

TRANE

and

INTERNATIONAL UNION, UNITED AUTOMOBILE WORKERS, AEROSPACE AND
AGRICULTURAL IMPLEMENT WORKERS LOCAL 912

MEMORANDUM OF AGREEMENT

October 24, 2018

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This Memorandum of Agreement is by and between, TRANE together with its parent, subsidiaries, divisions and affiliates, hereinafter referred to as the "Company," and LOCAL 912, INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE, AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, hereinafter referred to as the "Union."

WHEREAS, Trane and the Union are parties to a collective bargaining agreement ("CBA"), which is set to expire on February 29, 2020;

WHEREAS, the Union represents all production and maintenance employees, including work leaders, shipping and receiving unit employees, store room employees, tool room employees, and janitors ("Bargaining Unit Employees") at the Company's Lexington, Kentucky Facility;

WHEREAS, the Company has advised the Union and the Bargaining Unit Employees of the Company's intention to cease the need for production and maintenance employees at the Lexington, Kentucky facility and transfer all bargaining unit work currently performed by Bargaining Unit Employees to the Trane Columbia South Carolina Facility;

WHEREAS, it is anticipated that all manufacturing operations will cease by December 31, 2019;

WHEREAS, the union requested and the Company agreed to include in this agreement that for a two year period the Company will not build another Trane Commercial manufacturing facility within a 35 mile radius of Lexington Kentucky;

WHEREAS, the Company and the Union have fully negotiated in good faith with respect to the Company's decision, and the impact of the Company's decision upon the Union and the Bargaining Unit Employees; and

WHEREAS, the Company and the Union have reached a full and final agreement on all issues, and now desire to reduce to writing the agreement they have reached;

NOW, THEREFORE, in consideration of the mutual promises and covenants of the parties, as set forth herein, it is hereby agreed as follows:

1. Collective Bargaining Agreement

The parties agree that the CBA between the Company and Union will terminate, and all obligations under the CBA, will cease upon the termination of the expiration date of February 29, 2020. Additionally, any and all other agreements between the parties (with the exception of this Memorandum of Agreement), whether written or verbal, including but not limited to side letters, prior collective bargaining agreements, addendum agreements, and memoranda of understanding, and all obligations thereunder, shall also terminate. To the extent that any provision of this Memorandum of Agreement is inconsistent with any provision of the CBA, the terms of this Memorandum of Agreement shall govern and any such inconsistent provision of the CBA is hereby declared null and void. Accordingly, the CBA is expressly

modified as set forth herein. This does not prohibit the Union from utilizing Paragraph 145 of the current CBA to provide notice of submission to arbitration at Step 5 of the grievance procedure.

2. Severance Allowance Enhancement

The Company has agreed to a Severance Allowance Enhancement from MOA #38 of the CBA, as follows:

An eligible individual shall receive Severance Allowance Enhancement based upon the following for the corresponding continuous Company service:

<u>Weeks of Continuous Service</u>	<u>Severance Payment</u>
Less than 8 Years	8 Weeks Minimum
8 Years and greater	Maximum: 1 week's pay times every year of full service, with a maximum of 30 week's pay

Calculation of Severance Allowance Enhancement

The severance enhancement payment shall be computed by multiplying the employee's hourly rate of pay, excluding any premiums of any sort, at the time of layoff times forty (40) hours, times the number of weeks to which the employee is entitled, minus applicable taxes.

Non-Duplication of Payment

If during the term of this Agreement there is established by Federal or State Government, a law or program that affords to employees covered by this Agreement similar benefits as described in this severance payment section, the severance payment described herein shall be reduced to the extent required to maintain a level of benefit which, when combined with Federal or State programs, will equal the benefit herein.

Severance Payment

1. All severance payments will be paid to the employee, in a lump sum payment, within two (2) weeks following the Employee's termination and will not be eligible for 401k matching.

Eligibility of Severance Allowance Enhancement

To be eligible to receive a severance allowance, an employee:

1. Must have been actively employed and on the Company payroll on the date of this Agreement, or on medical leave or Workers' Compensation, and be returned to work prior to the time slated for his/her termination. An employee who subsequently go on medical leave and or Workers Compensation, will be required to return to work prior to the time slated for his/her termination;
2. Must not be discharged for just cause;
3. Who quits or is discharged, or leaves the Company for any reason whatsoever prior to official release by the Company in connection with the closing, moving of the plant, or any major part thereof, shall not be qualified to receive the benefits as outlined in this Agreement.

With regard to #1, above, an employee who is not actively employed and on the Company payroll due to medical leave or Workers' Compensation and has not returned to work prior to the time slated for his/her termination will not receive duplicate payment of Short Term Disability and or Workers Compensation and Severance. Therefore, their severance payment will be reduced, by the amount the employee received under Short Term Disability and or Workers Compensation for the time period of their slated termination and their actual return to work. For example, if an employee on Short Term Disability and or Workers Compensation is slated to be released on May 1, 2019 and will be released from medical or Workers Compensation on June 1, 2019, their severance payment will be reduced by the difference in compensation from their Short Term Disability and or Workers Compensation to that of their severance.

To be eligible, an employee must notify the Company, within two business days from the date of their medical release to return to work, to be eligible for any severance payment.

An employee who is terminated by the Company and to whom the Company tenders a severance pay allowance shall, from and after the date of his termination, no longer be considered an employee of the Company.

Medical and Dental

1. Coverage continue at the same cost as active employees for up to 90 days following the day the employee is terminated. After that, an employee may continue coverage up to 36 months by paying the full cost. COBRA may be available.

Basic and Supplemental Life and AD&D

1. After the probationary period (as specified in your current CBA), company-paid basic life and basic AD&D coverage will continue at no cost to the employee until the end of the month following the month the employee has been terminated.

Vacation:

1. Employees terminate in 2019, shall be paid out their remaining vacation in accordance with the current CBA and will be eligible for any vacation pay for 2020, pursuant the current CBA.

Considerations for Severance Allowance Enhancement:

- 1) The Company will phase out operations at the Lexington facility in such a manner and over such period of time as the Company shall, from time to time, determine. Pursuant to the foregoing, the Company may relocate, remove or otherwise sell or dispose of all contents of the Lexington facility, including the machinery, equipment and other physical properties located therein. It is recognized, that to implement the actions described above, the Company will find it necessary to abolish the jobs of the employees involved and terminate their employment.
- 2) Further to successfully complete, the cessation of operations, the Company shall provide, the union a 30 day notice, and have the right to operate outside the seniority provisions of the Collective Bargaining Agreement with regard to bidding, bumping, and termination for the number of employees in each specific job noted below:
 - a) Salvaginini = 21 employees
 - b) Brakes = 12 Employees
 - c) Turrets = 2 Employees
 - d) Shears = 2 Employees
 - e) Cut To Length = 3 Employees
 - f) Spot Weld = 4 Employees
 - g) Water Jet – 6 Employees
 - h) Robot = 4 Employees
 - i) Foam Manual = 6 Employees
 - j) Fans = 2 Employees
 - k) Flex Factor = 14 Employees
 - l) Weatherization & Paint = 6 Employees
 - m) Shipping = 12 Employees
 - n) Stores, Receiving & Supermarket = 16 Employees
 - o) Maintenance, Tool & Die , Moonshiners = 15 Employees
 - p) Controls = 41 Employees
 - q) Team Leads = 28 Employees
- 3) The parties agree to Modify MOA #24 in the current CBA, to allow the Company to increase the number of “temps”, not to exceed 200.

Other Matters:

The Company agrees to provide the Union, as soon as possible, but in no case less than 30 day notice, of plans regarding the timing of individual termination and jobs and employees.

The Company agreed to expand paragraph 70 of the CBA to include the Local 912 Financial Secretary and the Union Committee will remain in their departments as long as there is work available which they can capably perform.

Employees slated to be terminated, as a result of the plant closure, while on medical leave or on Workers Compensation shall be provided a certified letter, within 30 days of the date they are slated to be terminated. The union will also be provided a copy of said letter.

The Company will provide employees on medical and or workers compensation a certified letter of their slated date of termination. The union will also be provide a copy of said letter.

Upon termination, each employee will receive a letter stating their name, years of service and that they are in good standing.

The Company will, upon request, provide to the employees without cost any certificates pertaining to thereof, including training records the Company now holds.

Employees who are terminated due to the closure of the Lexington, Kentucky Facility can apply for other positions within Ingersoll Rand.

An employee asked to travel to Columbia to conduct training will be compensated for all travel, including airfare, hotel, food, fuel, and rental car.

Employees shall return all company property at the time of termination. Employees failing to do so will be responsible for the cost of missing items.

It is agreed that the Union and all employees represented by the Union will fully cooperate with the Company in effecting an orderly and efficient shutdown of the plant.

Any disputes concerning the application or interpretation of the items of this Agreement shall be subject to final and binding arbitration pursuant to the terms of the current grievance and arbitration procedures outlined in the current Collective Bargaining Agreement between the parties.

Full and Final Agreement

It is agreed that this Memorandum of Agreement shall constitute the full and final agreement of the parties on all issues relating to or arising from the shutdown of the Lexington, Kentucky Facility and/or operations, the transfer of any and all bargaining unit work from the Company to Trane Columbia, South Carolina, the consolidation of the operations of the Company, and the separation of employment of any Bargaining Unit Employees, including all issues under the CBA. The parties expressly warrant that they had ample opportunity to negotiate over any and all issues and expressly waive any right to request bargaining over any issue not covered by this Memorandum of Agreement.

This waiver and release does not include any claims arising under this Memorandum of Agreement, or any state workers' compensation statute. It is further agreed, that the Union will not take any action

inconsistent with the terms of this Memorandum of Agreement, including but not limited to strikes, boycotts, demonstrations or picketing at any facility or other location of the Company, or any other entity with which the Company does business.

IN WITNESS WHEREOF, the parties have executed this Agreement on the 23 day of October 2018.

THIS IS THE ONLY AGREEMENT BETWEEN THE PARTIES RELATIVE TO THE ISSUES DESCRIBED HEREIN. THERE ARE NO AGREEMENTS, PROMISES, REPRESENTATIONS OR CONDITIONS, WRITTEN OR VERBAL, OTHER THAN THOSE SET FORTH HEREIN.

For the Company:

Larry W. Pearson
Myra A. Guss
David Leclitter

For the Union:

Nick Steel 10/23/18
John M. Leslie
James Abney
Clean Choice
Brian Ross
Chaz

