



Sales Plan

TITLE:

Top Ten Sales Incentive Plan

DATE: **August 13, 2018** NO: **SP835C**

DEPARTMENT: **Sales**

- I. EFFECTIVE PERIOD:** January 1, 2018 through December 31, 2018
- II. PURPOSE:** To provide recognition and reward for Territory Managers that exceed plan results in Total Revenue Sales and New Dealer Development Dollars.
- III. ELIGIBLE PARTICIPANTS:** Territory Managers for Trane Independent Wholesale Distributors ("IWD") and Trane District Sales Offices (DSO) ("TMs" or "Territory Managers").

In order to be eligible for the 2018 Top Ten Sales Incentive Plan, TMs must meet all of the following criteria:

- A. TM must have been responsible for an outside sales territory since June 1, 2017.
- B. **100% realization** of TM's 2018 Total Trane and Ameristar Gross Sales Billed plan.
- C. TM's must generate a minimum of \$3.0M in 2018 Gross Sales Billed dollars.
- D. TM Gross Sales Billed plan for 2018 will be measured against a minimum of **\$3.0M** in Trane and Ameristar product sales. If TM Gross Sales Billed plan is less than \$3.0M, performance will be measured as if \$3.0M was the TM Gross Sales Billed plan for the territory. Plans greater than \$3.0M will be measured against actual plan.
- E. TM's must generate a minimum of \$300,000 in 2018 New Dealer Development dollars.
- F. New Dealer Development will be measured by total New Dealer sales of Trane and Ameristar product as compared to previous years where it was ranked as variance to plan.

IV. Top Ten Groups: Territory Managers will be divided into 4 groups based on territory size.

Company Owned Distribution

Group 1 Territory Size: Above \$5,800,000

Group 2 Territory Size: Below \$5,800,000

IWD

Group 1 Territory Size: Above \$4,650,000

Group 2 Territory Size: Below \$4,650,000

Within each group there will be a similar number of participants. The Top Ten percent of each group will be determined to be the winner based on the criteria outline in section VI below.

V. Plan Metrics, Weighting and Scoring:

A. The TM will earn performance points in two individually weighted metrics:

Plan Metric	Scoring	Weight
1. Total Revenue Sales	Dollar variance to plan	70%
2. Total New Dealer Development Dollars	Current year new dealer sales plus second year new dealer growth dollars . To be counted as current-year new dealer business, each new account must purchase a minimum of \$50,000.	30%

- B. Performance for each criterion (listed in IV.A-F above) will be individually ranked. Then each metric will be multiplied by their assigned weighting as listed in the chart above.
- C. Plans for Residential and Lt. Commercial sales for the entire IWD/Company Owned office were set by the Trane Regional Managers/Sales Directors and communicated to their respective IWD/Company Owned offices. Plans for the TM's are set locally and have been approved by the IWD Regional Manager/COMPANY OWNED Sales Director and communicated to the TM. Individual TM plans must collectively equal the IWD/COMPANY OWNED DISTRIBUTION's net overall budgets after accounting for inside sales volume and dealers assigned to sales leaders.
- D. All IWD plans are based on submitted IWD Business Plans and must be on file with Zoe Emerson. COMPANY OWNED DISTRIBUTION plans must be kept up to date with Zoe Emerson.
- E. IWDs must report individual TM performance using the "Monthly Data Collection" YTD updates are due by the 9th of the following month to the Regional Manager.
- F. Top Ten standings will be posted on TraneNet between 30 to 40 days after month end. Final standings will be posted by January 31, 2019.
- G. **Any account assignments made during the course of the year that has an impact on sales plans must be communicated to the Regional Manager (IWD) or Sales Director (COMPANY OWNED DISTRIBUTION). IWD's must send an updated TM Justification worksheet to Zoe Emerson. Any plan changes will require the approval from the Trane Sales Director and Kevin Baxter.**

VII. Award/Recognition:

- A. Each winning Eligible Participant and their one guest will be hosted by Trane on a trip destination that will be communicated at a later date. All winning Eligible Participants and their guests must be over the age of 21 years old. Additional trip details will be provided by Trane, at its sole discretion. In the event winning Eligible Participant earns the Award/Recognition, but they or their guest cannot attend, Eligible Participant (and their guest) agree and acknowledge that they will forfeit the Award/Recognition.
- B. Every winning Eligible Participant and all of their guests must sign a Trip Participants Waiver and Release, as shown in Exhibit A.
- C. Every winning Eligible Participant and all of their guests are solely responsible for obtaining their own travel documents and requirements (such as visas and passports) and are encouraged to visit the U.S. State Department's website for the most current passport and visa requirements. Non-U.S. residents should consult the appropriate consulates regarding passport, visa and other document requirements. All winning Eligible Participants and their guests must have valid government-issued proof of citizenship to travel, in addition to any other requirements of the country visiting during the trip. Those without proper documentation may be denied travel and may be denied entry to the country if they do not meet the country's entry requirements.
- D. IRS regulations consider awarded prizes as additional compensation (and therefore taxable to the recipient). For Trane Company Owned Distribution employees, Trane will deduct estimated taxes from

the employees' paychecks and the cash value of the prize will be reflected in the 2018 W-2 form for COMPANY OWNED DISTRIBUTION employees. IWD employees will be issued 1099 forms.

VIII. Disclaimer

- A. Trane reserves that right to change, modify, or cancel at any time without notice.

IX. Legal Requirements

THIS DOCUMENT CONTAINS CONFIDENTIAL, PROPRIETARY OR TRADE SECRET INFORMATION OF TRANE U.S., INC. IT MAY NOT BE DISCLOSED TO ANY THIRD PARTY WITHOUT PRIOR WRITTEN CONSENT FROM TRANE U.S., INC. OR ITS AFFILIATES. DISTRIBUTOR/DEALER MAY BE LIABLE FOR ANY UNAUTHORIZED DISTRIBUTION.

The information provided herein is considered confidential and proprietary information of Trane U.S., Inc., and its affiliates ("Trane"). It is provided for the sole purpose of permitting the recipient to promote Trane products and services. Recipient agrees to maintain the confidentiality of all proprietary, trade secret information, including confidential pricing data provided in this document. The Recipient hereby agrees that it will not at any time disclose this confidential information or material, in whole or in part, to any person or entity for any reason or purpose whatsoever, unless Trane gives its consent, in writing, to such disclosure, except as required by law. The agreement to maintain the confidentiality of this information extends to any employees, pre or future, involved in the work desired and who will have access to the information. These employees will hold the information in confidence in accordance with this agreement and use the information only in the performance of their employment. Recipient agrees to review this agreement and its terms with employees and will obtain their agreement with the terms of this agreement before providing them with any Trane confidential information.

Amendments, Modifications, or Exceptions

Trane reserves the right to amend, modify, or cancel the program, or any portion at any time. Amendments are not effective unless they are published by Trane in formal Guidelines or are signed by an authorized Trane representative. Any exceptions to the program guidelines must be approved in writing by an authorized Trane representative.

No Other Obligation

Trane shall have no fiduciary duties or other special duties of any kind to any distributor/dealer under the program other than as expressly set forth in these guidelines.

Legal Liability

By participating in this program, each participating distributor/dealer warrants that its marketing programs and initiatives are in compliance with all antitrust pricing laws and federal/state/local regulations. Trane does not undertake any legal responsibility for the local management and execution of their marketing programs.

Document Retention

It is the distributors/dealers responsibility to maintain copies of supporting documentation and claim reimbursement paperwork for a minimum of 24 months after reimbursement. Prior to implementing any change in your record retention policies, please consult with your accountant and attorney to determine whether you need to retain these records for other business or legal purposes.

Claims Auditing

All reimbursements under the program are subject to audit. If reimbursement is received on any claim that is later determined to be ineligible, the distributors/dealers account will be either be debited or invoiced in the amount of the ineligible claim plus reasonable and customary expenses incurred for conducting the audit.

Program Violation

Violation of these guidelines may result in termination of the applicable Distributor Agreement or Dealer Sales Agreement or any portion thereof, including but not limited to an immediate revocation of any and all rights to use or display Trane intellectual property (logo's, trademarks, creative).

Financial Status

Eligibility for program and reimbursements are contingent upon Distributor/Dealer having an executing Distributor Agreement or Dealer Sales Agreement on file and their account being active and in good standing/current as determined solely by Trane.

Privacy Policy Disclosure Statement

As part of this program and within Trane's sole discretion, Trane collects various information to support its development and delivery of quality products, services, and programs to its consumers. In order to ensure that Trane programs are provided and that proper quality in service is achieved, Trane may from time to time directly contact homeowners who purchase Trane products or services to survey customer satisfaction, to evaluate homeowner's reactions to an interest in Trane products and services, and to conduct research activities. These surveys are a result of such things as independent dealer programs, product registrations, extended warranties, etc. and may be provided to you for the homeowner's future purchase of Trane products and services. Any information received or obtained by Trane will be held in accordance with Trane's privacy policy, which may be obtained at www.trane.com. Trane may from time to time also directly contact homeowners when requested by the homeowner, when required by contract or law, or when a registered homeowner has not received all available coverage for its Trane products.

Termination

This sales plan is subject to termination or modification at any time by Trane.

Exhibit A:

TRIP PARTICIPANTS WAIVER AND RELEASE
2018 Top Ten Sales Incentive Plan Award/Recognition Trip

In consideration of my participation in this trip activity ("Trip Activity"), I do hereby release and forever discharge Trane U.S. Inc., its entities, successors, assigns, predecessors, agents, employees, representatives, agents, officers, directors, shareholders, members, owners, subsidiaries, parents, affiliates, attorneys, assigns and insurers (hereinafter "Trane"), from any and all claims, demands and causes of action arising out of or related to the Trip Activity. I agree to indemnify and hold harmless Trane from any and all of the liabilities described above arising out of or connected with participation in such Trip Activity. This waiver and release shall be binding upon the undersigned's heirs, executors, administrator, assigns and successors.

Trane is merely the sponsor of this Trip Activity and shall not be liable for damage to property or injury, including death of any participant or third party. It is understood that Trane has no control over scheduling, ticketing, departures, seating or baggage handling and Trane shall not be responsible for loss or damage to personal property belonging to participants, or for delays, misconnections or cancellations by any carriers connected to this Trip Activity, including but not limited to, the airlines and hotel accommodations.

All fuel adjustment costs, airline cancellation fees, surcharges of carriers or other vendor costs of 3% or more may be passed on to trip participants.

It is understood that I am solely responsible for obtaining my own travel documents (for example visas and/or passports) and for complying with the country's requirements for entry. I understand that without proper documentation I may be denied travel and may be denied entry to the country if I do not meet the country's entry requirements.

Trane's total liability to any participant shall not exceed an amount equal to any amount paid by the participant to Trane, excluding non-refundable deposits, and in no event shall Trane be liable for consequential or special damages.

Trane may, at any time, cancel any travel plan without cause. In the event of such cancellation, Trane's sole liability shall be to refund payments, with the exception of non-refundable deposits, made by participants.

Trane may, at any time, cancel due to force majeure any travel included in the plan without liability: (i) if as a result of internal or international disturbances, acts of war, acts of terrorism, or other causes beyond Trane's control, the travel would, in TRANE's opinion, present an unreasonable risk to the safety of participants; (ii) if conducting the Trip Activity would be contrary to any law, order or regulation of the United States government or any other government; or (iii) if, as a result of internal or international disturbances, acts of war, acts of terrorism, or other causes beyond Trane's control, conducting the travel would cause Trane's cost for the travel to increase by more than 15%.

SIGNED: _____ Date: _____

Printed Name/ Title _____

NOTE: ALL Travelers MUST SIGN THIS FORM Prior to Travel