

Director Qualifications

The Board of Directors (the “Board”) of Lennox International Inc. (the “Company”) determines the appropriate Board size and regularly assesses both size and composition. The Board Governance Committee makes recommendations to the Board concerning the appropriate size of the Board.

The Board will have a majority of independent Directors. The Compensation & Human Resources, Board Governance and Audit Committees will consist exclusively of independent Directors. The Board will consider all relevant facts and circumstances in making a determination of independence for each Director, consistent with the standards contained in the NYSE listing standards, the Securities Exchange Act of 1934 and any other applicable laws or regulations regarding independence.

When nominating new Directors, the Board will seek the best qualified candidates with consideration for diversity. In addition, the Board will follow the Board of Director Qualification Guidelines (www.lennoxinternational.com/governance/qualifications.htm) approved and adopted by the Board, as amended from time to time.

Within three years from the later of January 1, 2010, or election to the Board, each Director must acquire and hold, at a minimum, stock and restricted stock units in an amount equal to three times the total value of his or her annual retainer. Within five years from the later of January 1, 2010, or election to the Board, each Director must acquire and hold, at a minimum, stock and restricted stock units in an amount equal to four times the total value of his or her annual retainer.

All Directors will stand for election on a staggered three-year term basis. Directors are required to retire at the annual meeting following their 75th birthday; however, the Board may extend such service past the age of 75 under special circumstances. Notwithstanding, beginning on a Director’s 70th birthday and each year thereafter, Directors are required to submit their resignation to the Board and the Board Governance Committee will evaluate their ongoing contribution and decide whether to accept their resignation.

Directors are required to submit their resignation from the Board upon retirement from their full-time job or other change of primary job duties. The Board Governance Committee will evaluate their ongoing contribution and decide whether to accept their resignation.

Directors may not serve on more than six public company boards (including the Company's Board). A Director who serves as a public company CEO may not sit on the boards of more than two public companies (besides their own). A Director should advise the Chairman of the Board before accepting an invitation to serve on another company's board. The Chairman of the Board Governance Committee and Chief Legal Officer will review any proposed board membership to ensure compliance with applicable laws and policies.

Advance Resignation to Address Majority Voting

Director nominees shall submit a contingent resignation in writing to the Chairman of the Board Governance Committee to address majority voting in director elections in a non-Contested Election. The resignation becomes effective only if the director fails to receive a sufficient number of votes for re-election at an Annual Meeting of Stockholders and the Board accepts the resignation.

CEO Performance Evaluation and Management Succession

The independent Directors will evaluate the performance of the CEO at least annually. This evaluation will be based on specific performance goals set annually by the independent Directors and the CEO. On the basis of this evaluation and the recommendation of the Compensation & Human Resources Committee on CEO compensation, the independent Directors will establish the compensation of the CEO.

Succession planning and development of Senior Management will be reported annually by the CEO to the Compensation & Human Resources Committee. The Board has a CEO succession plan overseen by the Compensation & Human Resources Committee.

Annual Performance Evaluation of the Board

The Board will assess its own effectiveness every year, both as a Board and as committees. The Board will review this process regularly to measure its effectiveness against changing needs.

Board Meetings; Executive Sessions

The Board will hold regularly scheduled board meetings and will schedule regular executive sessions where the independent Directors meet separately. The Lead Director will preside over meetings of the independent Directors; provided however that, in the Lead Director's absence, the Chairman of the Board Governance Committee will preside over the meeting.

Directors are expected to prepare themselves for and attend all Board meetings, the Annual Meeting of Stockholders, and all meetings of the committees on which they serve. It is understood that, on occasion, a Director may be unable to attend a meeting.

Directors are encouraged to suggest agenda items at any time.

Management will endeavor to provide Directors with materials in advance of meetings for items to be acted upon. The Board will also receive information to monitor the progress of the Company's operating and strategic plans. The information received should be understandable and in enough detail to make informed decisions.

Responsibilities of the Board

The fundamental responsibility of the Board is to promote the best interests of the Company and its stockholders by overseeing the management of the Company's business and affairs.

Each year the Board will review the Company's strategic plan and review and approve an annual operating plan for the Company.

The Board will evaluate the financial needs and capital structure of the Company in light of the Company's business plan.

The Board will review the credit capacity and financial condition, planning and structure of the Company, including the approval of any financings, refinancings, or equity or debt issuances of the Company. The Board will periodically review the dividend policy of the Company and, if required, approve specific dividend action.

Director Compensation

The Compensation & Human Resources Committee, with the assistance of management and the Committee's independent compensation consultant, will review the form and amount of Director compensation, including cash, equity awards and other compensation. This review may consider Board compensation practices of other comparable public companies, contributions to Board functions, service as committee chairmen, and other appropriate factors. The Compensation & Human Resources Committee will recommend any changes in Director compensation to the Board for its approval.

Director Orientation and Continuing Education

The Board will provide appropriate orientation programs for newly-elected members of the Board. Directors are strongly encouraged to periodically participate in appropriate programs concerning duties and responsibilities of Directors of publicly-traded companies.

Director Access to Management and Independent Advisors

Board members have unrestricted access to management. The Board has the authority to retain outside advisors to discharge its duties.

Lead Director

It is the Board's policy that a Lead Director be appointed from among the Company's independent Directors. In addition to other duties the Board may assign, the Lead Director will:

Preside at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent Directors.

Serve as liaison between the Chairman and the independent Directors.

Assist the Chairman in planning agendas for Board meetings, and advise on the quality of the information provided to the Board.

Have authority to call meetings of the independent Directors; and

If requested by major shareholders, be available for consultation and direct communication.

Committees of the Board

Pursuant to the Company's Bylaws, the Board may establish committees from time to time to assist it in the performance of its responsibilities. There are currently four Board Committees. The Committee charters are available at www.lennoxinternational.com.

Audit Committee:

The Audit Committee assists the Board in fulfilling its oversight responsibilities relating to the integrity of the Company's financial statements and related systems of internal controls, compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications, independence and performance, and the performance of the Company's internal audit function. The Committee also has direct responsibility for the appointment, compensation, retention and oversight of the Company's independent accountants.

Board Governance Committee:

The Board Governance Committee assists the Board by identifying individuals qualified to become Board members, developing qualification criteria for Board membership, making recommendations to the Board regarding the appropriate size of the Board and appointment of members to the Board's committees, developing and recommending to the Board the Corporate Governance Guidelines and codes of conduct applicable to the Company, developing the Company's Director education programs, and overseeing evaluation of the Board.

Compensation & Human Resources Committee:

The Compensation & Human Resources Committee determines the Company's compensation philosophy and oversees the Company's compensation programs for executive officers and the non-employee members of the Board. The Committee makes recommendations to the independent Directors of the Board on CEO compensation and approves the compensation of executive officers. The Committee's responsibilities also include oversight of the Company's short- and long-term incentive plans and senior management succession plans. The Committee also reviews the funding requirements and investment policies of the Company's defined benefit and defined contribution retirement plans, and the performance of investment funds, investment advisors, and investment managers under those plans.

Public Policy Committee:

The Public Policy Committee is responsible for overseeing the Company's environmental, health and safety issues, and the Company's position on corporate social responsibilities and public issues of significance that affect our stakeholders.

These Corporate Governance Guidelines have been developed and approved by the Board, and are reviewed annually by the Board Governance Committee.

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