

Model Notification to Eligible Employees

I. Opportunity to Participate in the SIMPLE IRA Plan

You are eligible to make salary reduction contributions to the The Lennox Companies (plan sponsor's name) SIMPLE IRA plan. This notice and the attached summary description provide you with information you should consider before you decide whether to start, continue or change your salary reduction agreement.

II. Employer Contribution Election

For the ____ calendar year, the employer elects to contribute to your SIMPLE IRA [employer must select either (1), (2) or (3)]:

- (1) A matching contribution equal to your salary reduction contributions up to a limit of 3% of your compensation for the year;
- (2) A matching contribution equal to your salary reduction contributions up to a limit of 1% (employer must insert a number from 1 to 3 and is subject to certain restrictions) of your compensation for the year; or
- (3) A nonelective contribution equal to 2% of your compensation for the year (limited to \$260,000*) if you are an employee who makes at least \$_____ (employer must insert an amount that is \$5,000 or less) in compensation for the year.

III. Administrative Procedures

To start or change your salary reduction contributions, you must complete the salary reduction agreement and return it to Chris Garner (employer should designate a place or individual) by _____ (employer should insert a date that is not less than 60 days after notice is given).

IV. Employee Selection of Financial Institution

You must select the financial institution that will serve as the trustee, custodian or issuer of your SIMPLE IRA and notify your employer of your selection. Wells Fargo Advisors

*This is the amount for 2014. For later years, the limit may be increased for cost-of-living adjustments. The IRS announces the increase, if any, in a news release, in the Internal Revenue Bulletin, and on the IRS website at IRS.gov.

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