

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549FORM S-8  
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933LENNOX INTERNATIONAL INC.  
(Exact name of Registrant as specified in its charter)DELAWARE  
(State or other jurisdiction  
of incorporation or organization) 42-0991521  
(I.R.S. Employer  
Identification Number)2140 LAKE PARK BLVD., RICHARDSON, TEXAS 75080  
(Address of principal executive offices, including zip code)LENNOX INTERNATIONAL INC. EMPLOYEE STOCK PURCHASE PLAN  
(Full Title of the Plan)CARL E. EDWARDS  
EXECUTIVE VICE PRESIDENT,  
GENERAL COUNSEL AND SECRETARY  
LENNOX INTERNATIONAL INC.  
2140 LAKE PARK BLVD.  
RICHARDSON, TEXAS 75080  
(Name and address of agent for service)(972) 497-5000  
(Telephone number, including area code, of agent for service)COPY TO:  
Andrew M. Baker  
Baker & Botts, L.L.P.  
2001 Ross Avenue  
Dallas, Texas 75201  
(214) 953-6500

## CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered	Proposed maximum offering price per share (1)	Proposed maximum aggregate offering price (1)	Amount of registration fee
Common Stock, par value \$0.01 per share	825,000 shares	\$20.00	\$16,500,000	\$4,587

(1) Calculated pursuant to Rule 457(h) based on the estimate of the maximum initial public offering price for the Common Stock as disclosed in the Registration Statement on Form S-1 (Registration No. 333-75725) of Lennox International Inc.

## PART I

## INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

Note: The document(s) containing the information concerning the Lennox International Inc. Employee Stock Purchase Plan (the "Plan") required by Item 1 of Form S-8 and the statement of availability of registrant information, Plan information and other information required by Item 2 of Form S-8 will be sent or given to employees as specified by Rule 428 under the Securities Act of 1933, as amended ("Securities Act"). In accordance with Rule 428 and the requirements of Part I of Form S-8, such documents are not being filed with the Securities and Exchange Commission (the "Commission") either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424. Lennox International Inc. (the "Company") shall maintain a file of such documents in accordance with the provisions of Rule 428. Upon request, the Company shall furnish to the Commission or its staff a copy or copies of any or all of the documents included in such file.

I-1

## PART II

## ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The following documents heretofore filed by the Company with the Commission are incorporated herein by reference:

(1) The Company's latest prospectus filed with the Commission on July 29, 1999 pursuant to Rule 424(b) under the Securities Act.

(2) The description of the capital stock of the Company contained in the Company's Registration Statement on Form S-1 (Registration No. 333-75725) (the "S-1").

All documents filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), subsequent to the date of this Registration Statement and prior to the filing of a post-effective amendment to this Registration Statement that indicates that all securities offered hereby have been sold or that deregisters all securities then remaining unsold, shall be deemed to be incorporated in this Registration Statement by reference and to be a part hereof from the date of filing of such documents.

Any statement contained in this Registration Statement, in an amendment hereto or in a document incorporated by reference herein shall be deemed modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein, in any subsequently filed supplement to this Registration Statement or any document that is also incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

## ITEM 4. DESCRIPTION OF SECURITIES.

Not applicable.

## ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

Not applicable.

## ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Set forth below is a description of certain provisions of the Restated Certificate of Incorporation of the Company (the "Certificate"), the Amended and Restated Bylaws of the Company (the "Bylaws"), Indemnification Agreements (the "Indemnification Agreements") the Company has entered into with its directors and certain of its officers (the "Indemnitees") and the Delaware General Corporation Law (the "DGCL"). This description is intended as a summary only

and is qualified in its entirety by reference to the Certificate, the Bylaws and the Indemnification Agreements, copies of which have been filed as exhibits to the Company's S-1, and by reference to the DGCL.

Delaware General Corporation Law

Section 145(a) of the DGCL provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful.

Section 145(b) of the DGCL provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

Section 145(c) of the DGCL provides that to the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 145(a) and (b), or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Section 145(d) of the DGCL provides that any indemnification under Section 145(a) and (b) (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or

agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 145(a) and (b). Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (1) by a majority vote of the directors who were not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the stockholders.

Section 145(e) of the DGCL provides that expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as authorized in Section 145. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

Section 145(f) of the DGCL provides that the indemnification and advancement of expenses provided by, or granted pursuant to, Section 145 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.

Section 145(g) of the DGCL provides that a corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under Section 145.

Section 102(b)(7) of the DGCL provides that the liability of a director may not be limited or eliminated for the breach of such director's duty of loyalty to the corporation or its stockholders, for such director's intentional acts or omissions not in good faith, for such director's concurrence in or vote for an unlawful payment of a dividend or unlawful stock purchase or redemption or for any improper personal benefit derived by the director from any transaction.

#### The Certificate

Article Eighth of the Certificate provides that a director of the Company shall not be liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as the same exists or may hereafter be amended. Any repeal or modification of Article

Eighth shall not adversely affect any right or protection of a director of the Company existing thereunder with respect to any act or omission occurring prior to such repeal or modification.

#### The Bylaws

Article VI of the Bylaws provides that each person who at any time shall serve or shall have served as a director or officer of the Company, or any person who, while a director or officer of the Company, is or was serving at the request of the Company as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, shall be entitled to (a) indemnification and (b) the advancement of expenses incurred by such person from the Company as, and to the fullest extent, permitted by Section 145 of the DGCL or any successor statutory provision, as from time to time amended. The Company may indemnify any other person, to the same extent and subject to the same limitations specified in the immediately preceding sentence, by reason of the fact that such other person is or was an employee or agent of the Company or another corporation, partnership, joint venture, trust or other enterprise.

The indemnification and advancement of expenses provided by, or granted pursuant to, Article VI shall not be deemed exclusive of any other rights to which any person seeking indemnification or advancement of expenses may be entitled under any bylaw of the Company, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. All rights to indemnification under Article VI shall be deemed to be provided by a contract between the Company and the director, officer, employee or agent who served in such capacity at any time while the bylaws of the Company and other relevant provisions of the DGCL and other applicable law, if any, are in effect. Any repeal or modification thereof shall not affect any rights or obligations then existing. Without limiting the provisions of Article VI, the Company is authorized from time to time, without further action by the stockholders of the Company, to enter into agreements with any director or officer of the Company providing such rights of indemnification as the Company may deem appropriate, up to the maximum extent permitted by law. Any agreement entered into by the Company with a director may be authorized by the other directors, and such authorization shall not be invalid on the basis that similar agreements may have been or may thereafter be entered into with other directors.

#### Insurance

The Company may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Company would have the power to indemnify such person against such liability under the applicable provisions of Article VI of the Bylaws or the DGCL.

## Indemnification Agreements

The Company has entered into indemnification agreements (the "Indemnification Agreements") with its directors and certain of its executive officers (collectively, the "Indemnitees"). Under the terms of the Indemnification Agreements, the Company has generally agreed to indemnify, and advance expenses to, each Indemnitee to the fullest extent permitted by applicable law on the date of the agreements and to such greater extent as applicable law may thereafter permit. In addition, the Indemnification Agreements contain specific provisions pursuant to which the Company has agreed to indemnify each Indemnitee (i) if such person is, by reason of his or her status as a director, nominee for director, officer, agent or fiduciary of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise with which such person was serving at the request of the Company (any such status being referred to as a "Corporate Status") made or threatened to be made a party to any threatened, pending or completed action, suit, arbitration, alternative dispute resolution mechanism, investigation or other proceeding (each, a "Proceeding"), other than a proceeding by or in the right of the Company; (ii) if such person is, by reason of his or her Corporate Status, made or 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, except that no indemnification shall be made in respect of any claim, issue or matter in such Proceeding as to which such Indemnitee shall have been adjudged to be liable to the Company if applicable law prohibits such indemnification, unless and only to the extent that a court shall otherwise determine; (iii) against expenses actually and reasonably incurred by such person or on his or her behalf in connection with any Proceeding to which such Indemnitee was or is a party by reason of his or her Corporate Status and in which such Indemnitee is successful, on the merits or otherwise; (iv) against expenses actually and reasonably incurred by such person or on his or her behalf in connection with a Proceeding to the extent that such Indemnitee is, by reason of his or her Corporate Status, a witness or otherwise participates in any Proceeding at a time when such person is not a party in the Proceeding; and (v) against expenses actually and reasonably incurred by such person in any judicial adjudication of or any award in arbitration to enforce his or her rights under the Indemnification Agreements.

In addition, under the terms of the Indemnification Agreements, the Company has agreed to pay all reasonable expenses incurred by or on behalf of an Indemnitee 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 and within 15 days after the receipt by the Company of a written request from such Indemnitee for such payment. In the Indemnification Agreements, each Indemnitee has agreed that he or she will reimburse and repay the Company for any expenses so advanced to the extent that it shall ultimately be determined that he or she is not entitled to be indemnified by the Company against such expenses.

The Indemnification Agreements also include provisions that specify the procedures and presumptions which are to be employed to determine whether an Indemnitee is entitled to indemnification thereunder. In some cases, the nature of the procedures specified in the Indemnification Agreements varies depending on whether there has occurred a "Change in Control" (as defined in the Indemnification Agreements) of the Company.

## ITEM 7. EXEMPTIONS FROM REGISTRATION CLAIMED.

Not applicable.

## ITEM 8. EXHIBITS.

- 4.1 Restated Certificate of Incorporation of the Company, as amended (filed as Exhibit 3.1 to the S-1 and incorporated herein by reference)
- 4.2 Amended and Restated Bylaws of the Company (filed as Exhibit 3.2 to the S-1 and incorporated herein by reference)
- 4.3 Specimen of certificate representing Common Stock, par value \$0.01 per share, of the Company (filed as Exhibit 4.1 to the S-1 and incorporated herein by reference)
- 4.4 Lennox International Inc. Employee Stock Purchase Plan
- 5 Opinion of Baker & Botts, L.L.P.
- 23.1 Consent of Arthur Andersen LLP.
- 23.2 Consent of Baker & Botts, L.L.P. (included in Exhibit 5)
- 24 Power of Attorney (included on the execution page of this Registration Statement)

## ITEM 9. UNDERTAKINGS.

(a) The Company hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof), which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to



Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Company pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The Company hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Company's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company of expenses incurred or paid by a director, officer or controlling person of the Company in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Company will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing this Registration Statement on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Richardson, State of Texas, on this 29th day of July, 1999.

LENNOX INTERNATIONAL INC.

By: /s/ John W. Norris, Jr.

-----  
John W. Norris, Jr.  
Chairman of the Board and  
Chief Executive Officer

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and officers of Lennox International Inc., a Delaware corporation, which is filing a Registration Statement on Form S-8 with the Securities and Exchange Commission under the provisions of the Securities Act of 1933, hereby constitutes and appoints John W. Norris, Jr., Carl E. Edwards, Jr. and Clyde W. Wyant, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, and in any and all capacities, to sign and file any and all amendments to this Registration Statement on Form S-8, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, it being understood that said attorneys-in-fact and agents, and each of them, shall have full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, and that each of the undersigned hereby ratifies and confirms all that said attorneys-in-fact as agents or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities indicated on July 29, 1999.

SIGNATURE	TITLE
/s/ John W. Norris, Jr. ----- John W. Norris, Jr.	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)
/s/ Clyde W. Wyant ----- Clyde W. Wyant	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)
/s/ John J. Hubbuch ----- John J. Hubbuch	Vice President, Controller and Chief Accounting Officer (Principal Accounting Officer)
/s/ Linda G. Alvarado ----- Linda G. Alvarado	Director
/s/ David H. Anderson ----- David H. Anderson	Director
/s/ Richard W. Booth ----- Richard W. Booth	Director
/s/ Thomas W. Booth ----- Thomas W. Booth	Director
/s/ David V. Brown ----- David V. Brown	Director
/s/ James J. Byrne ----- James J. Byrne	Director

/s/ Janet K. Cooper                    Director  
-----  
Janet K. Cooper

/s/ John E. Major                    Director  
-----  
John E. Major

/s/ Donald E. Miller                Director  
-----  
Donald E. Miller

/s/ Terry D. Stinson                Director  
-----  
Terry D. Stinson

/s/ Richard L. Thompson            Director  
-----  
Richard L. Thompson

## EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
4.1	Restated Certificate of Incorporation of the Company, as amended (filed as Exhibit 3.1 to the S-1 and incorporated herein by reference)
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4.3	Specimen of certificate representing Common Stock, par value \$0.01 per share, of the Company (filed as Exhibit 4.1 to the S-1 and incorporated herein by reference)
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## LENNOX INTERNATIONAL INC.

## EMPLOYEE STOCK PURCHASE PLAN

(Effective July 29, 1999)

## 1. PURPOSE

The Lennox International Inc. Employee Stock Purchase Plan (the "Plan") is designed to encourage and assist all employees of Lennox International Inc., a Delaware corporation ("Lennox") and Subsidiaries (as defined in Section 4) (hereinafter collectively referred to as the "Company"), where permitted by applicable laws and regulations, to acquire an equity interest in Lennox through the purchase of shares of common stock, par value \$.01 per share, of Lennox ("Common Stock"). It is intended that this Plan constitute an "employee stock purchase plan" within the meaning of Section 423 of the Internal Revenue Code of 1986, as amended (the Code).

## 2. ADMINISTRATION OF THE PLAN

The Plan shall be administered and interpreted by the Compensation Committee (the "Committee") of the Board of Directors of Lennox (the "Board") or such other committee as may be appointed by the Board or its designee, which Committee shall consist of at least two persons. The Committee shall supervise the administration and enforcement of the Plan according to its terms and provisions and shall have all powers necessary to accomplish these purposes and discharge its duties hereunder including, but not by way of limitation, the power to (i) employ and compensate agents of the Committee for the purpose of administering the accounts of participating employees; (ii) construe and interpret the Plan; (iii) determine all questions of eligibility; and (iv) compute the amount and determine the manner and time of payment of all benefits according to the Plan.

The Committee may act by decision of a majority of its members at a regular or special meeting of the Committee or by decision reduced to writing and signed by all members of the Committee without holding a formal meeting.

## 3. NATURE AND NUMBER OF SHARES

The Common Stock subject to issuance under the terms of the Plan shall be authorized but unissued shares, previously issued shares reacquired and held by Lennox or shares purchased on the open market. The aggregate number of shares that may be issued under the Plan shall not exceed 825,000 shares of Common Stock. All shares purchased under the Plan, regardless of source, shall be counted against the 825,000 share limitation.

In the event of any reorganization, stock split, reverse stock split, stock dividend, combination of shares, merger, consolidation, offering of rights or other similar change in the capital structure of Lennox, the Committee may make such adjustment, if any, as it deems appropriate in the number, kind and purchase price of the shares available for purchase under the Plan and in the maximum number of shares that may be issued under the Plan, subject to the approval of the Board and in accordance with Section 19.

#### 4. ELIGIBILITY REQUIREMENTS

Each "Employee" (as hereinafter defined), except as described in the next following paragraph, shall become eligible to participate in the Plan in accordance with Section 5 on the first "Enrollment Date" (as defined therein) following employment by the Company. Participation in the Plan is voluntary.

The following Employees are not eligible to participate in the Plan:

- i. Employees who would, immediately upon enrollment in the Plan, own directly or indirectly, or hold options or rights to acquire, an aggregate of five percent or more of the total combined voting power or value of all outstanding shares of all classes of the Company or any subsidiary (in determining stock ownership of an individual, the rules of Section 424(d) of the Code shall be applied, and the Committee may rely on representations of fact made to it by the Employee and believed by it to be true); and
- ii. Employees who are customarily employed by the Company less than 20 hours per week or less than five months in any calendar year.

"Employee" shall mean any individual employed by Lennox or any Subsidiary (as hereinafter defined). "Subsidiary" shall mean any corporation (a) which is in an unbroken chain of corporations beginning with Lennox if, on or after the Effective Date, each of the corporations other than the last corporation in the chain owns stock possessing 50 percent or more of the total combined voting power of all classes of stock in one of the other corporations in the chain and (b) which has adopted the Plan with the approval of the Committee.

#### 5. ENROLLMENT

Each eligible Employee of the Company on July 28, 1999, may enroll in the Plan as of July 29, 1999 (the "Effective Date"). Each other eligible Employee of the Company who thereafter becomes eligible to participate may enroll in the Plan as of January 1, 2000, or, if later, the first January 1 or July 1 following the date he first meets the eligibility requirements of Section 4. Any eligible Employee not enrolling in the Plan when first eligible may enroll in the Plan as of any subsequent January 1 or July 1. Any eligible Employee may enroll or re-enroll in the Plan as of the dates hereinabove prescribed or such other specific dates established by the Committee from time to time ("Enrollment Dates"). In order to enroll, an eligible Employee must complete, sign and

submit the appropriate form to the person designated, or otherwise satisfy any telephonic or electronic enrollment procedure established, by the Committee.

6. METHOD OF PAYMENT

Payment for shares is to be made as of the applicable "Purchase Date" (as defined in Section 9) through payroll deductions on an after-tax basis (with no right of prepayment) over the Plan's designated purchase period (the "Purchase Period"), with the first such deduction commencing as soon as administratively practicable following the Enrollment Date and after the Employee has satisfied the enrollment requirements of Section 5. Each Purchase Period under the Plan except the first shall be a period of six months beginning on each January 1 and July 1 and ending on the following June 30 or December 31 or such other period as the Committee may prescribe. Each participating Employee (hereinafter referred to as a "Participant") will authorize deductions from his pay for each payroll period during the Purchase Period and such amounts will be deducted in conformity with his employer's payroll deduction schedule.

Each Participant may elect to make contributions each pay period in amounts not less than one percent of compensation and not more than 10 percent of compensation (or such other percentages as the Committee may establish from time to time before an Enrollment Date for all purchases to occur during the relevant Purchase Period). For all purposes of the Plan, compensation shall mean salary or wages plus bonuses, overtime and any commissions paid. In establishing other percentages of permitted contributions, the Committee may take into account the "Maximum Share Limitation" (as defined in Section 8). The rate of contribution shall be designated by the Participant at the time of enrollment.

A Participant may elect to increase or decrease the rate of contribution effective as of the first day of a Purchase Period by giving prior written notice to the person designated by the Committee on the appropriate form, or by such other method or procedure prescribed by the Committee. A Participant may not elect to increase or decrease the rate of contribution during a Purchase Period. A Participant may suspend payroll deductions at any time during the Purchase Period, by giving prior written notice to the person designated by the Committee on the appropriate form, or by such other method or procedure prescribed by the Committee. A Participant's election to suspend his payroll deductions will be treated as an election to withdraw his entire contributions for the current Purchase Period. Any Participant who withdraws his contributions will receive, as soon as administratively practicable, the amount accumulated for the Participant during the Purchase Period. All such contributions shall be returned through the normal payroll system. Any Participant who suspends payroll deductions and withdraws contributions during any Purchase Period cannot resume payroll deductions during such Purchase Period and must re-enroll in the Plan in order to participate in the next Purchase Period.

Except in the case of a Participant's suspension of payroll deductions or termination of employment, and subject in all cases to the Maximum Share Limitation, the amount in a Participant's account at the end of the Purchase Period will be applied to the purchase of Common Stock.



## 7. CREDITING OF CONTRIBUTIONS AND DIVIDENDS

Contributions shall be credited to a bookkeeping account maintained for such purpose for each Participant as soon as administratively practicable after payroll withholding. Participant contributions will not be maintained in segregated accounts and will not be credited with interest at any time. Except as otherwise provided pursuant to a procedure established by the Committee, dividends on shares held in a Participant's account in the Plan will be used to purchase shares of Common Stock. Purchases of shares with dividends paid on Common Stock held in a Participant's account shall be made on the open market by the entity designated by the Committee to assist it with the administration of the Plan (the "Custodian"); provided, however, that if the Company has notified the Custodian that it is willing to sell authorized but unissued shares or previously issued shares that have been reacquired and held by Lennox, the Custodian shall, at its election, purchase any shares made available by the Company at a price equal to the Fair Market Value of such shares (determined as provided in Section 9) on the business day next preceding the date of such purchase.

## 8. GRANT OF RIGHT TO PURCHASE SHARES ON ENROLLMENT

Enrollment in the Plan by an Employee on an Enrollment Date will constitute the grant by the Company to the Participant of the right to purchase shares of Common Stock under the Plan. Re-enrollment by a Participant in the Plan will constitute a grant by the Company to the Participant of a new opportunity to purchase shares on the Enrollment Date on which such re-enrollment occurs. A Participant who has not (a) terminated employment or (b) withdrawn his contributions from the Plan, will have shares of Common Stock purchased for him on the applicable Purchase Date, and he will automatically be re-enrolled in the Plan on the Enrollment Date immediately following the Purchase Date on which such purchase has occurred, unless each Participant notifies the person designated by the Committee in the appropriate manner that he elects not to re-enroll.

Each right to purchase shares of Common Stock under the Plan during a Purchase Period shall have the following terms:

- i. the right to purchase shares of Common Stock during a particular Purchase Period shall expire on the earlier of: (A) the completion of the purchase of shares on the Purchase Date occurring in the Purchase Period, or (B) the date on which participation of such Participant in the Plan terminates for any reason;
- ii. payment for shares purchased will be made only through payroll withholding and the application of dividends, if applicable, in accordance with Sections 6 and 7;
- iii. purchase of shares will be accomplished only in accordance with Section 9;

- iv. the price per share will be determined as provided in Section 9;
- v. the right to purchase shares (taken together with all other such rights then outstanding under this Plan and under any other similar stock purchase plans of the Company) will in no event give the Participant the right to purchase a number of shares during a calendar year in excess of the number of shares of Common Stock derived by dividing \$25,000 by the Fair Market Value of the Common Stock (the "Maximum Share Limitation") on the applicable Grant Date determined in accordance with Section 9. If a Participant has purchased less than the maximum number of shares permitted by this paragraph (v) during the first Purchase Period in a calendar year, the maximum number of shares permitted to be purchased by the Participant during the second Purchase Period in such calendar year shall be determined by dividing the Fair Market Value of a share of Common Stock on the Grant Date for the second Purchase Period into the difference between \$25,000 and the value of the shares purchased during the first Purchase Period, calculated by using the Fair Market Value of such shares on the first Grant Date during the calendar year; and
- vi. the right to purchase shares will in all respects be subject to the terms and conditions of the Plan, as interpreted by the Committee from time to time.

9. PURCHASE OF SHARES

The right to purchase shares of Common Stock granted by the Company under the Plan is for the term of a Purchase Period. The fair market value of the Common Stock ("Fair Market Value") to be purchased during such Purchase Period will be determined first as the closing composite sales price per share of the Common Stock in the New York Stock Exchange Composite Transactions Quotations on the first trading days of the calendar months of January and July, or such other trading dates designated by the Committee (the "Grant Date"). The Fair Market Value of the Common Stock will again be determined in the same manner on the last trading days of the calendar months of June and December, or such other trading dates designated by the Committee (the "Purchase Date"). Notwithstanding the foregoing, the Fair Market Value of Common Stock to be purchased during the Purchase Period beginning on the Effective Date shall be the initial price to public as set forth on the cover page of the prospectus relating to the initial public offering of shares of Common Stock. In no event, however, shall the Committee, in the exercise of its discretion, designate a Purchase Date that fails to meet the requirements of Section 423(b)(7) of the Code. These dates constitute the date of grant and the date of exercise for valuation purposes of Section 423 of the Code.

As of the Purchase Date, the Committee shall apply the funds then credited to each Participant's account to the purchase of shares of Common Stock. The cost to the Participant for the shares purchased during a Purchase Period shall be the lower of:

- i. 85 percent of the Fair Market Value of Common Stock on the Grant Date; or
- ii. 85 percent of the Fair Market Value of Common Stock on the Purchase Date.

In the case of any Participant whose compensation is not paid in U.S. dollars, amounts accumulated in such Participants' account shall be converted into U.S. dollars on each Purchase Date by reference to the New York foreign exchange selling rates reported in The Wall Street Journal for the last business day immediately preceding such Purchase Date.

Certificates evidencing shares purchased shall be delivered to the Custodian or delivered to the Participant (if the Participant has elected by written notice to the Committee to receive the certificate) as soon as administratively practicable after the Purchase Date; however, certificates shall not be delivered to the Participant within 18 months of the Purchase Date of the underlying shares, except as otherwise provided herein. Notwithstanding the foregoing, Participants shall be treated as the record owners of their shares effective as of the Purchase Date. Shares that are held by the Custodian shall be held in book entry form. Each Participant shall be credited with the number of whole and fractional shares acquired on the Purchase Date with the funds credited to the Participant's account on such Purchase Date. Any Participant (i) who purchases stock at the end of a Purchase Period and is not re-enrolled in the Plan for the next Purchase Period or (ii) who withdraws his contributions from the Plan prior to the next Purchase Date shall have a certificate for the number of whole shares held in his account and cash for any fractional share in his account retained by the Custodian. Such Participant may elect to receive a certificate for the number of whole shares held in his account 18 months after such shares were purchased. This 18-month requirement may be waived by the Committee, in its sole discretion. Until such certificates are distributed to the Participant, the Participant will not be permitted to transfer ownership of the certificates except as contemplated by Section 10 or Section 14 of the Plan. Any Participant who terminates employment will receive a certificate for the number of shares held in his account and cash for any fractional share and any accumulated contributions. If for any reason the purchase of shares with a Participant's allocations to the Plan exceeds or would exceed the Maximum Share Limitation, the excess amounts shall be refunded to the Participant as soon as practicable after such excess has been determined to exist.

If as of any Purchase Date the shares authorized for purchase under the Plan are exceeded, enrollments shall be reduced proportionately to eliminate the excess. Any funds that cannot be applied to the purchase of shares due to excess enrollment shall be refunded as soon as administratively practicable. The Committee in its discretion may also provide that excess enrollments may be carried over to the next Purchase Period under this Plan or any successor plan according to the regulations set forth under Section 423 of the Code.

## 10. WITHDRAWAL OF SHARES AND SALE OF SHARES

- (a) A Participant may elect to withdraw at any time (without withdrawing from participation in the Plan) shares that have been held in his account for at least 18 months by giving notice to the person designated by the Committee in the appropriate manner. Upon receipt of such notice from the person designated by the Committee, the Custodian will arrange for the issuance and delivery of such shares held in the Participant's account as soon as administratively practicable.
- (b) Notwithstanding anything in the Plan to the contrary, a Participant may sell shares that are held in his account, including shares that have been held in his account for less than 18 months, by giving notice to the person designated by the Committee in the appropriate manner. Upon receipt of such notice from the person designated by the Committee, the Custodian will arrange for the sale of such Participant's shares. Any sale will be deemed to occur on the last business day of the month in which the Participant provides such notice to the person designated by the Committee, or at such other time as the Committee shall establish. The proceeds of any sale under this subsection 10(b), less any associated commissions and required withholding for taxes, shall be paid to the Participant as soon as practicable after the sale.

## 11. TERMINATION OF PARTICIPATION

The right to participate in the Plan terminates immediately when a Participant ceases to be employed by the Company for any reason whatsoever (other than the death of the Participant, but including retirement and disability) or the Participant otherwise becomes ineligible. Participation terminates immediately after the Purchase Date if the Participant is not re-enrolled in the Plan for the next Purchase Period or if the Participant has suspended payroll deductions during any Purchase Period and has not re-enrolled in the Plan for the next Purchase Period. For purposes of the Plan, a Participant is not deemed to have terminated his employment if he transfers employment from Lennox to a Subsidiary, or vice versa, or transfers employment between Subsidiaries. An individual shall also not lose the right to have shares purchased for his account if he is transferred to a corporation that qualifies as a Subsidiary except that it has not adopted the Plan. In any such case shares will be purchased with amounts maintained in such account as of the date of such transfer. The Participant shall not participate thereafter unless he again becomes employed by the Company.

## 12. UNPAID LEAVE OF ABSENCE

Unless the Participant has voluntarily withdrawn his contributions from the Plan, shares will be purchased for his account on the Purchase Date next following commencement of an unpaid leave of absence by such Participant, provided such leave does not constitute a termination of employment. The number of shares to be purchased will be determined by applying to the purchase the amount of the Participant's contributions made up to the commencement of such unpaid leave of absence. If the Participant's unpaid leave of absence both commences and terminates during the same Purchase Period and he has resumed eligible employment prior to the Purchase Date related to that Purchase Period, he may also resume payroll deductions immediately, and shares will be purchased for him on such Purchase Date as otherwise provided in Section 9.

## 13. DESIGNATION OF BENEFICIARY

Each Participant may designate one or more beneficiaries in the event of death and may, in his sole discretion, change such designation at any time. Any such designation shall be effective upon receipt by the person designated by the Committee and shall control over any disposition by will or otherwise.

As of the next Purchase Date following the death of a Participant, amounts credited to his account shall be, at the election of the Participant's designated beneficiary or, in the absence of such designation, of the executor, administrator or other legal representative of the Participant's estate, paid in cash or applied to the purchase of shares as provided in Section 9, and in such case a certificate for any shares shall be delivered to such person. Such payment or delivery shall relieve the Company of further liability to the deceased Participant with respect to the Plan. If more than one beneficiary is designated, each beneficiary shall be permitted to make such an election, unless the Participant has given express contrary instructions.

## 14. ASSIGNMENT

Except as provided in Section 13, the rights of a Participant under the Plan will not be assignable or otherwise transferable by the Participant, other than by will or the laws of descent and distribution. No purported assignment or transfer of such rights of a Participant under the Plan, whether voluntary or involuntary, by operation of law or otherwise, shall vest in the purported assignee or transferee any interest or right therein whatsoever, but immediately upon such assignment or transfer, or any attempt to make the same, such rights shall terminate and become of no further effect. If this provision is violated, the Participant's election to purchase Common Stock shall terminate, and the only obligation of the Company remaining under the Plan will be to pay to the person entitled thereto the amount then credited to the Participant's account. No Participant may create a lien on any funds, securities, rights or other property held for the account of the Participant under the Plan, except to the extent that there has been a designation of beneficiaries in accordance with the Plan, and except to the extent permitted by will or the laws of descent and distribution if beneficiaries have not been designated. A Participant's right to purchase shares under the Plan shall be exercisable during the Participant's lifetime only by him.

## 15. COSTS

All costs and expenses incurred in administering this Plan shall be paid by the Company. Any brokerage fees for the sale or transfer of shares purchased under the Plan shall be paid by the Participant.

## 16. REPORTS

At the end of each Purchase Period, the Company shall provide or cause to be provided to each Participant a report of his contributions and the number of shares of Common Stock purchased with the amount credited to the Participant's account as of the Purchase Date for such Purchase Period.

## 17. EQUAL RIGHTS AND PRIVILEGES

All eligible Employees shall have equal rights and privileges with respect to the Plan so that the Plan qualifies as an "employee stock purchase plan" within the meaning of Section 423 or any successor provision of the Code and related regulations. Any provision of the Plan which is inconsistent with Section 423 or any successor provision of the Code shall without further act or amendment by the Company be reformed to comply with the requirements of Section 423. This Section 17 shall take precedence over all other provisions in the Plan.

## 18. RIGHTS AS STOCKHOLDERS

A Participant will have no rights as a stockholder under the election to purchase until he becomes a stockholder as herein provided. A Participant will become a stockholder with respect to shares for which payment has been completed as provided in Section 9 at the close of business on the last business day of the Purchase Period.

## 19. MODIFICATION AND TERMINATION

The Board may amend or terminate the Plan at any time insofar as permitted by law. No amendment shall be effective unless within one year of the time it is adopted by the Board it is approved by the holders of a majority of outstanding shares of Common Stock, if and to the extent such amendment is required to be approved by stockholders in order to cause the rights granted under the Plan to purchase shares of Common Stock to meet the requirements of Section 423 of the Code (or any successor provision).

The Plan shall terminate after all Common Stock issued under the Plan has been purchased, unless terminated earlier by the Board or unless additional Common Stock is issued under the Plan with the approval of the stockholders. In the event the Plan is terminated, the Committee may elect to terminate all outstanding rights to purchase shares under the Plan either immediately or upon completion of the purchase of shares on the next Purchase Date, unless the Committee has designated that the right to make all such purchases shall expire on some other designated date

occurring prior to the next Purchase Date. If the rights to purchase shares under the Plan are terminated prior to expiration, all funds contributed to the Plan which have not been used to purchase shares shall be returned to the Participants as soon as administratively practicable.

20. BOARD AND SHAREHOLDER APPROVAL; EFFECTIVE DATE

This Plan was adopted by the Board on September 11, 1998, and was amended by the Board on March 12, 1999, and shall be effective as of the Effective Date. Notwithstanding the foregoing, the adoption of the Plan is expressly conditioned upon (i) the consummation of the Company's proposed initial public offering of Common Stock and (ii) the approval by the holders of a majority of outstanding shares of Common Stock within 12 months of the date of Board approval. If the stockholders of the Company should fail so to approve this Plan, this Plan shall terminate and cease to be of any further force or effect and all purchases of shares of Common Stock under the Plan shall be null and void.

21. GOVERNMENTAL APPROVALS OR CONSENTS

This Plan and any offering or sale made to Employees under it are subject to any governmental approvals or consents that may be or become applicable in connection therewith. Subject to the provisions of Section 19, the Board may make such changes in the Plan and include such terms in any offering under the Plan as may be desirable to comply with the rules or regulations of any governmental authority.

22. LISTING OF SHARES AND RELATED MATTERS

If at any time the Board or the Committee shall determine, based on opinion of legal counsel, that the listing, registration or qualification of the shares covered by the Plan upon any national securities exchange or reporting system or under any state or Federal law is necessary or desirable as a condition of, or in connection with, the sale or purchase of shares under the Plan, no shares will be sold, issued or delivered unless and until such listing, registration or qualification shall have been effected or obtained, or otherwise provided for, free of any conditions not acceptable to legal counsel.

23. EMPLOYMENT RIGHTS

The Plan shall neither impose any obligation on the Company to continue the employment of any Participant, nor impose any obligation on any Participant to remain in the employ of the Company.

## 24. WITHHOLDING OF TAXES

The Committee may make such provisions as it may deem appropriate for the withholding of any taxes which it determines is required in connection with the purchase of Common Stock under the Plan.

## 25. GOVERNING LAW

The Plan and rights to purchase shares that may be granted hereunder shall be governed by and construed and enforced in accordance with the laws of the state of Delaware.

## 26. USE OF GENDER

The gender of words used in the Plan shall be construed to include whichever may be appropriate under any particular circumstances of the masculine, feminine or neuter genders.

## 27. OTHER PROVISIONS

The agreements to purchase shares of Common Stock under the Plan shall contain such other provisions as the Committee and the Board shall deem advisable, provided that no such provision shall in any way be in conflict with the terms of the Plan.



## EXHIBIT 5

BAKER & BOTTS, L.L.P.  
2001 Ross Avenue  
Dallas, Texas 75201

July 29, 1999

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

Ladies and Gentlemen:

As set forth in the Registration Statement on Form S-8 (the "Registration Statement") to be filed by Lennox International Inc., a Delaware corporation (the "Company"), with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), relating to 825,000 shares (the "Shares") of the common stock, par value \$0.01 per share ("Common Stock"), of the Company, that may be issued pursuant to the Lennox International Inc. Employee Stock Purchase Plan (the "Plan"), certain legal matters in connection with the Shares are being passed upon for the Company by us. The Shares consist of (i) the Company's authorized but unissued shares of Common Stock (the "Original Issuance Plan Shares"), (ii) previously issued shares of Common Stock reacquired and held by the Company or (iii) shares of Common Stock purchased on the open market. At your request, this opinion is being furnished to you for filing as Exhibit 5 to the Registration Statement.

In our capacity as counsel to the Company in the connection referenced above, we have examined the Company's Restated Certificate of Incorporation and Amended and Restated Bylaws, each as amended to date, and the Plan, and have examined the originals, or copies certified or otherwise identified, of corporate records of the Company, including minute books of the Company as furnished to us by the Company, certificates of public officials and of representatives of the Company, statutes and other instruments and documents as a basis for the opinions hereinafter expressed.

We have assumed that all signatures on all documents examined by us are genuine, that all documents submitted to us as originals are authentic, that all documents submitted to us as copies are true and correct copies of the originals thereof and that all information submitted to us was accurate and complete. In addition, we have assumed for purposes of paragraph 2 below that the consideration received by the Company for the Shares will not be less than the par value of the Shares.

Based upon our examination as aforesaid, and subject to the assumptions, qualifications, limitations and exceptions herein set forth, we are of the opinion that:

1. The Company is a corporation duly incorporated and validly existing in good standing under the laws of the State of Delaware.

2. Upon the issuance and sale of the Original Issuance Plan Shares pursuant to the provisions of the Plan for consideration calculated pursuant to the terms and provisions of the Plan, such Original Issuance Plan Shares will be duly authorized by all necessary corporate action on the part of the Company, validly issued, fully paid and nonassessable.

The opinions set forth above are limited to the General Corporation Law of the State of Delaware, and no opinion is expressed herein as to matters governed by the law of any other jurisdiction.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement.

Very truly yours,

/s/ BAKER & BOTTS, L.L.P.

Baker & Botts, L.L.P.

## CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement of our reports dated February 18, 1999, included in Lennox International Inc.'s registration statement on Form S-1 (Registration No. 333-75725), and to all references to our Firm included in or made a part of this registration statement.

ARTHUR ANDERSEN LLP

Dallas, Texas  
July 28, 1999