# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2013**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

**A** This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
TRANE PENSION PLAN

**1b** Three-digit plan number (PN) ▶ 003

**1c** Effective date of plan 09/01/2003

**2a** Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)

TRANE U.S. INC.

800 E BEATY STREET
DAVIDSON, NC 28036

**2b** Employer Identification Number (EIN)
25-0900465

**2c** Sponsor's telephone number
704-655-4000

**2d** Business code (see instructions)
332900

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/14/2014 | PAUL LONGSTREET |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/14/2014 | RICHARD J. WELLER |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)

Preparer's telephone number (optional)

**3a** Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address

BENEFITS ADMINISTRATION COMMMITTEE OF INGERSOLL-RAND COMPANY

800 E BEATY STREET
DAVIDSON, NC 28036

**3b** Administrator's EIN
22-2116054

**3c** Administrator's telephone number
704-655-4000

**4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

**a** Sponsor's name

**4b** EIN

**4c** PN

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 3316 |
| **6** | Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**). | | |
| **a** | Active participants | **6a** | 2396 |
| **b** | Retired or separated participants receiving benefits | **6b** | 21 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 1067 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 3484 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 10 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 3494 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 48 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
1C 3H

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

**9a** Plan funding arrangement (check all that apply)

- **(1)** ☐ Insurance
- **(2)** ☐ Code section 412(e)(3) insurance contracts
- **(3)** ☒ Trust
- **(4)** ☐ General assets of the sponsor

**9b** Plan benefit arrangement (check all that apply)

- **(1)** ☐ Insurance
- **(2)** ☐ Code section 412(e)(3) insurance contracts
- **(3)** ☒ Trust
- **(4)** ☐ General assets of the sponsor

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- **(1)** ☒ **R** (Retirement Plan Information)
- **(2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- **(1)** ☒ **H** (Financial Information)
- **(2)** ☐ **I** (Financial Information – Small Plan)
- **(3)** ☐ ___ **A** (Insurance Information)
- **(4)** ☒ **C** (Service Provider Information)
- **(5)** ☐ **D** (DFE/Participating Plan Information)
- **(6)** ☐ **G** (Financial Transaction Schedules)

# SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

**2013**

**This Form is Open to Public Inspection**

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

**A** Name of plan
TRANE PENSION PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
TRANE U.S. INC.

**D** Employer Identification Number (EIN)
25-0900465

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

## Part I Basic Information

**1** Enter the valuation date: Month 01 Day 01 Year 2013

**2** Assets:

| | | |
|---|---|---|
| **a** Market value | **2a** | 26641941 |
| **b** Actuarial value | **2b** | 25646476 |

**3** Funding target/participant count breakdown:

| | | (1) Number of participants | (2) Funding Target |
|---|---|---|---|
| **a** For retired participants and beneficiaries receiving payment | **3a** | 25 | 253404 |
| **b** For terminated vested participants | **3b** | 995 | 6438602 |
| **c** For active participants: | | | |
| **(1)** Non-vested benefits | **3c(1)** | | 62132 |
| **(2)** Vested benefits | **3c(2)** | | 11993112 |
| **(3)** Total active | **3c(3)** | 2296 | 12055244 |
| **d** Total | **3d** | 3316 | 18747250 |

**4** If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

| | | |
|---|---|---|
| **a** Funding target disregarding prescribed at-risk assumptions | **4a** | |
| **b** Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor | **4b** | |
| **5** Effective interest rate | **5** | 6.01 % |
| **6** Target normal cost | **6** | 411447 |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN HERE**

Signature of actuary

Date

BRENDA G. STOVALL

Type or print name of actuary

14-05721

Most recent enrollment number

TOWERS WATSON DELAWARE INC.

Firm name

901-252-4000

Telephone number (including area code)

3350 PLAYERS CLUB PARKWAY
SUITE 200
MEMPHIS, TN 38125

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

## Part II Beginning of Year Carryover and Prefunding Balances

| | | (a) Carryover balance | (b) Prefunding balance |
|---|---|---|---|
| 7 | Balance at beginning of prior year after applicable adjustments (line 13 from prior year) | 0 | 0 |
| 8 | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) | 0 | 0 |
| 9 | Amount remaining (line 7 minus line 8) | 0 | 0 |
| 10 | Interest on line 9 using prior year's actual return of 10.02 % | | |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| | a Present value of excess contributions (line 38a from prior year) | | 0 |
| | b Interest on (a) using prior year's effective interest rate of 6.72 % except as otherwise provided (see instructions) | | 0 |
| | c Total available at beginning of current plan year to add to prefunding balance | | 0 |
| | d Portion of (c) to be added to prefunding balance | | 0 |
| 12 | Other reductions in balances due to elections or deemed elections | 0 | 0 |
| 13 | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) | 0 | 0 |

## Part III Funding Percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 136.80 % |
| 15 | Adjusted funding target attainment percentage | 15 | 136.80 % |
| 16 | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement | 16 | 132.79 % |
| 17 | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage | 17 | % |

## Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees | (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | Totals ► 18(b) | 0 | 18(c) 0 |

| | | | |
|---|---|---|---|
| 19 | Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year: | | |
| | a Contributions allocated toward unpaid minimum required contributions from prior years. | 19a | |
| | b Contributions made to avoid restrictions adjusted to valuation date | 19b | |
| | c Contributions allocated toward minimum required contribution for current year adjusted to valuation date | 19c | 0 |

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---|---|---|---|
| | | | |

## Part V Assumptions Used to Determine Funding Target and Target Normal Cost

**21** Discount rate:

**a** Segment rates:

| 1st segment: | 2nd segment: | 3rd segment: | |
|---|---|---|---|
| 4.94% | 6.15% | 6.76 % | ☐ N/A, full yield curve used |

| | | |
|---|---|---|
| **b** Applicable month (enter code) | **21b** | 4 |
| **22** Weighted average retirement age | **22** | 62 |

**23** Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

## Part VI Miscellaneous Items

| | | |
|---|---|---|
| **24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment | ☒ Yes | ☐ No |
| **25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment | ☐ Yes | ☒ No |
| **26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment | ☒ Yes | ☐ No |

| | | |
|---|---|---|
| **27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment | **27** | |

## Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

| | | |
|---|---|---|
| **28** Unpaid minimum required contributions for all prior years | **28** | |
| **29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) | **29** | |
| **30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) | **30** | 0 |

## Part VIII Minimum Required Contribution For Current Year

**31** Target normal cost and excess assets (see instructions):

| | | |
|---|---|---|
| **a** Target normal cost (line 6) | **31a** | 411447 |
| **b** Excess assets, if applicable, but not greater than line 31a | **31b** | 411447 |

**32** Amortization installments:

| | Outstanding Balance | Installment |
|---|---|---|
| **a** Net shortfall amortization installment | 0 | 0 |
| **b** Waiver amortization installment | | 0 |

| | | |
|---|---|---|
| **33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____ ) and the waived amount | **33** | 0 |
| **34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) | **34** | 0 |

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| **35** Balances elected for use to offset funding requirement | 0 | 0 | 0 |

| | | |
|---|---|---|
| **36** Additional cash requirement (line 34 minus line 35) | **36** | 0 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) | **37** | 0 |

**38** Present value of excess contributions for current year (see instructions)

| | | |
|---|---|---|
| **a** Total (excess, if any, of line 37 over line 36) | **38a** | 0 |
| **b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances | **38b** | 0 |
| **39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) | **39** | 0 |
| **40** Unpaid minimum required contributions for all years | **40** | 0 |

## Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

**41** If an election was made to use PRA 2010 funding relief for this plan:

**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years

**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

| | | |
|---|---|---|
| **42** Amount of acceleration adjustment | **42** | |
| **43** Excess installment acceleration amount to be carried over to future plan years | **43** | |

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2013**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

| | |
|---|---|
| **A** Name of plan<br>TRANE PENSION PLAN | **B** Three-digit plan number (PN) ▶ 003 |
| **C** Plan sponsor's name as shown on line 2a of Form 5500<br>TRANE U.S. INC. | **D** Employer Identification Number (EIN)<br>25-0900465 |

## Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

BANK OF NEW YORK MELLON

13-5160382

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 21 | TRUSTEE | 11123 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

TOWERS WATSON DELAWARE, INC.

53-0181291

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 11 | NONE | 62308 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

BUCK CONSULTING, INC.

13-2655989

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 16 | NONE | 5500 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

**(a)** Enter name and EIN or address (see instructions)

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

**(a)** Enter name and EIN or address (see instructions)

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

## Part I Service Provider Information (continued)

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

## Part II Service Providers Who Fail or Refuse to Provide Information

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

## Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

| | | |
|---|---|---|
| **a** Name: SEAMUS DOYLE | **b** EIN: 53-0181291 | |
| **c** Position: ENROLL ACTUARY | | |
| **d** Address: TOWERS WATSON DELAWARE INC.<br>800 BOYLSTON STREET<br>BOSTON, MA 02199-8103 | **e** Telephone: 617-638-3700 | |

Explanation: REASSIGNMENT OF WORK WITHIN TOWERS WATSON.

| | | |
|---|---|---|
| **a** Name: | **b** EIN: | |
| **c** Position: | | |
| **d** Address: | **e** Telephone: | |

Explanation:

| | | |
|---|---|---|
| **a** Name: | **b** EIN: | |
| **c** Position: | | |
| **d** Address: | **e** Telephone: | |

Explanation:

| | | |
|---|---|---|
| **a** Name: | **b** EIN: | |
| **c** Position: | | |
| **d** Address: | **e** Telephone: | |

Explanation:

| | | |
|---|---|---|
| **a** Name: | **b** EIN: | |
| **c** Position: | | |
| **d** Address: | **e** Telephone: | |

Explanation:

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2013**

**This Form is Open to Public Inspection**

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

**A** Name of plan
TRANE PENSION PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500
TRANE U.S. INC.

**D** Employer Identification Number (EIN)
25-0900465

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | | |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | 150000 | 150000 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | | |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | | |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 26491941 | 24778521 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 26641941 | 24928521 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 26641941 | 24928521 |

## Part II Income and Expense Statement

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

| | Income | | (a) Amount | (b) Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | | |
| | **(B)** Participants | 2a(1)(B) | | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 0 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 618694 | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 618694 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 205474 | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 205474 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | -1321280 | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | -1321280 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | -497112 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 999151 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | | |
| (3) Other | 2e(3) | | |
| (4) Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 999151 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | 67808 | |
| (2) Contract administrator fees | 2i(2) | 5623 | |
| (3) Investment advisory and management fees | 2i(3) | 5500 | |
| (4) Other | 2i(4) | 138226 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 217157 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 1216308 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | -1713420 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

**(1)** [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

**(1)** Name: DIXON HUGHES GOODMAN LLP **(2)** EIN: 56-0747981

**d** The opinion of an independent qualified public accountant is **not attached** because:

**(1)** [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

## Part IV Compliance Questions

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |
| **b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| c | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| d | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | 60000000 |
| f | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| g | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| h | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| i | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| j | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | X | | |
| k | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| l | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| m | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | | |
| n | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ **Yes** ☒ **No** **Amount:**

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

**5c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ..... ☒ Yes ☐ No ☐ Not determined

## Part V Trust Information (optional)

| **6a** Name of trust | **6b** Trust's EIN |
|---|---|
| | |

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2013**

**This Form is Open to Public Inspection.**

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

**A** Name of plan
TRANE PENSION PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500
TRANE U.S. INC.

**D** Employer Identification Number (EIN)
25-0900465

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1**

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 13-1483824

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... **3** 127

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6 a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☒ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

**11 a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

**14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

| | | |
|---|---|---|
| **a** The current year | **14a** | |
| **b** The plan year immediately preceding the current plan year | **14b** | |
| **c** The second preceding plan year | **14c** | |

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

## Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

**19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

**a** Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: ___100___% High-Yield Debt: _____% Real Estate: _____% Other: _____%

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☒ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☒ Modified duration ☐ Other (specify):

DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

## - Independent Auditors' Report –

To the Participants and Administrator of the
Trane Pension Plan
Davidson, North Carolina

***Report on the Financial Statements***

We were engaged to audit the accompanying financial statements of the Trane Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, the related statements of changes in net assets available for benefits for the years then ended, the statement of accumulated plan benefits as of December 31, 2012, and the related statement of changes in accumulated plan benefits for the year ended December 31, 2012, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by The Bank of New York Mellon, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2013 and 2012, and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.



6525 Morrison Boulevard, Suite 500, Charlotte, NC 28211 | T 704.367.7020 | F 704.367.7760 | dhgllp.com

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

*Disclaimer of Opinion*

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

*Other Matter*

The supplemental schedules of assets (held at end of year) as of December 31, 2013 and reportable transactions for the year ended December 31, 2013 are required by the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on the supplemental schedules.

*Report on Form and Content in Compliance with DOL Rules and Regulations*

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Dixon Hughes Goodman LLP

Charlotte, North Carolina
October 13, 2014

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 22
## Description of Weighted Average Retirement Age
## as of January 1, 2013

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement, and then computing the average retirement age for the table.

| $x$ | $q_x^r$ | $l_x$ | ${}_{x-55}p_{55} = l_x / l_{55}$ | $q_x^r * l_x / l_{55}$ | $x * q_x * l_x / l_{55}$ |
|---|---|---|---|---|---|
| 55 | 5.00 | 55.5 | 0.05000 | 0.95000 | 2.7750 |
| 56 | 5.00 | 56.5 | 0.04750 | 0.90250 | 2.6838 |
| 57 | 5.00 | 57.5 | 0.04513 | 0.85737 | 2.5950 |
| 58 | 5.00 | 58.5 | 0.04287 | 0.81450 | 2.5079 |
| 59 | 5.00 | 59.5 | 0.04073 | 0.77377 | 2.4234 |
| 60 | 15.00 | 60.5 | 0.11607 | 0.65770 | 7.0222 |
| 61 | 15.00 | 61.5 | 0.09866 | 0.55904 | 6.0676 |
| 62 | 15.00 | 62.5 | 0.08386 | 0.47518 | 5.2413 |
| 63 | 15.00 | 63.5 | 0.07128 | 0.40390 | 4.5263 |
| 64 | 15.00 | 64.5 | 0.06059 | 0.34331 | 3.9081 |
| 65 | 100.00 | 65.0 | 0.34331 | 0.00000 | 22.3152 |

| | |
|---|---|
| Average age at retirement | 62.065800 |
| Rounded for Schedule SB item 22 | 62 |

Plan Name: Trane Pension Plan
EIN / PN: 25-0900465 / 003
Plan Sponsor: Trane U.S. Inc.
Valuation Date: January 1, 2013

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 24
## Change in Actuarial Assumptions

- The interest credit rate assumption was changed from 3.50% to 2.75%.

# SCHEDULE SB ATTACHMENTS

## Schedule SB – Statement by Enrolled Actuary

| | |
|---|---|
| **Plan Sponsor** | Trane U.S. Inc. |
| **EIN/PN** | 25-0900465/003 |
| **Plan Name** | Trane Pension Plan |
| **Valuation Date** | January 1, 2013 |
| **Enrolled Actuary** | Brenda G. Stovall |
| **Enrollment Number** | 14-05721 |

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Part V
## Statement of Actuarial Assumptions/Methods

**Interest rate basis:**

| | |
|---|---|
| • Applicable month | September |
| • Interest rate basis | 3-Segment Rates |

| | Reflecting Corridors | Not Reflecting Corridors |
|---|---|---|
| **Interest rates:** | | |
| • First segment rate | 4.94% | 1.75% |
| • Second segment rate | 6.15% | 4.62% |
| • Third segment rate | 6.76% | 5.72% |
| • Effective interest rate | 6.01% | 4.31% |

**Assumed cost of living adjustments**

0.00%

**Inclusion date**

The valuation date coincident with or next following the date on which the employee becomes a participant.

**Plan-related expenses**

The amount included this year for plan-related expenses is $226,000. This amount is based on the noninvestment-related expenses that were paid out of the plan in the prior fiscal year, and the change in the expected PBGC variable rate premium from the prior year to the current year.

# SCHEDULE SB ATTACHMENTS

**Mortality**

For all participants: The prescribed mortality assumption under IRC §430(h)(3)(A) using static tables with separate mortality rates for annuitants and non-annuitants.

**Retirement**

It is assumed that normal and early retirement will occur in accordance with the following rates (subject to eligibility under individual plans):

| Percentage retiring during the year | |
|---|---|
| Attained Age | Unisex rate of Retirement |
| 55 | 5% |
| 56 | 5% |
| 57 | 5% |
| 58 | 5% |
| 59 | 5% |
| 60 | 15% |
| 61 | 15% |
| 62 | 15% |
| 63 | 15% |
| 64 | 15% |
| 65 | 100% |

This is equivalent to an average assumed retirement age of 62 for those now under age 55.

Employees who have terminated employment and not been paid at the valuation date are assumed to be paid on the valuation date.

**Compensation increases**

For employees with pay related benefits, compensation is assumed to increase at the rate of 4.00% per year for both males and females.

**Future increases in social security**

Not applicable.

# SCHEDULE SB ATTACHMENTS

**Future increases in maximum benefits and plan compensation limitations**

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC §415. Plan compensation is limited to the maximum presently allowed under IRC §401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

**Interest credit rate**

For funding valuation purposes, an interest credit rate of 2.75% was used. For ASC960, 2.75% was also used.

**Representative termination rates (per 100 employees) not due to disability, retirement or mortality**

The rates of withdrawal used for the first four years of service are 20%, 14%, 13%, and 11% respectively. Thereafter, the rates vary by age as shown below for the following illustrative ages:

| Percentage leaving during the year | |
|---|---|
| Attained Age | Unisex rate of Withdrawal |
| 20-24 | 12% |
| 25-29 | 10% |
| 30-34 | 8% |
| 35-39 | 7% |
| 40-44 | 6% |
| 45-49 | 6% |
| 50+ | 5% |

**Form of payment**

Pension benefits are assumed to be paid out as a lump sum.

**Timing of payment**

For terminated vested participants, it was assumed that there is a 33% probability that payment is made in each of first 3 years following the valuation date. Active participants are assumed to receive a lump sum immediately following the earlier of termination, retirement or death.

**Marriage**

80% of participants are assumed to be married at death.

# SCHEDULE SB ATTACHMENTS

**Employees**

It was assumed there will be no new or rehired employees.

**Actuarial value of assets**

Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings of 4.00% for 2012 and 4.75% for 2011 (with such expected earnings limited as described in IRS Notice 2009-22).The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2012 plan year).

The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.

**Participant data**

The valuations are based on employee data provided by Ingersoll Rand, covering all persons who participated in the plan as of the valuation date, whether in an active, terminated vested or retired status. Reasonable estimates were employed if any data was unavailable.

We have not independently verified the accuracy or completeness of the data or information provided, but we have performed limited checks for reasonableness.

**Census date/measurement date**

The census date for the 2013 funding valuation is January 1, 2013. The measurement date for the 2013 funding valuation is January 1, 2013.

**Benefits not included in valuation**

We believe that we have reflected all significant Plan provisions in this valuation.

**Tax policy**

The actuarial valuation performed for the plan year ending December 31, 2013 is used to determine the maximum deductible contribution for the tax year ending December 31, 2013.

| | |
|---|---|
| Plan Name: | Trane Pension Plan |
| EIN / PN: | 25-0900465 / 003 |
| Plan Sponsor: | Trane U.S. Inc. |
| Valuation Date: | January 1, 2013 |

# SCHEDULE SB ATTACHMENTS

**Plan benefits valued**

This valuation was based on the benefit changes adopted on or before January 1, 2013. Benefit increases adopted after January 1, 2013 were not considered in the valuation. Benefits in excess of the current limits under IRC §415 are excluded from this valuation.

**Changes in assumptions and methods since last actuarial valuation**

- The segment interest rates used to calculate the funding target were updated from an applicable month of September 2011 to September 2012, with application of MAP-21 corridors applicable.
- The required mortality table used to calculate the funding target, target normal cost and the present value of accumulated benefits under ASC 960 (plan accounting) was updated to include one additional year of projected mortality improvements.
- The assumed plan-related expenses added to the target normal cost were changed from $187,000 for 2012 to $226,000 for 2013.
- The discount rate used for ASC 960 purposes was changed from 4.00% to 3.25%.
- The interest credit rate assumption was changed from 3.50% to 2.75%.

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Part V
## Summary of Plan Provisions

**Effective date**

September 1, 2003

**Eligibility**

Each salaried or non-union hourly employee who is actively employed on a full-time or part-time basis before September 1, 2003 and who elects to participate in the Plan shall become a member as of September 1, 2003.

Each salaried or non-union hourly employee who is actively employed on a full-time or part-time basis after September 1, 2003 and before January 1, 2010 and who elects to participant in the Plan shall become a member on the later of the date he completes an hour of service and the date he enrolls in the plan.

The following Hourly union employees now benefit under the Plan:

- Rushville employees hired on or after 5/6/2006
- Clarksville employees hired on or after 1/1/2007
- UPG Tyler employees hired on or after 6/17/2006
- Lexington employees hired on or after 9/1/2008
- LaCrosse employees hired on or after 8/8/2010

**Compensation**

Earnings received in the calendar year as reported on Form W-2 including pre-tax contributions made pursuant to a salary reduction election under IRC Section 401(k), IRC Section 125 and IRC Section 132(f).

**Accounts**

An account is maintained for each participant. Account balances receive pay-based credits and interest credits until benefit commencement. Effective 12/31/2009, pay-based credits are frozen for non-union employees.

**Pay-based credits**

3% of compensation for union employees.

| | |
|---|---|
| Plan Name: | Trane Pension Plan |
| EIN / PN: | 25-0900465 / 003 |
| Plan Sponsor: | Trane U.S. Inc. |
| Valuation Date: | January 1, 2013 |

# SCHEDULE SB ATTACHMENTS

**Interest credits**

Interest is credited daily, with the annual interest rate equal to the annual yield on 5-year Treasury Securities for the 12-month period ending in August of the prior plan year, but not in excess of 8%.

**Normal retirement age**

65.

**Normal retirement, late retirement, and deferred vested benefit**

A participant's account is payable upon any age after termination in the form of a monthly annuity or a lump sum. Several annuity options are available.

**Pre-retirement death benefit**

If the beneficiary is the Member's spouse, the beneficiary is entitled to receive a single life annuity or a lump sum, which is the actuarial equivalent of the member's accrued benefit payable at his Normal Retirement Date. Spouse may elect to commence this benefit any time following Member's death.

If the beneficiary is not the Member's spouse, the beneficiary shall receive a cash lump sum equal to 100% of the member's account as of the payment date. Payment date shall be as soon as administratively practical.

**Vesting**

A participant who terminates employment before normal retirement age and after completion of 3 years of service or whose date of hire was prior to September 1, 2003 shall be 100% vested in his Account Balance Active members become 100% vested upon attainment of age 65 or if termination is due to death, permanent shutdown, or disability.

# SCHEDULE SB ATTACHMENTS

**Normal form of payment**

The normal form of payment for a married participant is a Qualified Joint and 50% Survivor Annuity. The normal form of payment for a non-married participant is a single life annuity.

**Optional forms of payment**

Option 1: Single life annuity.
Option 2: Joint and 50% survivor annuity.
Option 3: Joint and 75% survivor annuity.
Option 4: Ten year certain and life annuity.
Option 5: Lump sum payment.

Benefits payable under an optional form are determined on an actuarially equivalent basis.

**Changes in plan provisions since last actuarial valuation**

None.

| SCHEDULE SB (Form 5500) | Single-Employer Defined Benefit Plan Actuarial Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury Internal Revenue Service<br>Department of Labor Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).<br>▶ File as an attachment to Form 5500 or 5500-SF. | 2013<br>This Form is Open to Public Inspection |

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

| A Name of plan | B Three-digit plan number (PN) ▶ | 003 |
|---|---|---|
| Trane Pension Plan | | |
| **C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF | **D** Employer Identification Number (EIN) | |
| Trane U.S. Inc. | 25-0900465 | |

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

## Part I Basic Information

**1** Enter the valuation date: Month 1 Day 1 Year 2013

| | | | | |
|---|---|---|---|---|
| **2** | Assets: | | | |
| | **a** Market value | | **2a** | 26,641,941 |
| | **b** Actuarial value | | **2b** | 25,646,476 |
| **3** | Funding target/participant count breakdown: | | (1) Number of participants | (2) Funding Target |
| | **a** For retired participants and beneficiaries receiving payment | **3a** | 25 | 253,404 |
| | **b** For terminated vested participants | **3b** | 995 | 6,438,602 |
| | **c** For active participants: | | | |
| | (1) Non-vested benefits | **3c(1)** | | 62,132 |
| | (2) Vested benefits | **3c(2)** | | 11,993,112 |
| | (3) Total active | **3c(3)** | 2,296 | 12,055,244 |
| | **d** Total | **3d** | 3,316 | 18,747,250 |
| **4** | If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ] | | | |
| | **a** Funding target disregarding prescribed at-risk assumptions | | **4a** | |
| | **b** Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor | | **4b** | |
| **5** | Effective interest rate | | **5** | 6.01 % |
| **6** | Target normal cost | | **6** | 411,447 |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN HERE** Brenda G. Stovall 10/06/2014

Signature of actuary — Date

Brenda G. Stovall — 14-05721

Type or print name of actuary — Most recent enrollment number

Towers Watson Delaware Inc. — (901) 252-4000

Firm name — Telephone number (including area code)

3350 Players Club Parkway
Suite 200
Memphis TN 38125

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

## Part II Beginning of Year Carryover and Prefunding Balances

| | | (a) Carryover balance | (b) Prefunding balance |
|---|---|---|---|
| 7 | Balance at beginning of prior year after applicable adjustments (line 13 from prior year) | 0 | 0 |
| 8 | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) | 0 | 0 |
| 9 | Amount remaining (line 7 minus line 8) | 0 | 0 |
| 10 | Interest on line 9 using prior year's actual return of 10.02 % | | |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| | a Present value of excess contributions (line 38a from prior year) | | 0 |
| | b Interest on (a) using prior year's effective interest rate of 6.72 % except as otherwise provided (see instructions) | | 0 |
| | c Total available at beginning of current plan year to add to prefunding balance | | 0 |
| | d Portion of (c) to be added to prefunding balance | | 0 |
| 12 | Other reductions in balances due to elections or deemed elections | 0 | 0 |
| 13 | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) | 0 | 0 |

## Part III Funding Percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 136.80 % |
| 15 | Adjusted funding target attainment percentage | 15 | 136.80 % |
| 16 | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement | 16 | 132.79 % |
| 17 | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage | 17 | % |

## Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees | (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | Totals ▶ 18(b) | 0 | 18(c) 0 |

| | | | |
|---|---|---|---|
| 19 | Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year: | | |
| | a Contributions allocated toward unpaid minimum required contributions from prior years. | 19a | |
| | b Contributions made to avoid restrictions adjusted to valuation date | 19b | |
| | c Contributions allocated toward minimum required contribution for current year adjusted to valuation date | 19c | 0 |

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---|---|---|---|
| | | | |

## Part V Assumptions Used to Determine Funding Target and Target Normal Cost

**21** Discount rate:

**a** Segment rates:

| 1st segment: | 2nd segment: | 3rd segment: | |
|---|---|---|---|
| 4.94 % | 6.15 % | 6.76 % | ☐ N/A, full yield curve used |

| | | |
|---|---|---|
| **b** Applicable month (enter code) | **21b** | 4 |
| **22** Weighted average retirement age | **22** | 62 |

**23** Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

## Part VI Miscellaneous Items

| | | |
|---|---|---|
| **24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment | | ☒ Yes ☐ No |
| **25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment | | ☐ Yes ☒ No |
| **26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment | | ☒ Yes ☐ No |
| **27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment | **27** | |

## Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

| | | |
|---|---|---|
| **28** Unpaid minimum required contributions for all prior years | **28** | |
| **29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) | **29** | |
| **30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) | **30** | 0 |

## Part VIII Minimum Required Contribution For Current Year

| | | |
|---|---|---|
| **31** Target normal cost and excess assets (see instructions): | | |
| **a** Target normal cost (line 6) | **31a** | 411,447 |
| **b** Excess assets, if applicable, but not greater than line 31a | **31b** | 411,447 |

| **32** Amortization installments: | Outstanding Balance | Installment |
|---|---|---|
| **a** Net shortfall amortization installment | 0 | 0 |
| **b** Waiver amortization installment | | 0 |

| | | |
|---|---|---|
| **33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount | **33** | 0 |
| **34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) | **34** | 0 |

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| **35** Balances elected for use to offset funding requirement | 0 | 0 | 0 |

| | | |
|---|---|---|
| **36** Additional cash requirement (line 34 minus line 35) | **36** | 0 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) | **37** | 0 |
| **38** Present value of excess contributions for current year (see instructions) | | |
| **a** Total (excess, if any, of line 37 over line 36) | **38a** | 0 |
| **b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances | **38b** | 0 |
| **39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) | **39** | 0 |
| **40** Unpaid minimum required contributions for all years | **40** | 0 |

## Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

**41** If an election was made to use PRA 2010 funding relief for this plan:

**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years

**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

| | | |
|---|---|---|
| **42** Amount of acceleration adjustment | **42** | |
| **43** Excess installment acceleration amount to be carried over to future plan years | **43** | |

# SCHEDULE SB ATTACHMENTS

## Schedule SB – Statement by Enrolled Actuary

| | |
|---|---|
| **Plan Sponsor** | Trane U.S. Inc. |
| **EIN/PN** | 25-0900465/003 |
| **Plan Name** | Trane Pension Plan |
| **Valuation Date** | January 1, 2013 |
| **Enrolled Actuary** | Brenda G. Stovall |
| **Enrollment Number** | 14-05721 |

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 22
## Description of Weighted Average Retirement Age
## as of January 1, 2013

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement, and then computing the average retirement age for the table.

| $x$ | $q_x^r$ | $l_x$ | ${}_{x-55}p_{55} = l_x / l_{55}$ | $q_x^r * l_x / l_{55}$ | $x * q_x * l_x / l_{55}$ |
|---|---|---|---|---|---|
| 55 | 5.00 | 55.5 | 0.05000 | 0.95000 | 2.7750 |
| 56 | 5.00 | 56.5 | 0.04750 | 0.90250 | 2.6838 |
| 57 | 5.00 | 57.5 | 0.04513 | 0.85737 | 2.5950 |
| 58 | 5.00 | 58.5 | 0.04287 | 0.81450 | 2.5079 |
| 59 | 5.00 | 59.5 | 0.04073 | 0.77377 | 2.4234 |
| 60 | 15.00 | 60.5 | 0.11607 | 0.65770 | 7.0222 |
| 61 | 15.00 | 61.5 | 0.09866 | 0.55904 | 6.0676 |
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| 63 | 15.00 | 63.5 | 0.07128 | 0.40390 | 4.5263 |
| 64 | 15.00 | 64.5 | 0.06059 | 0.34331 | 3.9081 |
| 65 | 100.00 | 65.0 | 0.34331 | 0.00000 | 22.3152 |

| | |
|---|---|
| Average age at retirement | 62.065800 |
| Rounded for Schedule SB item 22 | 62 |

Plan Name: Trane Pension Plan
EIN / PN: 25-0900465 / 003
Plan Sponsor: Trane U.S. Inc.
Valuation Date: January 1, 2013

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Part V
## Statement of Actuarial Assumptions/Methods

**Interest rate basis:**

| | |
|---|---|
| • Applicable month | September |
| • Interest rate basis | 3-Segment Rates |

| | Reflecting Corridors | Not Reflecting Corridors |
|---|---|---|
| **Interest rates:** | | |
| • First segment rate | 4.94% | 1.75% |
| • Second segment rate | 6.15% | 4.62% |
| • Third segment rate | 6.76% | 5.72% |
| • Effective interest rate | 6.01% | 4.31% |

**Assumed cost of living adjustments**

0.00%

**Inclusion date**

The valuation date coincident with or next following the date on which the employee becomes a participant.

**Plan-related expenses**

The amount included this year for plan-related expenses is $226,000. This amount is based on the noninvestment-related expenses that were paid out of the plan in the prior fiscal year, and the change in the expected PBGC variable rate premium from the prior year to the current year.

# SCHEDULE SB ATTACHMENTS

**Mortality**

For all participants: The prescribed mortality assumption under IRC §430(h)(3)(A) using static tables with separate mortality rates for annuitants and non-annuitants.

**Retirement**

It is assumed that normal and early retirement will occur in accordance with the following rates (subject to eligibility under individual plans):

| Percentage retiring during the year | |
|---|---|
| Attained Age | Unisex rate of Retirement |
| 55 | 5% |
| 56 | 5% |
| 57 | 5% |
| 58 | 5% |
| 59 | 5% |
| 60 | 15% |
| 61 | 15% |
| 62 | 15% |
| 63 | 15% |
| 64 | 15% |
| 65 | 100% |

This is equivalent to an average assumed retirement age of 62 for those now under age 55.

Employees who have terminated employment and not been paid at the valuation date are assumed to be paid on the valuation date.

**Compensation increases**

For employees with pay related benefits, compensation is assumed to increase at the rate of 4.00% per year for both males and females.

**Future increases in social security**

Not applicable.

# SCHEDULE SB ATTACHMENTS

**Future increases in maximum benefits and plan compensation limitations**

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC §415. Plan compensation is limited to the maximum presently allowed under IRC §401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

**Interest credit rate**

For funding valuation purposes, an interest credit rate of 2.75% was used. For ASC960, 2.75% was also used.

**Representative termination rates (per 100 employees) not due to disability, retirement or mortality**

The rates of withdrawal used for the first four years of service are 20%, 14%, 13%, and 11% respectively. Thereafter, the rates vary by age as shown below for the following illustrative ages:

| Percentage leaving during the year | |
|---|---|
| Attained Age | Unisex rate of Withdrawal |
| 20-24 | 12% |
| 25-29 | 10% |
| 30-34 | 8% |
| 35-39 | 7% |
| 40-44 | 6% |
| 45-49 | 6% |
| 50+ | 5% |

**Form of payment**

Pension benefits are assumed to be paid out as a lump sum.

**Timing of payment**

For terminated vested participants, it was assumed that there is a 33% probability that payment is made in each of first 3 years following the valuation date. Active participants are assumed to receive a lump sum immediately following the earlier of termination, retirement or death.

**Marriage**

80% of participants are assumed to be married at death.

# SCHEDULE SB ATTACHMENTS

**Employees**

It was assumed there will be no new or rehired employees.

**Actuarial value of assets**

Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings of 4.00% for 2012 and 4.75% for 2011 (with such expected earnings limited as described in IRS Notice 2009-22).The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2012 plan year).

The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.

**Participant data**

The valuations are based on employee data provided by Ingersoll Rand, covering all persons who participated in the plan as of the valuation date, whether in an active, terminated vested or retired status. Reasonable estimates were employed if any data was unavailable.

We have not independently verified the accuracy or completeness of the data or information provided, but we have performed limited checks for reasonableness.

**Census date/measurement date**

The census date for the 2013 funding valuation is January 1, 2013. The measurement date for the 2013 funding valuation is January 1, 2013.

**Benefits not included in valuation**

We believe that we have reflected all significant Plan provisions in this valuation.

**Tax policy**

The actuarial valuation performed for the plan year ending December 31, 2013 is used to determine the maximum deductible contribution for the tax year ending December 31, 2013.

| | |
|---|---|
| Plan Name: | Trane Pension Plan |
| EIN / PN: | 25-0900465 / 003 |
| Plan Sponsor: | Trane U.S. Inc. |
| Valuation Date: | January 1, 2013 |

# SCHEDULE SB ATTACHMENTS

**Plan benefits valued**

This valuation was based on the benefit changes adopted on or before January 1, 2013. Benefit increases adopted after January 1, 2013 were not considered in the valuation. Benefits in excess of the current limits under IRC §415 are excluded from this valuation.

**Changes in assumptions and methods since last actuarial valuation**

- The segment interest rates used to calculate the funding target were updated from an applicable month of September 2011 to September 2012, with application of MAP-21 corridors applicable.
- The required mortality table used to calculate the funding target, target normal cost and the present value of accumulated benefits under ASC 960 (plan accounting) was updated to include one additional year of projected mortality improvements.
- The assumed plan-related expenses added to the target normal cost were changed from $187,000 for 2012 to $226,000 for 2013.
- The discount rate used for ASC 960 purposes was changed from 4.00% to 3.25%.
- The interest credit rate assumption was changed from 3.50% to 2.75%.

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Part V
## Summary of Plan Provisions

**Effective date**

September 1, 2003

**Eligibility**

Each salaried or non-union hourly employee who is actively employed on a full-time or part-time basis before September 1, 2003 and who elects to participate in the Plan shall become a member as of September 1, 2003.

Each salaried or non-union hourly employee who is actively employed on a full-time or part-time basis after September 1, 2003 and before January 1, 2010 and who elects to participant in the Plan shall become a member on the later of the date he completes an hour of service and the date he enrolls in the plan.

The following Hourly union employees now benefit under the Plan:

- Rushville employees hired on or after 5/6/2006
- Clarksville employees hired on or after 1/1/2007
- UPG Tyler employees hired on or after 6/17/2006
- Lexington employees hired on or after 9/1/2008
- LaCrosse employees hired on or after 8/8/2010

**Compensation**

Earnings received in the calendar year as reported on Form W-2 including pre-tax contributions made pursuant to a salary reduction election under IRC Section 401(k), IRC Section 125 and IRC Section 132(f).

**Accounts**

An account is maintained for each participant. Account balances receive pay-based credits and interest credits until benefit commencement. Effective 12/31/2009, pay-based credits are frozen for non-union employees.

**Pay-based credits**

3% of compensation for union employees.

| | |
|---|---|
| Plan Name: | Trane Pension Plan |
| EIN / PN: | 25-0900465 / 003 |
| Plan Sponsor: | Trane U.S. Inc. |
| Valuation Date: | January 1, 2013 |

# SCHEDULE SB ATTACHMENTS

**Interest credits**

Interest is credited daily, with the annual interest rate equal to the annual yield on 5-year Treasury Securities for the 12-month period ending in August of the prior plan year, but not in excess of 8%.

**Normal retirement age**

65.

**Normal retirement, late retirement, and deferred vested benefit**

A participant's account is payable upon any age after termination in the form of a monthly annuity or a lump sum. Several annuity options are available.

**Pre-retirement death benefit**

If the beneficiary is the Member's spouse, the beneficiary is entitled to receive a single life annuity or a lump sum, which is the actuarial equivalent of the member's accrued benefit payable at his Normal Retirement Date. Spouse may elect to commence this benefit any time following Member's death.

If the beneficiary is not the Member's spouse, the beneficiary shall receive a cash lump sum equal to 100% of the member's account as of the payment date. Payment date shall be as soon as administratively practical.

**Vesting**

A participant who terminates employment before normal retirement age and after completion of 3 years of service or whose date of hire was prior to September 1, 2003 shall be 100% vested in his Account Balance Active members become 100% vested upon attainment of age 65 or if termination is due to death, permanent shutdown, or disability.

# SCHEDULE SB ATTACHMENTS

**Normal form of payment**

The normal form of payment for a married participant is a Qualified Joint and 50% Survivor Annuity. The normal form of payment for a non-married participant is a single life annuity.

**Optional forms of payment**

Option 1: Single life annuity.
Option 2: Joint and 50% survivor annuity.
Option 3: Joint and 75% survivor annuity.
Option 4: Ten year certain and life annuity.
Option 5: Lump sum payment.

Benefits payable under an optional form are determined on an actuarially equivalent basis.

**Changes in plan provisions since last actuarial valuation**

None.

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 24
## Change in Actuarial Assumptions

- The interest credit rate assumption was changed from 3.50% to 2.75%.

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 26
## Schedule of Active Participant Data for Cash Balance Plans as of January 1, 2013

| Attained Age | Years of Credited Service | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Under 1 | | 1 to 4 | | 5 to 9 | | 10 to 14 | | 15 to 19 | | 20 to 24 | | 25 to 29 | | 30 to 34 | | 35 to 39 | | 40 & Over | |
| | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. |
| Under 25 | 74 | 266 | 22 | 907 | 7 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 25 – 29 | 49 | 311 | 48 | 1,175 | 99 | 3,049 | 7 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 30 – 34 | 32 | 364 | 47 | 1,550 | 152 | 5,019 | 42 | 6,901 | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 35 - 39 | 25 | 379 | 51 | 1,713 | 101 | 5,474 | 94 | 8,804 | 23 | 8,886 | 1 | | 0 | | 0 | | 0 | | 0 | |
| 40 - 44 | 24 | 412 | 37 | 1,904 | 125 | 6,656 | 83 | 9,603 | 46 | 12,009 | 9 | | 0 | | 0 | | 0 | | 0 | |
| 45 - 49 | 18 | | 34 | 2,153 | 123 | 6,416 | 73 | 10,005 | 36 | 11,128 | 23 | 19,327 | 12 | | 0 | | 0 | | 0 | |
| 50 - 54 | 11 | | 27 | 2,468 | 109 | 6,975 | 70 | 11,542 | 25 | 12,437 | 22 | 14,561 | 16 | | 11 | | 2 | | 0 | |
| 55 - 59 | 10 | | 23 | 2,234 | 83 | 5,907 | 69 | 8,950 | 23 | 10,408 | 23 | 15,608 | 15 | | 13 | | 17 | | 0 | |
| 60 - 64 | 2 | | 10 | | 52 | 7,347 | 37 | 9,756 | 22 | 14,078 | 8 | | 8 | | 5 | | 10 | | 7 | |
| 65 - 69 | 0 | | 6 | | 12 | | 8 | | 4 | | 1 | | 4 | | 1 | | 2 | | 6 | |
| 70 & Over | 0 | | 1 | | 1 | | 2 | | 0 | | 1 | | 0 | | 0 | | 0 | | 0 | |

Plan Name: Trane Pension Plan
EIN / PN: 25-0900465 / 003
Plan Sponsor: Trane U.S. Inc.
Valuation Date: January 1, 2013

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 26

## Schedule of Active Participant Data for Cash Balance Plans as of January 1, 2013

**Number and average plan compensation limited by IRC §401(a)(17) distributed by attained age and attained years of credited service**

All monetary amounts shown in US Dollars

| Attained Age | Attained Years of Credited Service | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Under 1 | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 and over | Grand Total |
| Under 25 | 74 | 18 | 1 | | | | | | | | 93 |
| | 17,922 | 0 | 0 | | | | | | | | 19,496 |
| 25-29 | 49 | 16 | 9 | | | | | | | | 74 |
| | 20,703 | 0 | 0 | | | | | | | | 23,438 |
| 30-34 | 32 | 11 | 10 | 6 | | | | | | | 59 |
| | 23,810 | 0 | 0 | 0 | | | | | | | 30,236 |
| 35-39 | 25 | 13 | 7 | 6 | 9 | | | | | | 60 |
| | 25,017 | 0 | 0 | 0 | 0 | | | | | | 33,188 |
| 40-44 | 24 | 6 | 7 | 3 | 6 | 1 | | | | | 47 |
| | 27,453 | 0 | 0 | 0 | 0 | 0 | | | | | 31,386 |
| 45-49 | 17 | 4 | 6 | 2 | 2 | | 1 | | | | 32 |
| | 0 | 0 | 0 | 0 | 0 | | 0 | | | | 31,390 |
| 50-54 | 11 | 3 | 6 | | 1 | | 1 | | | | 22 |
| | 0 | 0 | 0 | | 0 | | 0 | | | | 33,535 |
| 55-59 | 10 | 2 | 9 | 1 | 3 | | | | 2 | | 27 |
| | 0 | 0 | 0 | 0 | 0 | | | | 0 | | 39,924 |
| 60-64 | 2 | | 9 | | 1 | | | 1 | 1 | | 14 |
| | 0 | | 0 | | 0 | | | 0 | 0 | | 0 |
| 65-69 | | | | | | | | | | 1 | 1 |
| | | | | | | | | | | 0 | 0 |
| Total | 244 | 73 | 64 | 18 | 22 | 1 | 2 | 1 | 3 | 1 | 429 |
| | 22,279 | 31,634 | 31,144 | 0 | 53,209 | 0 | 0 | 0 | 0 | 0 | 28,022 |

**The table only includes those union employees eligible for continued pay-based credits (429 employees in 2013 with limited plan pay of $12,021,625).

Plan Name: Trane Pension Plan
EIN / PN: 25-0900465 / 003
Plan Sponsor: Trane U.S. Inc.
Valuation Date: January 1, 2013

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 26
## Schedule of Active Participant Data for Cash Balance Plans as of January 1, 2013

| Attained Age | Years of Credited Service | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Under 1 | | 1 to 4 | | 5 to 9 | | 10 to 14 | | 15 to 19 | | 20 to 24 | | 25 to 29 | | 30 to 34 | | 35 to 39 | | 40 & Over | |
| | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. | No. | Avg. Bal. |
| Under 25 | 74 | 266 | 22 | 907 | 7 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 25 – 29 | 49 | 311 | 48 | 1,175 | 99 | 3,049 | 7 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 30 – 34 | 32 | 364 | 47 | 1,550 | 152 | 5,019 | 42 | 6,901 | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 35 - 39 | 25 | 379 | 51 | 1,713 | 101 | 5,474 | 94 | 8,804 | 23 | 8,886 | 1 | | 0 | | 0 | | 0 | | 0 | |
| 40 - 44 | 24 | 412 | 37 | 1,904 | 125 | 6,656 | 83 | 9,603 | 46 | 12,009 | 9 | | 0 | | 0 | | 0 | | 0 | |
| 45 - 49 | 18 | | 34 | 2,153 | 123 | 6,416 | 73 | 10,005 | 36 | 11,128 | 23 | 19,327 | 12 | | 0 | | 0 | | 0 | |
| 50 - 54 | 11 | | 27 | 2,468 | 109 | 6,975 | 70 | 11,542 | 25 | 12,437 | 22 | 14,561 | 16 | | 11 | | 2 | | 0 | |
| 55 - 59 | 10 | | 23 | 2,234 | 83 | 5,907 | 69 | 8,950 | 23 | 10,408 | 23 | 15,608 | 15 | | 13 | | 17 | | 0 | |
| 60 - 64 | 2 | | 10 | | 52 | 7,347 | 37 | 9,756 | 22 | 14,078 | 8 | | 8 | | 5 | | 10 | | 7 | |
| 65 - 69 | 0 | | 6 | | 12 | | 8 | | 4 | | 1 | | 4 | | 1 | | 2 | | 6 | |
| 70 & Over | 0 | | 1 | | 1 | | 2 | | 0 | | 1 | | 0 | | 0 | | 0 | | 0 | |

Plan Name: Trane Pension Plan
EIN / PN: 25-0900465 / 003
Plan Sponsor: Trane U.S. Inc.
Valuation Date: January 1, 2013

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 26

## Schedule of Active Participant Data for Cash Balance Plans as of January 1, 2013

**Number and average plan compensation limited by IRC §401(a)(17) distributed by attained age and attained years of credited service**

All monetary amounts shown in US Dollars

| Attained Age | Attained Years of Credited Service | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Under 1 | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 and over | Grand Total |
| Under 25 | 74 | 18 | 1 | | | | | | | | 93 |
| | 17,922 | 0 | 0 | | | | | | | | 19,496 |
| 25-29 | 49 | 16 | 9 | | | | | | | | 74 |
| | 20,703 | 0 | 0 | | | | | | | | 23,438 |
| 30-34 | 32 | 11 | 10 | 6 | | | | | | | 59 |
| | 23,810 | 0 | 0 | 0 | | | | | | | 30,236 |
| 35-39 | 25 | 13 | 7 | 6 | 9 | | | | | | 60 |
| | 25,017 | 0 | 0 | 0 | 0 | | | | | | 33,188 |
| 40-44 | 24 | 6 | 7 | 3 | 6 | 1 | | | | | 47 |
| | 27,453 | 0 | 0 | 0 | 0 | 0 | | | | | 31,386 |
| 45-49 | 17 | 4 | 6 | 2 | 2 | | 1 | | | | 32 |
| | 0 | 0 | 0 | 0 | 0 | | 0 | | | | 31,390 |
| 50-54 | 11 | 3 | 6 | | 1 | | 1 | | | | 22 |
| | 0 | 0 | 0 | | 0 | | 0 | | | | 33,535 |
| 55-59 | 10 | 2 | 9 | 1 | 3 | | | | 2 | | 27 |
| | 0 | 0 | 0 | 0 | 0 | | | | 0 | | 39,924 |
| 60-64 | 2 | | 9 | | 1 | | | 1 | 1 | | 14 |
| | 0 | | 0 | | 0 | | | 0 | 0 | | 0 |
| 65-69 | | | | | | | | | | 1 | 1 |
| | | | | | | | | | | 0 | 0 |
| Total | 244 | 73 | 64 | 18 | 22 | 1 | 2 | 1 | 3 | 1 | 429 |
| | 22,279 | 31,634 | 31,144 | 0 | 53,209 | 0 | 0 | 0 | 0 | 0 | 28,022 |

**The table only includes those union employees eligible for continued pay-based credits (429 employees in 2013 with limited plan pay of $12,021,625).

Plan Name: Trane Pension Plan
EIN / PN: 25-0900465 / 003
Plan Sponsor: Trane U.S. Inc.
Valuation Date: January 1, 2013

# Trane Pension Plan

Financial Statements and Supplemental Schedules
December 31, 2013 and 2012

# Trane Pension Plan
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DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

## - Independent Auditors' Report –

To the Participants and Administrator of the
Trane Pension Plan
Davidson, North Carolina

***Report on the Financial Statements***

We were engaged to audit the accompanying financial statements of the Trane Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, the related statements of changes in net assets available for benefits for the years then ended, the statement of accumulated plan benefits as of December 31, 2012, and the related statement of changes in accumulated plan benefits for the year ended December 31, 2012, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by The Bank of New York Mellon, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2013 and 2012, and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.



6525 Morrison Boulevard, Suite 500, Charlotte, NC 28211 | T 704.367.7020 | F 704.367.7760 | dhgllp.com

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***Disclaimer of Opinion***

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

***Other Matter***

The supplemental schedules of assets (held at end of year) as of December 31, 2013 and reportable transactions for the year ended December 31, 2013 are required by the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on the supplemental schedules.

***Report on Form and Content in Compliance with DOL Rules and Regulations***

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Dixon Hughes Goodman LLP

Charlotte, North Carolina
October 13, 2014

# Trane Pension Plan
## Statements of Net Assets Available for Benefits
## December 31, 2013 and 2012

| | 2013 | 2012 |
|---|---|---|
| **Assets** | | |
| Investments, at fair value: | | |
| Mutual fund | $ 24,706,605 | $ 26,478,722 |
| Short-term investment fund | 71,916 | 13,219 |
| Total investments | 24,778,521 | 26,491,941 |
| Due from broker | 150,000 | 150,000 |
| Net assets available for benefits | $ 24,928,521 | $ 26,641,941 |

The accompanying notes are an integral part of these financial statements.

# Trane Pension Plan
## Statements of Changes in Net Assets Available for Benefits
## Years Ended December 31, 2013 and 2012

| | 2013 | 2012 |
|---|---|---|
| **Additions (reductions) to net assets attributable to:** | | |
| Net (depreciation) appreciation in fair value of investments | $ (1,115,806) | $ 1,468,463 |
| Interest and dividend income | 618,694 | 1,018,162 |
| Total (deductions) additions | (497,112) | 2,486,625 |
| **Deductions from net assets attributable to:** | | |
| Benefit payments to pensioners and beneficiaries | 999,151 | 1,111,675 |
| Administrative expenses | 217,157 | 190,877 |
| Total deductions | 1,216,308 | 1,302,552 |
| Net (decrease) increase | (1,713,420) | 1,184,073 |
| **Net assets available for benefits** | | |
| Beginning of year | 26,641,941 | 25,457,868 |
| End of year | $ 24,928,521 | $ 26,641,941 |

The accompanying notes are an integral part of these financial statements.

# Trane Pension Plan
## Statement of Accumulated Plan Benefits
## December 31, 2012*

| | | |
|---|---|---|
| **Actuarial present value of accumulated plan benefits** (Note 2) | | |
| Vested benefits | | |
| Participants currently receiving payments | $ | 322,429 |
| Other participants | | 21,306,599 |
| Total vested benefits | | 21,629,028 |
| Nonvested benefits | | 85,270 |
| **Total actuarial present value of accumulated plan benefits** | $ | 21,714,298 |

* Based on the latest actuarial valuation at January 1, 2013.

The accompanying notes are an integral part of these financial statements.

# Trane Pension Plan
## Statement of Changes in Accumulated Plan Benefits
## Year Ended December 31, 2012*

| | | |
|---|---|---|
| **Actuarial present value of accumulated plan benefits at January 1, 2012** | $ | 22,105,610 |
| Increase (decrease) during the year attributable to: | | |
| Increase for interest due to a decrease in the discount period | | 867,346 |
| Benefits accumulated | | 133,885 |
| Net actuarial losses | | (469,635) |
| Benefits paid | | (1,111,675) |
| Change of assumptions | | 188,767 |
| Net decrease during the year | | (391,312) |
| **Actuarial present value of accumulated plan benefits at December 31, 2012** | $ | 21,714,298 |

* Based on the latest actuarial valuation at January 1, 2012.

The accompanying notes are an integral part of these financial statements.

## 1. Description of the Plan

The following brief description of the Trane Pension Plan (the "Plan") is provided for general information purposes. Participants should refer to the plan document for complete information.

### General

The Plan is a hybrid defined benefit plan (cash balance plan) designed to allow participants some of the flexibility typically associated with a defined contribution plan, such as taking the benefit when they leave or receiving the benefit in a lump sum. At the same time, the Plan maintains the security associated with a traditional defined benefit pension plan. The Plan covers certain United States employees of Trane U.S. Inc. (the "Company") as defined by the Plan. The Company is a wholly-owned subsidiary of Ingersoll-Rand plc.

### Eligibility

The Plan actively covers certain collectively bargained employees, as defined by the Plan.

Effective January 1, 2010, all current and future salaried and non-collectively bargained hourly employees of Trane U.S. Inc. were no longer eligible to receive additional benefits related to service performed after such date and such employees became participants of the Ingersoll-Rand Pension Plan Number One. The determination of service for vesting purposes will be made in accordance with the Plan. Collectively bargained hourly employees eligible to participate in the Plan continue to accrue benefits based on a percentage of compensation, as defined by the Plan.

### Vesting

Participants are vested after three years of service.

### Payment of Benefits

Upon retirement or termination, participants may elect to receive distribution of their vested benefit in a lump sum or an annuity, as defined by the Plan.

## 2. Summary of Significant Accounting Policies

### Basis of Accounting

The accompanying financial statements were prepared on the accrual basis of accounting.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation/depreciation includes the Plan's gains and losses on the investments bought and sold as well as held during the year.

**Funding Policy**
The Company's funding policy is to make annual minimum contributions as required by law and determined by the actuary, and other contributions in its discretion as allowed by law. The actuary determines the required contributions using the Projected Unit Credit Cost Method. As determined by the actuary, no contributions were required during 2013 and 2012.

**Administrative Expenses**
Administrative expenses of the Plan, including actuarial and custodial fees, are either paid by the Company or from Plan assets. The Plan's actuarial cost method includes a factor to fund such expenses through employer contributions. Fees paid by the Plan include various professional fees, investment fees, Pension Benefit Guaranty Corporation ("PBGC") fees and any other costs of administering the Plan. The PBGC requires the Plan to pay an annual fee based on the number of participants in the Plan. The fee for 2013 and 2012 was $42 and $35 per participant, respectively; however, the yearly cost is determined by the PBGC and is subject to change. The annual PBGC fee per participant is expected to be $49 in 2014 and $50 in 2015

**Actuarial Present Value of Accumulated Plan Benefits**
Accumulated plan benefits are those estimated future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to retired or terminated employees or their beneficiaries, and present employees or their beneficiaries.

The present value of accumulated plan benefits under the Plan was calculated by consulting actuaries and are those amounts that result from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation at January 1, 2013 and 2012 were as follows:

- Participants' life expectancy, based on mortality assumptions under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants.
- Retirement ages, which start at 55 and use actual plan experience.
- Turnover rates, which vary with age and length of service.
- Administrative expense assumption was $226,000 and $187,000 for 2013 and 2012, respectively.
- Discount rate of 3.25% in 2013 and 4.00% in 2012

The forgoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of the accumulated Plan benefits.

**Subsequent Events**
The Plan has evaluated subsequent events through October 13, 2014, the date the financial statements were available to be issued.

## 3. Investments

The following represents individual investments that represent 5% or more of the Plan's net assets available for benefits at December 31:

| | 2013 | 2012 |
|---|---|---|
| PIMCO Total Return Fund | $ 24,706,605 | $ 26,478,722 |

During 2013 and 2012, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) (depreciated) appreciated in value by $(1,115,806) and $1,468,463, respectively.

## 4. Unaudited Information Certified by Trustee

The Bank of New York Mellon ("the Trustee") holds the Plan's investments and executes its transactions. The Trustee has prepared the information included in the accompanying financial statements as of December 31, 2013 and 2012 and for the years then ended and has furnished it to the plan administrator together with a certification that such information is complete and accurate. Such certifications are required under the method of compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") elected by the Plan Administrator.

The accompanying financial statements include the following unaudited information as of and for the years ended December 31, 2013 and 2012 which was obtained from data prepared and certified as complete and accurate by the Trustee:

| | 2013 | 2012 |
|---|---|---|
| Mutual fund | $ 24,706,605 | $ 26,478,722 |
| Short-term investment fund | $ 71,916 | $ 13,219 |
| Due from broker | $ 150,000 | $ 150,000 |
| Interest and dividend income | $ 618,694 | $ 1,018,162 |
| Net (depreciation) appreciation in fair value of investments | $ (1,115,806) | $ 1,468,463 |

All information contained in Notes 3 and 5.

**5. Fair Value Measurements**

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Fair value measurements are based on a framework that utilizes the inputs market participants use to determine the fair value of an asset or liability and establishes a fair value hierarchy to prioritize those inputs. The fair value hierarchy is comprised of three levels that are described below:

Level 1 Inputs to the valuation methodology are based on quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs other than Level 1. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are not active;
- Other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable inputs based on little or no market activity and that are significant to the fair value of the assets and liabilities.

The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs are obtained from independent sources and can be validated by a third party, whereas unobservable inputs reflect assumptions regarding what a third party would use in pricing an asset or liability based on the best information available under the circumstances. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for the assets held by the Plan. There have been no significant changes in the methodologies used at December 31, 2013 and 2012.

*Mutual fund:* The investments are valued at the net asset value ("NAV") of shares held by the Plan at year end. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market. These assets are classified as Level 1.

*Short term investment fund:* The short-term investment fund is valued at the closing price or amount held on deposit by the custodian bank or at the fair value by discounting the related cash flows based on the current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. As these investments are traded on active markets, these investments are classified as Level 1.

The methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2013 and 2012:

| | Assets at fair value as of December 31, 2013 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Mutual fund: bond fund | $ 24,706,605 | $ - | $ - | $ 24,706,605 |
| Short term investment fund * | 71,916 | - | - | 71,916 |
| Total assets at fair value | $ 24,778,521 | $ - | $ - | $ 24,778,521 |

| | Assets at fair value as of December 31, 2012 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Mutual fund: bond fund | $ 26,478,722 | $ - | $ - | $ 26,478,722 |
| Short term investment fund * | 13,219 | - | - | 13,219 |
| Total assets at fair value | $ 26,491,941 | $ - | $ - | $ 26,491,941 |

* There are no unfunded commitments, redemption frequency restrictions, or other redemption restrictions.

## 6. Plan Termination

Ingersoll-Rand plc has the right under the Plan, subject to the provisions of any labor agreement, to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event the Plan is terminated, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations.

Certain benefits under the Plan are insured by the PBGC if the Plan is terminated. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's benefits. However, the PBGC does not guarantee all types of benefits and the amount of benefit protection is subject to certain limitations.

Whether all participants receive their benefits should the Plan be terminated will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the PBGC.

## 7. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated September 13, 2012, that the Plan and related trust are designed in accordance with the applicable sections of the Internal Revenue Code ("IRC") to be exempt from taxation. Although the Plan has been amended since receiving the determination letter, the Plan Administrator believes the Plan is being operated in material compliance with the applicable requirements of the IRC, and therefore, believes that the Plan is qualified and the related trust is tax-exempt.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2013 and 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes the Plan is no longer subject to income tax examinations for years prior to 2010.

## 8. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

# Supplemental Schedules

# Trane Pension Plan
## Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)
## December 31, 2013

EIN: #25-0900465
Plan: #003

| (a) | Identity of issue, borrower, lessor, or similar party (b) | Description of investment including maturity date, rate of interest, collateral, par or maturity value (c) | Cost (d) | Current Value (e) |
|---|---|---|---|---|
| | PIMCO Total Return Fund | 2,311,188.517 shares | $ 24,559,282 | $ 24,706,605 |
| | Collective Short Term Investment Fund | 71,916.020 shares | 71,916 | 71,916 |
| | Total investments | | $ 24,631,198 | $ 24,778,521 |

# Trane Pension Plan
## Schedule H, Line 4(j) – Schedule of Reportable Transactions
## Year Ended December 31, 2013

EIN: #25-0900465
Plan: #003

| (a) | (b) | (c) | (d) | (g) | (h) | (i) |
|---|---|---|---|---|---|---|
| **Identity of party involved** | **Description of asset (include interst rate and maturity in case of a loan)** | **Purchase price** | **Selling price** | **Cost of asset** | **Current value of asset on transaction date** | **Net gain or (loss) on each transaction** |
| PIMCO Total Return Fund | 71,630.08 shares | $ 783,438 | $ - | $ 783,438 | $ 783,438 | $ - |
| PIMCO Total Return Fund | 129,544.99 shares | - | 1,425,000 | 1,375,937 | 1,375,937 | 49,063 |

# Trane Pension Plan
## Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)
## December 31, 2013

EIN: #25-0900465
Plan: #003

| (a) | Identity of issue, borrower, lessor, or similar party (b) | Description of investment including maturity date, rate of interest, collateral, par or maturity value (c) | Cost (d) | Current Value (e) |
|---|---|---|---|---|
| | PIMCO Total Return Fund | 2,311,188.517 shares | $ 24,559,282 | $ 24,706,605 |
| | Collective Short Term Investment Fund | 71,916.020 shares | 71,916 | 71,916 |
| | Total investments | | $ 24,631,198 | $ 24,778,521 |

## Trane Pension Plan
### Schedule H, Line 4(j) – Schedule of Reportable Transactions
### Year Ended December 31, 2013

EIN: #25-0900465
Plan: #003

| (a) | (b) | (c) | (d) | (g) | (h) | (i) |
|---|---|---|---|---|---|---|
| Identity of party involved | Description of asset (include interst rate and maturity in case of a loan) | Purchase price | Selling price | Cost of asset | Current value of asset on transaction date | Net gain or (loss) on each transaction |
| PIMCO Total Return Fund | 71,630.08 shares | $ 783,438 | $ - | $ 783,438 | $ 783,438 | $ - |
| PIMCO Total Return Fund | 129,544.99 shares | - | 1,425,000 | 1,375,937 | 1,375,937 | 49,063 |