR RESOLUTION OF DISPUTES

A. Agreement to Arbitrate.

1. Arbitrable Disputes. This Policy covers any legal dispute between the parties, as set forth below, except for Lennox's right to seek enforcement of Employee's protective covenants set forth in Section C.2 of Exhibit A or Employee's claims related to workers compensation and/or unemployment insurance. The disputes subject to this policy are all those other disputes between the parties arising from any breach or alleged breach of this Agreement or as to Employee's termination or as to any allegation by the Employee that Lennox has violated any of the Employee's rights under state or federal employment or civil rights laws, or any other laws, statutes or constitutional provisions, including, but not limited to, the following: unlawful discrimination or harassment; claims based on any purported breach of contractual obligations; claims based on any purported breach of duty arising in tort, including violations of public policy; as well as any actions recognized under common law or the combination of any of these claims; and any claims against supervisors or agents of Lennox for which the supervisors or agents were acting in the course and scope of their employment or making any decisions or comments related to or connected with employment, even if the supervisor or agent was not acting within the course and scope of employment, will be resolved in accordance with the provisions of this Policy for Resolution of Disputes as set forth herein. All arbitrable disputes are subject to applicable statutes of limitations and other affirmative defenses recognized by law. Employee or Lennox may seek a court order to enforce or compel arbitration pursuant to the terms of this Policy.
2. Acceptance of Policy. By accepting or continuing employment with Lennox, for the provision of a term of employment provided by Lennox, for Lennox's agreement to pay a severance package, and for Lennox's agreement to provide Employee access to confidential information, Employee and Lennox agree that arbitration is the exclusive remedy for all arbitrable disputes.
3. Governing Law/Waiver of Rights. THIS POLICY AND AGREEMENT TO ARBITRATE IS MADE PURSUANT TO THE FEDERAL ARBITRATION ACT AND APPLICABLE STATE LAWS REGARDING ARBITRATION AND IS A FULL AND COMPLETE WAIVER OF THE PARTIES' RIGHTS TO A CIVIL COURT ACTION AND RIGHTS TO A TRIAL BY JURY.

B. Request for Arbitration.

1. Attempt at Informal Resolution of Disputes.

- a. Prior to submission of any dispute to arbitration, Lennox and the Employee will attempt to resolve the dispute informally as set forth below.
- b. Lennox and the Employee will select a mutually acceptable mediator from a list provided by an American Arbitration Association Employment Dispute Division or other similar agency who will assist the parties in attempting to reach a settlement of the dispute. The mediator may make settlement suggestions to the parties but will not have the power to impose a settlement upon them. If the dispute is resolved in mediation, the matter will be deemed closed. If the dispute is not resolved in mediation and goes to the next step (binding arbitration), any proposals or compromises suggested by either of the parties or the mediator will not be referred to or have any bearing on the arbitration procedure. The mediator cannot also serve as the arbitrator in the subsequent proceeding unless all parties expressly agree in writing.

2. Arbitration Procedures. The moving party or his/her representative must submit a “**Request for Arbitration**” in writing to the opposing party. If the opposing party is Lennox, it should be sent to the Chief Executive Officer of Lennox. The “Request for Arbitration” must be submitted within the greater of 300 days or the applicable statute of limitation that would apply if the claim had been brought in court of (i) the termination of employment (including resignation), (ii) the incident giving rise to the dispute or claim, or (iii) in the case of unlawful discrimination, including sexual or other unlawful harassment, the alleged conduct. This time limitation will not be extended for any reason and will not be subject to tolling, equitable or otherwise. If the “Request for Arbitration” is not submitted in accordance with the aforementioned time limitations, the moving party will not be able to bring its claim to this or any other forum. The Employee can obtain a “Request for Arbitration” form from the Human Resource Department of Lennox International Inc. or other party designated by the Chief Executive Officer. Alternatively, the Employee can create his/her own “Request for Arbitration” form, as long as it clearly states “Request for Arbitration” at the beginning of the first page. The “Request for Arbitration” must include the following information:

- a. A factual description of the dispute in sufficient detail to advise the non-moving party of the nature of the dispute;
- b. The date when the dispute first arose;
- c. The names, work locations, telephone numbers of any co-workers or supervisors with knowledge of the dispute; and
- d. The relief requested.

The non-moving party will respond in a timely manner to this “Request for Arbitration,” so that the parties can begin the process of selecting an arbitrator.

Such response may include any counterclaims that the non-moving party chooses to bring.

3. Selection of the Arbitrator. All disputes will be resolved by a single arbitrator. The arbitrator will be mutually selected by Lennox and the Employee. If the parties cannot agree on an arbitrator, then a list of seven arbitrators, experienced in employment matters, will be provided by the American Arbitration Association. The arbitrator will be selected by the parties who will alternately strike names from the list. The last name remaining on the list will be the arbitrator selected to resolve the dispute. Upon selection, the arbitrator will set an appropriate time, date, and place for the arbitration, after conferring with the parties to the dispute.
4. Arbitrator's Authority. The arbitrator will have the powers enumerated below:
 - a. Ruling on motions regarding discovery, and ruling on procedural and evidentiary issues arising during the arbitration;
 - b. Issuing protective orders on the motion of any party or third-party witness (such protective orders may include, but not be limited to, sealing the record of the arbitration, in whole or in part (including discovery proceedings and motions, transcripts, and the decision and award), to protect the privacy or other constitutional or statutory rights of parties and/or witnesses);
 - c. Determining only the issue(s) submitted to him/her (the issue(s) must be identified in the "Request for Arbitration" or counterclaims, and any issue(s) not so identified in those documents will be deemed to be and is/are outside the scope of the arbitrator's jurisdiction, and any award involving those issue(s) will be subject to a motion to vacate);
 - d. Shall have no authority to violate state or federal law; and
 - e. Issuing written opinions on the issues raised in the Arbitration.
5. Pleadings.
 - a. A copy of the "Request for Arbitration" will be forwarded to the arbitrator within five calendar days of his/her selection.
 - b. Within 10 calendar days following submission of the "Request for Arbitration" to the arbitrator, the non-moving party will respond in writing by answer and/or demurrer to the "Request for Arbitration" to the arbitrator with a copy to the moving party.
 - c. The answer to the "Request for Arbitration" will include the following information:
 - (1) a response, by admission or denial, to each claim set forth in the "Request for Arbitration";
 - (2) all affirmative defenses asserted to each claim; and

- (3) all counterclaims and any related third-party claims.
 - d. If the non-moving party contends that some or all of the claims set forth in the "Request for Arbitration" are barred as a matter of law, it may respond by demurrer setting forth the legal authorities in support of its position. If the non-moving party demurs to less than the entire "Request for Arbitration," it must answer those claims to which it does not demur at the same time that it submits its demurrer.
 - e. The moving party will have 20 calendar days to oppose the demurrer. Any opposition must be in writing and served on the arbitrator and the non-moving party.
 - f. If the answer alleges a counterclaim, within 20 days of service of the answer, the moving party will answer and/or demur to the counterclaim in writing and serve the answer and/or demurrer on the arbitrator and the non-moving party. If the moving party demurs to any counterclaim, the non-moving party will have 20 calendar days from its receipt of the demurrer to submit a written opposition to the demurrer to the moving party and the arbitrator.
 - g. The arbitrator will rule on demurrer(s) to any claims and/or counterclaims within 15 calendar days of service of the moving and opposition papers.
 - h. If any demurrer is overruled, the moving party must answer those claims to which it demurred within five calendar days of the receipt of the arbitrator's ruling. The answer must be served on the arbitrator and the opposing party.
 - i. When all claims and counterclaims have been answered, the arbitrator will set a time and place for hearing which will be no earlier than three months from the day on which the parties are notified of the date of hearing and no later than 12 months from the date on which the arbitrator sets the date for the hearing.
6. Discovery. The discovery process will proceed and be governed as follows:
- a. Parties may obtain discovery by any of the following methods:
 - (1) depositions upon oral examination, one per side as of right, with more permitted if leave is obtained from the arbitrator;
 - (2) written interrogatories, up to a maximum combined total of 20, with the responding party having 20 days to respond;
 - (3) request for production of documents or things or permission to enter upon land or other property for inspection, with the responding party having 20 days to produce the documents and allow entry or to file objections to the request; and

- (4) physical and mental examination, in accordance with the Federal Rules of Civil Procedure, Rule 35(a).
 - b. Any motion to compel production, answers to interrogatories or entry onto land or property must be made to the arbitrator within 15 days of receipt of objections.
 - c. All discovery requests will be submitted no less than 60 days before the hearing date.
 - d. The scope of discoverable evidence will be in accordance with Federal Rule of Civil Procedure 26(b)(1).
 - e. The arbitrator will have the power to enforce the aforementioned discovery rights and obligations by the imposition of the same terms, conditions, consequences, liabilities, sanctions, and penalties as can or may be imposed in like circumstances in a civil action by a federal court under the Federal Rules of Civil Procedure, except the power to order the arrest or imprisonment of a person.
7. Hearing Procedure. The hearing will proceed according to the American Arbitration Association's Rules with the following amendments:
- a. The arbitrator will rule at the outset of the arbitration on procedural issues that bear on whether the arbitration is allowed to proceed.
 - b. Each party has the burden of proving each element of its claim or counterclaims, and each party has the burden of proving any of its affirmative defenses.
 - c. In addition to, or in lieu of, closing arguments, either party will have the right to present post-hearing briefs, and the due date for exchanging post-hearing briefs will be mutually agreed on by the parties and the arbitrator.
8. Substantive Law. The applicable substantive law will be the law of the State of Texas or federal law. If both federal and state law speak to a cause of action, the Employee will have the right to elect his/her choice of law. However, choice of law in no way affects the procedural aspects of the arbitration, which are exclusively governed by the provisions of this Policy.
9. Opinion and Award. The arbitrator will issue a written opinion and award, in conformance with the following requirements:
- a. The opinion and award must be signed and dated by the arbitrator.
 - b. The arbitrator's opinion and award will decide all issues submitted.
 - c. The arbitrator's opinion and award will set forth the legal principles supporting each part of the opinion.
 - d. The arbitrator will have the same authority to award remedies and damages as provided to a judge and/or jury under parallel circumstances.

10. Enforcement of Arbitrator's Award. Following the issuance of the arbitrator's decision, any party may petition a court to confirm, enforce, correct, or vacate the arbitrator's opinion and award under the Federal Arbitration Act.
11. Fees and Costs. Fees and costs will be allocated in the following manner:
 - a. Each party will be responsible for its own attorneys' fees, except as provided by law.
 - b. The Employee will pay a \$150 filing fee to be paid to the arbitration agency. Lennox will bear the remainder of the arbitrator's fees and any costs associated with the facilities for the arbitration.
 - c. Lennox and the Employee will each bear an equal one-half of any court reporters' fees, assuming both parties want a transcript of the proceeding. If one party elects not to receive a transcript of the proceedings, the other party will bear all of the court reporters' fee. However, such an election must be made when the arrangements for the court reporter are being made.
 - d. Each party will be responsible for its costs associated with discovery.
- C. Confidentiality. Neither party may disclose the existence, content, or resolution of the mediation or arbitration (including the contents of this agreement) to any person or entity without the prior written consent of the other party unless required by law. Both parties will use their best efforts to prevent any publicity or disclosure by any third party, including the Arbitrator. Notwithstanding the above, Employee is permitted to make confidential disclosures as required to his or her accountants, attorneys, spouse, or governmental taxing authorities. As applicable to Lennox, the term "person" or "entity" refers to persons/entities that are not employed or retained by Lennox or do not represent Lennox in a business or professional capacity.
- D. Severability. In the event that any provision of this Policy is determined by a court of competent jurisdiction to be illegal, invalid, or unenforceable to any extent, such term or provision will be enforced to the extent permissible under the law and all remaining terms and provisions of this Policy will continue in full force and effect.

EXHIBIT C

SEVERANCE TERMS

1. Effect of Protective Covenants. The provisions of Section C.2 of Exhibit A of this Agreement will continue in full force and effect regardless of whether Employee continues to be employed by Lennox and regardless of the reason Employee's employment is terminated and regardless of the severance compensation, if any, to which Employee is entitled as set forth below.
2. Normal Severance Compensation. Should Employee be terminated by Lennox other than for Cause (as defined in Section B.3 of Exhibit A) prior to the expiration of the term specified in Section 2 of the letter portion of the Agreement or the Agreement is not renewed by Lennox for any reason, and provided the Employee does not elect and qualify for the Enhanced Severance Payment described in Section 3 of Exhibit C set forth below, Employee will be entitled to receive monthly payments of the greater of the Employee's Monthly Base Salary for the remainder of the Agreement's term or three months of Employee's Monthly Base Salary; provided that (i) if more than six months' severance is required, the first six such monthly payments will be paid in a lump sum on the date six months, two days after the date of termination, and the remaining severance payments paid monthly thereafter or, (ii) if there are fewer than six monthly payments, all such monthly payments will be payable in a lump sum on the date six months, two days after the date of termination. Any such payments will be in addition to any other compensation or benefits applicable to an employee at Employee's level to the extent the Employee would be eligible for such compensation or benefits under the terms of those formal programs which are applicable to all employees at Employee's level in effect at the time of termination and, for any benefits which continue after termination, subject to any modification which is made to such programs applicable to all of the participants at such time. Nothing in this paragraph will be interpreted to extend benefits to Employee past his or her employment to which Employee would have been entitled had Employee remained employed during the period that severance is paid.
3. Enhanced Severance Benefits. If Employee elects and meets the conditions of this Section 3 of Exhibit C and (a) Lennox terminates Employee other than for Cause (including Lennox's non-renewal of the Agreement) or (b) Employee becomes permanently disabled, Lennox agrees to pay an Enhanced Severance Payment and provide the other benefits described below ("Enhanced Severance Benefits"). The Employee must agree to execute a written General Release in a form satisfactory to Lennox of any and all possible claims against Lennox existing at the time of termination in exchange for which Lennox agrees to the following severance provisions:
 - (i) Severance Payment. Lennox agrees to pay Employee's Monthly Base Salary for a period of 24 months; provided that the first six such monthly payments will be payable in a lump sum on the date six months, two days after the date of termination. In addition, Lennox agrees to pay to the Employee, on the date six months, two days after the date of termination, in a lump sum, the total of any short-term bonus payments actually paid to the Employee over the twenty-four (24) month period. The severance payments will be paid in accordance with the regular payroll policies of Lennox then in effect and each installment will be subject to regular payroll deductions and all applicable taxes.

- (ii) Perquisites. In addition to (i) above, Employee will receive on the date six months, two days after the date of termination, in a lump sum, a payment of a sum equal to 10% of the Employee's Annual Base Salary in effect at the time of termination in lieu of the continuation of or payment for any perquisites.
 - (iii) COBRA Continuation. Lennox agrees to pay COBRA premiums to allow Employee to continue to participate in Lennox's group health plan on the same terms as other Lennox employees for up to 18 months while Employee is unemployed and not eligible for other group health insurance coverage. Should Employee remain unemployed and not otherwise eligible for other coverage at the end of 18 months, the equivalent of the COBRA premium will be paid to the employee on a month-to-month basis for up to six additional months for his or her use in obtaining health insurance coverage outside the group health plan.
 - (iv) Outplacement. Lennox agrees to provide Employee with outplacement services in accordance with Lennox's then applicable policy; provided that such outplacement expense is paid by Lennox no later than the end of the second year following the calendar year in which the date of termination occurred. Should Employee elect not to receive outplacement services, then in lieu of such outplacement services, Lennox agrees to pay Employee a lump sum payment of 10% of Employee's Annual Base Salary on the date six months, two days after the date of termination.
 - (v) Death Benefit. Employee's beneficiary, as set forth in Exhibit D, will receive, in a lump sum, a death benefit equivalent to six months of Employee's Monthly Base Salary in the event that the Employee should die during the period in which the Employee is entitled to any severance payment described above.
4. Section 409A; Payments to be Separate. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended, and will be construed in a manner to give effect to such intention. The parties will, if necessary, amend the terms of this Agreement to the limited extent necessary in order to comply with the requirements of Section 409A. Each payment due hereunder will be considered to be separate payments due to Employee and not one of a series of payments for purposes of Section 409A.

Nothing herein will be construed to limit Employee's right to receive any benefits and entitlements under Lennox's ERISA or other employee benefit plans, with all such benefits being received by the Employee only to the extent allowed by and subject to the terms of any such plan as it may from time to time exist or be modified. Further, this Agreement is not intended and the parties agree that it will not be interpreted as creating any obligation for Lennox to create or maintain any employee benefit, compensation, perquisite or other plan, policy or program for its employees and Lennox retains the sole discretion to eliminate or modify any existing plan, program, or policy as it deems to be appropriate.

EXHIBIT D

DESIGNATION OF BENEFICIARY

The following represent the designation of Beneficiary for the Employee named below:

EMPLOYEE: _____

Primary Beneficiary(s):

_____	_____	_____	_____ %*
Name	Relationship	Percent	

_____	_____	_____	_____ %*
Name	Relationship	Percent	

*The total should add to 100%

Contingent Beneficiary(s):

_____	_____	_____	_____ %*
Name	Relationship	Percent	

_____	_____	_____	_____ %*
Name	Relationship	Percent	

*The total should add to 100%

This is to confirm the designation of my Beneficiary(s) to receive any benefits provided under this Agreement which are not otherwise covered by Employee benefit plans with other designations of beneficiary(s).

EMPLOYEE

[Name]

Date

**LENNOX INTERNATIONAL INC.
INDEMNIFICATION AGREEMENT**

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is made by and between Lennox International Inc., a Delaware corporation (the "Company"), and _____ (the "Indemnitee"), and is effective on _____ (the "Effective Date").

Background Statement and Recitals

Highly competent and experienced persons are becoming more reluctant to serve corporations as directors or in other capacities unless they are provided with adequate protection through insurance and adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation.

The Board of Directors of the Company (the "Board") has determined that the inability to attract and retain such persons would be detrimental to the best interests of the Company and its stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future.

The Board has also determined that it is reasonable, prudent, and necessary for the Company, in addition to purchasing and maintaining directors' and officers' liability insurance (or otherwise providing for adequate arrangements of self-insurance), contractually to obligate itself to indemnify such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified.

Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I CERTAIN DEFINITIONS

As used herein, the following words and terms will have the following respective meanings:

“Beneficial Owner” means, with reference to any securities, any Entity if:

1. such Entity is the “beneficial owner” of (as determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Exchange Act, as in effect on the date of this Agreement) such securities; provided, however, that an Entity will not be deemed the “Beneficial Owner” of, or to “beneficially own,” any security under this subsection (i) as a result of an agreement, arrangement or understanding to vote such security if such agreement, arrangement or understanding: (x) arises solely from a revocable proxy or consent given in response to a public (*i.e.*, not including a solicitation exempted by Rule 14a-2(b)(2) of the General Rules and Regulations under the Exchange Act) proxy or consent solicitation made pursuant to, and in accordance with, the applicable provisions of the General Rules and Regulations under the Exchange Act and (y) is not then reportable by such Entity on Schedule 13D under the Exchange Act (or any comparable or successor report); or

2. such Entity is a member of a group (as that term is used in Rule 13d-5(b) of the General Rules and Regulations under the Exchange Act) that includes any other Entity that beneficially owns such securities;

provided, however, that an Entity will not be deemed the “Beneficial Owner” of, or to “beneficially own” any security held by a Norris Family Trust with respect to which such Entity acts in the capacity of trustee, personal representative, custodian, administrator, executor or other fiduciary; provided, further, that nothing in this definition will cause an Entity engaged in business as an underwriter of securities to be the Beneficial Owner of, or to “beneficially own,” any securities acquired through such Entity’s participation in good faith in a firm commitment underwriting until the expiration of forty days after the date of such acquisition. For purposes hereof, “voting” a security will include voting, granting a proxy, consenting, or making a request or demand relating to corporate action (including, without limitation, a demand for a stockholder list, to call a stockholder meeting or to inspect corporate books and records) or otherwise giving an authorization (within the meaning of Section 14(a) of the Exchange Act) in respect of such security.

The terms “beneficially own” and “beneficially owning” will have meanings that are correlative to this definition of the term “Beneficial Owner.”

“Change of Control” means any of the following occurring on or after the date hereof:

(i) Any Entity (other than an Exempt Person) will become the Beneficial Owner of 35% or more of the shares of Common Stock then outstanding or 35% or more of the combined voting power of the Voting Stock of the Company then outstanding; provided, however, that no Change of Control will be deemed to occur for

purposes of this subsection (i) if such Entity will become a Beneficial Owner of 35% or more of the shares of Common Stock or 35% or more of the combined voting power of the Voting Stock of the Company solely as a result of (x) an Exempt Transaction or (y) an acquisition by an Entity pursuant to a reorganization, merger or consolidation, if, following such reorganization, merger or consolidation, the conditions described in clauses (x), (y), and (z) of subsection (iii) of this definition are satisfied;

(ii) 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 will be considered as though such individual were a member of the Incumbent Board; provided, further, that there will be excluded, for this purpose, any such individual whose initial assumption of office occurs as a result of any actual or threatened election contest that is subject to the provisions of Rule 14a-11 under the Exchange Act;

(iii) Approval by the shareholders of the Company of a reorganization, merger or consolidation, in each case, unless, following such reorganization, merger or consolidation, (x) more than 65% of the then outstanding shares of common stock of the corporation resulting from such reorganization, merger or consolidation and the combined voting power of the then outstanding Voting Stock of such corporation is beneficially owned, directly or indirectly, by all or substantially all of the Entities who were the Beneficial Owners of the outstanding Common Stock immediately prior to such reorganization, merger or consolidation (ignoring, for purposes of this clause (x), the first proviso in the definition of “Beneficial Owner” set forth in this Article I) in substantially the same proportions as their ownership immediately prior to such reorganization, merger or consolidation of the outstanding Common Stock, (y) no Entity (excluding any Exempt Person or any Entity beneficially owning, immediately prior to such reorganization, merger or consolidation, directly or indirectly, 35% or more of the Common Stock then outstanding or 35% or more of the combined voting power of the Voting Stock of the Company then outstanding) beneficially owns, directly or indirectly, 35% or more of the then outstanding shares of common stock of the corporation resulting from such reorganization, merger or consolidation or the combined voting power of the then outstanding Voting Stock of such corporation and (z) at least a majority of the members of the board of directors of the corporation resulting from such reorganization, merger or consolidation were members of the Incumbent Board at the time of the execution of the initial agreement or initial action by the Board providing for such reorganization, merger or consolidation; or

(iv) Approval by the shareholders of the Company of (x) a complete liquidation or dissolution of the Company, unless such liquidation or dissolution is approved as part of a plan of liquidation and dissolution involving a sale or disposition of all or substantially all of the assets of the Company to a corporation with respect to which, following such sale or other disposition, all of the requirements of clauses (y)(A), (B) and (C) of this subsection (iv) are satisfied, or (y) the sale or other disposition of all or substantially all of the assets of the Company, other than to a corporation, with respect to which, following such sale or other disposition, (A) more than 65% of the then outstanding shares of common stock of such corporation and the combined voting power

of the Voting Stock of such corporation is then beneficially owned, directly or indirectly, by all or substantially all of the Entities who were the Beneficial Owners of the outstanding Common Stock immediately prior to such sale or other disposition (ignoring, for purposes of this clause (y)(A), the first proviso in the definition of “Beneficial Owner” set forth in this Article I) in substantially the same proportions as their ownership, immediately prior to such sale or other disposition, of the outstanding Common Stock, (B) no Entity (excluding any Exempt Person and any Entity beneficially owning, immediately prior to such sale or other disposition, directly or indirectly, 35% or more of the Common Stock then outstanding or 35% or more of the combined voting power of the Voting Stock of the Company then outstanding) beneficially owns, directly or indirectly, 35% or more of the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding Voting Stock of such corporation and (C) at least a majority of the members of the board of directors of such corporation were members of the Incumbent Board at the time of the execution of the initial agreement or initial action of the Board providing for such sale or other disposition of assets of the Company.

“Claim” means an actual or threatened claim or request for relief.

“Common Stock” means the common stock, par value \$0.01 per share, of the Company.

“Corporate Status” means the status of a person who is or was a director, nominee for director, officer, employee, agent, or fiduciary of the Company (including any predecessors to the Company), or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Company.

“Disinterested Director,” with respect to any request by Indemnitee for indemnification hereunder, means a director of the Company who neither is nor was a party to the Proceeding or subject to a Claim, issue, or matter in respect of which indemnification is sought by Indemnitee.

“DGCL” means the Delaware General Corporation Law and any successor statute thereto as either of them may be amended from time to time.

“Entity” means any individual, firm, corporation, partnership, association, trust, unincorporated organization, or other entity.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Exempt Person” means (i) the Company, any subsidiary of the Company, any employee benefit plan of the Company or any subsidiary of the Company, and any Entity organized, appointed or established by the Company for or pursuant to the terms of any such plan and (ii) any Person who is shown under the caption “Principal and Selling Stockholders” in the Company’s Registration Statement on Form S-1 related to the initial public offering of the Common Stock as beneficially owning (as determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Exchange Act, as in effect on the date of this Agreement) five percent or more of the Common Stock unless and until such Person individually becomes the Beneficial Owner, other than as a result of a distribution from a Norris Family Trust, of an

amount of Common Stock that is 103% or more of the amount of such Common Stock beneficially owned by such Person on the date the Registration Statement is declared effective by the Securities and Exchange Commission.

“Exempt Transaction” means an increase in the percentage of the outstanding shares of Common Stock or the percentage of the combined voting power of the outstanding Voting Stock of the Company beneficially owned by any Entity solely as a result of a reduction in the number of shares of Common Stock then outstanding due to the repurchase of Common Stock by the Company, unless and until such time as such Entity will purchase or otherwise become the Beneficial Owner of additional shares of Common Stock constituting 3% or more of the then outstanding shares of Common Stock or additional Voting Stock representing 3% or more of the combined voting power of the then outstanding Voting Stock.

“Expenses” means all attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or participating in (including on appeal), a Proceeding.

“Independent Counsel” means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither contemporaneously is, nor in the five years theretofore has been, retained to represent (a) the Company or Indemnitee in any matter material to either such party, (b) any other party to the Proceeding giving rise to a claim for indemnification hereunder or (c) the beneficial owner, directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding voting securities (other than, in each such case, with respect to matters concerning the rights of Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements). Notwithstanding the foregoing, the term “Independent Counsel” will not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

“Norris Family Trust” means any trust, estate, custodianship or other fiduciary arrangement (collectively, a “Family Entity”) formed, owned, held or existing primarily for the benefit of the lineal descendants of D.W. Norris, but only if such Family Entity will not at any time hold Common Stock or Voting Stock of the Company with the primary purpose of effecting with respect to the Company (i) an extraordinary corporate transaction, such as a merger, reorganization or liquidation (ii) a sale or transfer of a material amount of assets, (iii) any material change in capitalization, (iv) any other material change in business or corporate structure or operations, (v) changes in corporate charter or bylaws, or (vi) a change in the composition of the Board or of the members of senior management.

“Person” will have the meaning ascribed to such term in Sections 13(d) and 14(d) of the Exchange Act.

“Proceeding” means any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, administrative hearing or any other proceeding, whether civil, criminal, administrative or investigative and whether or not based

upon events occurring, or actions taken, before the date hereof (except any of the foregoing initiated by Indemnitee pursuant to Article VI or Section 7.8 to enforce his rights under this Agreement), and any inquiry or investigation that could lead to, and any appeal in or related to, any such action, suit, arbitration, alternative dispute resolution mechanism, hearing or proceeding.

“Voting Stock” means, with respect to a corporation, all securities of such corporation of any class or series that are entitled to vote generally in the election of directors of such corporation (excluding any class or series that would be entitled so to vote by reason of the occurrence of any contingency, so long as such contingency has not occurred).

ARTICLE II SERVICES BY INDEMNITEE

Section II.1 *Services.* Indemnitee agrees to serve, or continue to serve, as requested or may be requested from time to time, as a director, officer, employee, agent, or fiduciary of the Company. Indemnitee and Company each acknowledge that they have entered into this Agreement as a means of inducing Indemnitee to serve, or continue to serve, the Company in such capacities. Indemnitee may at any time and for any reason resign from such position or positions (subject to any other contractual obligation or any obligation imposed by operation of law). The Company will have no obligation under this Agreement to continue Indemnitee in any such position or positions.

ARTICLE III INDEMNIFICATION

Section III.1 *General.* The Company will indemnify, and advance Expenses to, Indemnitee to the fullest extent permitted by applicable law in effect on the date hereof and to such greater extent as applicable law may thereafter from time to time permit. The rights of Indemnitee provided under the preceding sentence will include, but will not be limited to, the right to be indemnified and to have Expenses advanced in all Proceedings to the fullest extent permitted by Section 145 of the DGCL. The provisions set forth in this Agreement are provided in addition to and as a means of furtherance and implementation of, and not in limitation of, the obligations expressed in this Article III.

Section III.2 *Proceedings Other Than by or in Right of the Company.* Indemnitee will be entitled to indemnification pursuant to this Section 3.2 if, by reason of his Corporate Status, he was, is or is threatened to be made, a party to any Proceeding, other than a Proceeding by or in the right of the Company. Pursuant to this Section 3.2, the Company will indemnify Indemnitee against Expenses, judgments, penalties, fines, and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with any such Expenses, judgments, penalties, fines and amounts paid in settlement) actually and reasonably incurred by him or on his behalf in connection with such Proceeding or any Claim, issue or matter therein, 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 Company, and with respect to any criminal Proceeding, had no reasonable cause to believe his conduct was unlawful. Nothing in this Section 3.2 will limit the benefits of Section 3.1 or any other Section hereunder.

Section III.3 *Proceedings by or in Right of the Company*. Indemnatee will be entitled to indemnification pursuant to this Section 3.3 if, by reason of his Corporate Status, he was, is or is threatened to be made, a party to any Proceeding brought by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3.3, the Company will indemnify Indemnatee against Expenses actually and reasonably incurred by him or on his behalf in connection with such Proceeding or any Claim, issue, or matter therein, 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 Company. Notwithstanding the foregoing, no indemnification against such Expenses will be made in respect of any Claim, issue or matter in such Proceeding as to which Indemnatee will have been adjudged to be liable to the Company if applicable law prohibits such indemnification; *provided, however*, that, if applicable law so permits, indemnification against such Expenses will nevertheless be made by the Company in such event if and only to the extent that the Court of Chancery of the State of Delaware or other court of competent jurisdiction (the "Court"), or the court in which such Proceeding is brought or is pending, shall so determine. Nothing in this Section 3.3 will limit the benefits of Section 3.1 or any other Section hereunder.

ARTICLE IV EXPENSES

Section IV.1 *Expenses of a Party Who Is Wholly or Partly Successful*. Notwithstanding any other provision of this Agreement to the contrary (except as set forth in Section 7.2(c) or 7.6), and without a requirement for any determination described in Section 5.2, the Company will indemnify Indemnatee against all Expenses actually and reasonably incurred by him or on his behalf in connection with any Proceeding to which Indemnatee was or is a party by reason of his Corporate Status and in which Indemnatee is successful, on the merits or otherwise. If Indemnatee is not wholly successful, on the merits or otherwise, in a Proceeding but is successful, on the merits or otherwise, as to any Claim, issue or matter in such Proceeding, the Company will indemnify Indemnatee against all Expenses actually and reasonably incurred by him or on his behalf relating to each successfully resolved Claim, issue, or matter. For purposes of this Section 4.1 and without limitation, the termination of a Claim, issue, or matter in a Proceeding by dismissal, with or without prejudice, will be deemed to be a successful result as to such Claim, issue, or matter.

Section IV.2 *Expenses of a Witness or Non-Party*. Notwithstanding any other provision of this Agreement to the contrary, to the extent that Indemnatee is, by reason of his Corporate Status, a witness or otherwise participates in any Proceeding at a time when he is not a party in the Proceeding, the Company will indemnify him against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

Section IV.3 *Advancement of Expenses*. The Company will pay all reasonable Expenses incurred by or on behalf of Indemnatee in connection with any Proceeding, whether brought by or in the right of the Company or otherwise, in advance of any determination with respect to entitlement to indemnification pursuant to Article V within 15 days after the receipt by the Company of a written request from Indemnatee requesting such payment or payments from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements will reasonably evidence the Expenses incurred by Indemnatee. Indemnatee hereby undertakes and agrees that he will reimburse and repay the Company for any Expenses so advanced to the extent that it will ultimately be determined (in a final adjudication by a court from which there is no further right of appeal or in a final adjudication of an arbitration pursuant

to Section 6.1 if Indemnatee elects to seek such arbitration) that Indemnatee is not entitled to be indemnified by the Company against such Expenses.

**ARTICLE V
PROCEDURE FOR DETERMINATION OF ENTITLEMENT
TO INDEMNIFICATION**

Section V.1 *Request by Indemnatee.* To obtain indemnification under this Agreement, Indemnatee will submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnatee and is reasonably necessary to determine whether and to what extent Indemnatee is entitled to indemnification. The Secretary or an Assistant Secretary of the Company will, promptly upon receipt of such a request for indemnification, advise the members of the Board in writing that Indemnatee has requested indemnification.

Section V.2 *Determination of Request.* Upon written request by Indemnatee for indemnification pursuant to Section 5.1, a determination, if required by applicable law, with respect to Indemnatee's entitlement thereto will be made in the specific case as follows:

(a) If a Change in Control occurs, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnatee unless Indemnatee requests that such determination be made by the Disinterested Directors, in which case in the manner provided for in clause (i) or (ii) of paragraph (b) below;

(b) If a Change in Control has not occurred, (i) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (ii) by a committee of Disinterested Directors designated by majority vote of the Disinterested Directors, even though less than a quorum of the Board, (iii) if there are no Disinterested Directors, or if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to the Indemnatee, or (iv) if Indemnatee and the Company mutually agree, by the stockholders of the Company; or

(c) As provided in Section 5.4(b).

If it is so determined that Indemnatee is entitled to indemnification hereunder, payment to Indemnatee will be made within 15 days after such determination. Indemnatee will cooperate with the person or persons making such determination with respect to Indemnatee's entitlement to indemnification, including providing to such person upon reasonable advance request any documentation or information that is not privileged or otherwise protected from disclosure and that is reasonably available to Indemnatee and reasonably necessary for such determination. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnatee in so cooperating with the person or persons making such determination will be borne by the Company (irrespective of the determination as to Indemnatee's entitlement to indemnification), and the Company will indemnify and hold harmless Indemnatee therefrom.

Section V.3 *Independent Counsel.* If a Change in Control has not occurred and the determination of entitlement to indemnification is to be made by Independent Counsel, the

Independent Counsel will be selected by (a) a majority vote of the Disinterested Directors, even though less than a quorum of the Board or (b) if there are no Disinterested Directors, by a majority vote of the Board, and the Company will give written notice to Indemnitee, within 10 days after receipt by the Company of Indemnitee's request for indemnification, specifying the identity and address of the Independent Counsel so selected. If a Change in Control has occurred and the determination of entitlement to indemnification is to be made by Independent Counsel, the Independent Counsel will be selected by Indemnitee, and Indemnitee will give written notice to the Company, within 10 days after submission of Indemnitee's request for indemnification, specifying the identity and address of the Independent Counsel so selected (unless Indemnitee will request that such selection be made by the Disinterested Directors, in which event the Company will give written notice to Indemnitee, within 10 days after receipt of Indemnitee's request for the Disinterested Directors to make such selection, specifying the identity and address of the Independent Counsel so selected). In either event, (i) such notice to Indemnitee or the Company, as the case may be, will be accompanied by a written affirmation of the Independent Counsel so selected that it satisfies the requirements of the definition of "Independent Counsel" in Article I and that it agrees to serve in such capacity and (ii) Indemnitee or the Company, as the case may be, may, within seven days after such written notice of selection will have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection. Any objection to selection of Independent Counsel pursuant to this Section 5.3 may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of the definition of "Independent Counsel" in Article I, and the objection will set forth with particularity the factual basis of such assertion. If such written objection is timely made, the Independent Counsel so selected may not serve as Independent Counsel unless and until the Court has determined that such objection is without merit. In the event of a timely written objection to a choice of Independent Counsel, the party originally selecting the Independent Counsel will have seven days to make an alternate selection of Independent Counsel and to give written notice of such selection to the other party, after which time such other party will have five days to make a written objection to such alternate selection. If, within 30 days after submission of Indemnitee's request for indemnification pursuant to Section 5.1, no Independent Counsel will have been selected and not objected to, either the Company or Indemnitee may petition the Court for resolution of any objection that will have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Court or by such other person as the Court will designate, and the person with respect to whom an objection is so resolved or the person so appointed will act as Independent Counsel under Section 5.2. The Company will pay any and all reasonable fees and expenses incurred by such Independent Counsel in connection with acting pursuant to Section 5.2, and the Company will pay all reasonable fees and expenses incident to the procedures of this Section 5.3, regardless of the manner in which such Independent Counsel was selected or appointed. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 6.1, Independent Counsel will be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section V.4 *Presumptions and Effect of Certain Proceedings.*

(a) Indemnitee will be presumed to be entitled to indemnification under this Agreement upon submission of a request for indemnification pursuant to Section 5.1, and the Company will have the burden of proof in overcoming that presumption in reaching a determination contrary to that presumption. Such presumption will be used by Independent Counsel (or other person or persons determining entitlement to indemnification) as a basis for a determination of entitlement to indemnification unless the Company provides information sufficient to overcome such presumption by clear and convincing evidence.

(b) If the person or persons empowered or selected under this Article V to determine whether Indemnitee is entitled to indemnification will not have made a determination within 60 days after receipt by the Company of Indemnitee's request for indemnification, the requisite determination of entitlement to indemnification will be deemed to have been made and Indemnitee will be entitled to such indemnification, absent (i) a knowing misstatement by Indemnitee of a material fact, or knowing omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with Indemnitee's request for indemnification, or (ii) a prohibition of such indemnification under applicable law; *provided, however*, that such 60-day period may be extended for a reasonable time, not to exceed an additional 30 days, if the person making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating to such determination; *provided further*, that the 60-day limitation set forth in this Section 5.4(b) will not apply and such period will be extended as necessary (i) if within 30 days after receipt by the Company of Indemnitee's request for indemnification under Section 5.1 Indemnitee and the Company have agreed, and the Board has resolved, to submit such determination to the stockholders of the Company pursuant to Section 5.2(b) for their consideration at an annual meeting of stockholders to be held within 90 days after such agreement and such determination is made thereat, or a special meeting of stockholders for the purpose of making such determination to be held within 60 days after such agreement and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel, in which case the applicable period will be as set forth in clause (c) of Section 6.1.

(c) The termination of any Proceeding or of any Claim, issue or matter by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of *nolo contendere* or its equivalent, will not by itself adversely affect the rights of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith or in a manner that he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful. Indemnitee will be deemed to have been found liable in respect of any Claim, issue, or matter only after he will have been so adjudged by the Court after exhaustion of all appeals therefrom.

**ARTICLE VI
CERTAIN REMEDIES OF INDEMNITEE**

Section VI.1 *Indemnitee Entitled to Adjudication in an Appropriate Court.* If (a) a determination is made pursuant to Article V that Indemnitee is not entitled to indemnification under this Agreement, (b) there has been any failure by the Company to make timely payment or advancement of any amounts due hereunder, or (c) the determination of entitlement to indemnification is to be made by Independent Counsel and such determination will not have been made and delivered in a written opinion within 90 days after the latest of (i) such Independent Counsel's being appointed, (ii) the overruling by the Court of objections to such counsel's selection or (iii) expiration of all periods for the Company or Indemnitee to object to such counsel's selection, Indemnitee will be entitled to commence an action seeking an adjudication in the Court of his entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the commercial arbitration rules of the American Arbitration Association. Indemnitee will commence such action seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such action pursuant to this Section 6.1, or such right will expire. The Company will not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

Section VI.2 *Adverse Determination Not to Affect any Judicial Proceeding.* If a determination will have been made pursuant to Article V that Indemnitee is not entitled to indemnification under this Agreement, any judicial proceeding or arbitration commenced pursuant to this Article VI will be conducted in all respects as a *de novo* trial or arbitration on the merits, and Indemnitee will not be prejudiced by reason of such initial adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Article VI, Indemnitee will be presumed to be entitled to indemnification or advancement of Expenses, as the case may be, under this Agreement and the Company will have the burden of proof in overcoming such presumption and to show by clear and convincing evidence that Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

Section VI.3 *Company Bound by Determination Favorable to Indemnitee in any Judicial Proceeding or Arbitration.* If a determination is made or deemed to have been made pursuant to Article V that Indemnitee is entitled to indemnification, the Company will be irrevocably bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Article VI and will be precluded from asserting that such determination has not been made or that the procedure by which such determination was made is not valid, binding and enforceable, in each such case absent (a) a knowing misstatement by Indemnitee of a material fact, or a knowing omission of a material fact necessary to make a statement by Indemnitee not materially misleading, in connection with Indemnitee's request for indemnification or (b) a prohibition of such indemnification under applicable law.

Section VI.4 *Company Bound by the Agreement.* The Company will be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Article VI that the procedures and presumptions of this Agreement are not valid, binding, and enforceable and will stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

Section VI.5 *Indemnitee Entitled to Expenses of Judicial Proceeding.* If Indemnitee seeks a judicial adjudication of or an award in arbitration to enforce his rights under, or to recover damages for breach of, this Agreement, Indemnitee will be entitled to recover from the Company, and the Company will indemnify Indemnitee against, any and all expenses (of the types described in the definition of Expenses in Article I) actually and reasonably incurred by him in such judicial adjudication or arbitration but only if Indemnitee prevails therein. If it is determined in such judicial adjudication or arbitration that Indemnitee is entitled to receive part but not all of the indemnification or advancement of expenses or other benefit sought, the expenses incurred by Indemnitee in connection with such judicial adjudication or arbitration will be equitably allocated between the Company and Indemnitee. Notwithstanding the foregoing, if a Change in Control has occurred, Indemnitee will be entitled to indemnification under this Section 6.5 regardless of whether Indemnitee ultimately prevails in such judicial adjudication or arbitration.

ARTICLE VII MISCELLANEOUS

Section VII.1 *Non-Exclusivity.* The rights of Indemnitee to receive indemnification and advancement of Expenses under this Agreement will not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation or Bylaws of the Company, any other agreement, vote of stockholders or a resolution of directors, or otherwise. No amendment or alteration of the Certificate of Incorporation or Bylaws of the Company or any provision thereof will adversely affect Indemnitee's rights hereunder and such rights will be in addition to any rights Indemnitee may have under the Company's Certificate of Incorporation, Bylaws and the DGCL or otherwise. To the extent that there is a change in the DGCL or other applicable law (whether by statute or judicial decision) that allows greater indemnification by agreement than would be afforded currently under the Company's Certificate of Incorporation or Bylaws and this Agreement, it is the intent of the parties hereto that the Indemnitee will enjoy by virtue of this Agreement the greater benefit so afforded by such change.

Section VII.2 *Insurance and Subrogation.*

(a) To the extent the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, agents or fiduciaries of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person serves at the request of the Company, Indemnitee will be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee, agent or fiduciary under such policy or policies.

(b) In the event of any payment by the Company under this Agreement, the Company will be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who will execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(c) The Company will not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under the Company's Certificate of Incorporation or Bylaws or any insurance policy, contract, agreement or otherwise.

Section VII.3 *Certain Settlement Provisions.* The Company will have no obligation to indemnify Indemnitee under this Agreement for amounts paid in settlement of a Proceeding or Claim without the Company's prior written consent. The Company will not settle any Proceeding or Claim in any manner that would impose any fine or other obligation on Indemnitee without Indemnitee's prior written consent. Neither the Company nor Indemnitee will unreasonably withhold their consent to any proposed settlement.

Section VII.4 *Duration of Agreement.* This Agreement will continue for so long as Indemnitee serves as a director, nominee for director, officer, employee, agent or fiduciary of the Company or, at the request of the Company, as a director, nominee for director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, and thereafter will survive until and terminate upon the latest to occur of (a) the expiration of 10 years after the latest date that Indemnitee will have ceased to serve in any such capacity; (b) the final termination of all pending Proceedings in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Article VI relating thereto; or (c) the expiration of all statutes of limitation applicable to possible Claims arising out of Indemnitee's Corporate Status.

Section VII.5 *Notice by Each Party.* Indemnitee will promptly notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document or communication relating to any Proceeding or Claim for which Indemnitee may be entitled to indemnification or advancement of Expenses hereunder; *provided, however,* that any failure of Indemnitee to so notify the Company will not adversely affect Indemnitee's rights under this Agreement except to the extent the Company has been materially prejudiced as a direct result of such failure. The Company will notify promptly Indemnitee in writing, as to the pendency of any Proceeding or Claim that may involve a claim against the Indemnitee for which Indemnitee may be entitled to indemnification or advancement of Expenses hereunder.

Section VII.6 *Certain Persons Not Entitled to Indemnification.* Notwithstanding any other provision of this Agreement to the contrary, Indemnitee will not be entitled to indemnification or advancement of Expenses hereunder with respect to any Proceeding or any Claim, issue, or matter therein, brought or made by Indemnitee against the Company or any affiliate of the Company, except as specifically provided in Article V or Article VI.

Section VII.7 *Indemnification for Negligence, Gross Negligence, etc.* Without limiting the generality of any other provision hereunder, it is the express intent of this Agreement that Indemnitee be indemnified and Expenses be advanced regardless of Indemnitee's acts of negligence, gross negligence or intentional or willful misconduct to the extent that indemnification and advancement of Expenses is allowed pursuant to the terms of this Agreement and under applicable law.

Section VII.8 *Enforcement.* The Company agrees that its execution of this Agreement will constitute a stipulation by which it will be irrevocably bound in any court or arbitration in which a proceeding by Indemnitee for enforcement of his rights hereunder will have been commenced, continued or appealed, that its obligations set forth in this Agreement are unique and special, and that failure of the Company to comply with the provisions of this Agreement will cause irreparable and irremediable injury to Indemnitee, for which a remedy at law will be inadequate. As a result, in addition to any other right or remedy he may have at law or in equity with respect to breach of this Agreement, Indemnitee will be entitled to injunctive or mandatory relief directing specific performance by the Company of its obligations under this Agreement.

Section VII.9 *Successors and Assigns.* All of the terms and provisions of this Agreement will be binding upon, will inure to the benefit of and will be enforceable by the parties hereto and their respective successors, assigns, heirs, executors, administrators, legal representatives. The Company will require and cause any direct or indirect successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement in form and substance reasonably satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section VII.10 *Amendment.* This Agreement may not be modified or amended except by a written instrument executed by or on behalf of each of the parties hereto.

Section VII.11 *Waivers.* The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party entitled to enforce such term only by a writing signed by the party against which such waiver is to be asserted. Unless otherwise expressly provided herein, no delay on the part of any party hereto in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any waiver on the part of any party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor will any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

Section VII.12 *Entire Agreement.* This Agreement and the documents expressly referred to herein constitute the entire agreement between the parties hereto with respect to the matters covered hereby, and any other prior or contemporaneous oral or written understandings or agreements with respect to the matters covered hereby are expressly superseded by this Agreement.

Section VII.13 *Severability.* If any provision of this Agreement (including any provision within a single section, paragraph or sentence) or the application of such provision to any person or circumstance, will be judicially declared to be invalid, unenforceable or void, such decision will not have the effect of invalidating or voiding the remainder of this Agreement or affect the application of such provision to other persons or circumstances, it being the intent and agreement of the parties that this Agreement will be deemed amended by modifying such provision to the extent necessary to render it valid, legal and enforceable while preserving its intent, or if such modification is not possible, by substituting therefor another provision that is valid, legal and enforceable and that achieves the same objective. Any such finding of invalidity

or unenforceability will not prevent the enforcement of such provision in any other jurisdiction to the maximum extent permitted by applicable law.

Section VII.14 *Notices*. All notices and other communications hereunder will be in writing and will be deemed given upon (a) transmitter's confirmation of a receipt of a facsimile transmission, (b) confirmed delivery of a standard overnight courier or when delivered by hand or (c) the expiration of five business days after the date mailed by certified or registered mail (return receipt requested), postage prepaid, to the parties at the following addresses (or at such other addresses for a party as will be specified by like notice):

If to the Company:

Lennox International Inc.
2140 Lake Park Blvd.
Richardson, Texas 75080

Attention: Chief Executive Officer
Facsimile: (972) 497-6042

If to Indemnitee, at his then current residential address.

Section VII.15 *Certain Construction Rules*.

(a) The article and section headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement. As used in this Agreement, unless otherwise provided to the contrary, (i) all references to days will be deemed references to calendar days and (ii) any reference to a "Section" or "Article" will be deemed to refer to a section or article of this Agreement. The words "hereof," "herein" and "hereunder" and words of similar import referring to this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they will be deemed to be followed by the words "without limitation." Unless otherwise specifically provided for herein, the term "or" will not be deemed to be exclusive. Whenever the context may require, any pronoun used in this Agreement will include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs will include the plural and vice versa.

(b) For purposes of this Agreement, references to "other enterprises" will include employee benefit plans; references to "fines" will include any excise taxes assessed on a person with respect to any employee benefit plan; references to "serving at the request of the Company" will include any service as a director, nominee for director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, nominee, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan will be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.

Section VII.16 *Governing Law*. This Agreement will be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to the conflicts of laws principles thereof.

Section VII.17 *Counterparts*. This Agreement may be executed in two or more counterparts, each of which will be deemed to be an original and all of which together will be deemed to be one and the same instrument, notwithstanding that both parties are not signatories to the original or same counterpart.

The signatures below confirm the parties' acceptance of the terms of this Agreement.

LENNOX INTERNATIONAL INC.

Name:
Title:
Date: _____

INDEMNITEE

[Name]
Date: _____