

THE **UNSTOPPABLE COMFORT™** PLAN

DEALER GUIDE



TRANE®

TRANE
TECHNOLOGIES

It's Hard To Stop A Trane®

YEAR-ROUND COMFORT. UNSTOPPABLE PERFORMANCE.
LOW MONTHLY PAYMENTS.

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WHAT IS THE TRANE[®] UNSTOPPABLE COMFORT[™] PLAN?

The Trane Unstoppable Comfort Plan is an all-inclusive, 10-year leasing plan that far exceeds what your customers expect from traditional financing plans. In addition to year-round heating and cooling comfort, this plan offers the benefits of low monthly costs, the confidence of our industry-leading warranties and remote system monitoring, and worry-free maintenance and repairs. Add it all up, and it's a lifestyle change that opens a different way to experience the Trane HVAC brand.

As a dealer, the Trane Unstoppable Comfort Plan offers significant benefits for you, too. First, you earn the full retail price at the start of the lease as well as recurring revenues from maintenance and repairs. Second, your customer's low monthly payment facilitates your sales team upselling to higher-end equipment and accessories. Third, the plan is appropriate for almost any homeowner: Our

financial partner, Mosaic, has a minimum amount of \$2,500, compared to the \$10,000-plus required for most 10-year financing programs. Finally, it encourages long-term relationships with your customers: With a 10-year exclusive contract for service and maintenance, you're ideally positioned to lease or sell them a new system at the end of the term.

Trane HVAC equipment has earned a reputation for being unstoppable—and our Unstoppable Comfort Plan reimagines HVAC as a service in a way that embraces that same philosophy. **By providing homeowners with year-round comfort in a way that also makes financial sense, this plan will help you build more profitable customer relationships along with your business.**

VALUE PROPOSITION FOR HOMEOWNERS

The Trane Unstoppable Comfort™ Plan is better than just financing—it’s a lifestyle change, because we take care of everything for the customer.

The Trane Unstoppable Comfort Plan is an all-inclusive program that will transcend customer expectations of typical equipment-only financing. The benefits for homeowners start with a predictable, low monthly payment on a 10-year lease—but it’s much more than that. What’s included? The homeowner receives a brand-new high-efficiency HVAC system, a 10-year parts and labor warranty, twice-a-year system service, all of the filters included, and a new smart thermostat.

With the Trane Unstoppable Comfort Plan, homeowners can be confident that we’ll handle all the details to keep their system running at peak performance—without any out-of-pocket expenses beyond the monthly payment.

NEW HIGH EFFICIENCY SYSTEM



- ✓ 10-year parts warranty and labor warranty
- ✓ 10-year biannual maintenance plan
- ✓ 10 years of replacement filters
- ✓ Remote system monitoring with Trane smart thermostats
- ✓ Free repairs

AFFORDABLE PAYMENTS



- ✓ No down payment—zero up-front costs
- ✓ No additional out-of-pocket expenses
- ✓ Monthly payment can be offset by lower utility bills when upgrading to a high-efficiency system

EARLY TERMINATION OPTION AT ANY TIME



- ✓ Interest owed is discounted and future maintenance is removed from the balance
- ✓ If paid off early, homeowner retains the 10-year parts and warranty, but not service

FULLY TRANSFERABLE IF HOME OWNERSHIP CHANGES



VALUE PROPOSITION FOR DEALERS

All-inclusive plans with monthly payments are rapidly becoming a consumer expectation, and the Trane Unstoppable Comfort™ Plan applies this convenience to how your customers think about heating and cooling their homes.

As a result, the program positions your dealership for selling higher-end systems, driving recurring revenue from maintenance plans, and freeing up your back office. Best of all, in the process, you’ll be cultivating “customers for life” that lead to future sales.

FULL MARGIN WITH NO FEES

- ▶ Receive full retail price
- ▶ Same as cash transaction

RECURRING REVENUE

- ▶ Ongoing maintenance annuity (\$300/yr.) without having to make an additional sale (\$200/yr. for ductless)
- ▶ Repairs reimbursed @ \$200/hr.

PROTECT YOUR CASH FLOW

- ▶ Next business day funding for full amount of invoice entered on the app

WIN AT THE KITCHEN TABLE

- ▶ Addresses growing customer demand for all-inclusive programs
- ▶ 100% digital process with easy-to-use sales app—share quotes instantly, show changes in real time
- ▶ Improved sales closure, no matter what the economy is doing
- ▶ Soft credit check—credit approval for scores 660+ within minutes

10-YEAR FINANCING ENABLES UPSELLING & REVENUE GROWTH

- ▶ Average ticket price over \$13,000 (~30% increase)
- ▶ Drives increase in higher-end systems: 50% of sales have been 18–20 SEER and more than 75% above 14 SEER
- ▶ Minor payment increase makes strong argument for adding accessories such as IAQ equipment.

DEVELOP A LONG-TERM RELATIONSHIP WITH THE HOMEOWNER

- ▶ Exclusive service and maintenance for 10 years=approx. 20 visits to the home
- ▶ New sale in 10 years vs. 15-17years =opportunity to sell 3 systems in 20 years

LEVERAGE OPERATIONAL EFFICIENCIES

- ▶ Add consistency by keeping service technicians busy during off-season
- ▶ Free up back office from billing/collecting maintenance
- ▶ Trane purchases all labor warranties—you just submit a claim!

HOMEOWNER OPTIONS DURING THE LEASE

Life can be unpredictable, and that’s why the Trane Unstoppable Comfort™ Plan has been designed with flexibility in mind. Whether a customer wants to sell their home or pay off the lease before the term is up, the transaction is simple and transparent—giving them peace of mind for the duration of the contract.

Trane’s financial partner for the Unstoppable Comfort Plan is Mosaic, based in Oakland, Calif. Since 2012, the company has handled more than \$3 billion in solar panel loans and leases (which are typically 25 years). Because of their familiarity with our leasing model, Mosaic can also easily transition leases for customers who sell their home.



HOMEOWNER SELLS THE HOUSE

- Homeowner can transfer lease agreement to buyer for \$300
- No credit check on the buyer
- Homeowner will need to contact Mosaic to initiate transfer process
- Mosaic will work with seller/buyer to sign transfer documents



EARLY TERMINATION OF LEASE

- Homeowner can purchase equipment
- Pays discounted remaining monthly payments plus Fair Market Value (FMV)
- No charges for future, unused maintenance
- 10-year parts and labor warranty still intact through full term
- Maintenance and filter changes no longer included, but homeowner can purchase new maintenance agreement from dealer

HOMEOWNER OPTIONS AT THE END OF THE LEASE

At the completion of a lease, the Trane Unstoppable Comfort™ Plan is equally simple for the homeowner and for you as the dealer. Best of all, after providing outstanding customer service during 20-plus visits over the years, you have the ideal opportunity to lease or sell a new system—including the potential

for upgrades to accommodate your customer’s current needs: additional family members, pets, or health concerns, a need for new accessories, or new living space that needs to be addressed.



BEST OPTION: UPGRADE

With the system now 10 years old and no longer under warranty, the homeowner can start a new lease with upgraded equipment

Higher-efficiency system will offer better performance and the potential for lower utility bills



PURCHASE

- Homeowner can purchase equipment at FMV
- Maintenance visits discontinued, with option to have new agreement with dealer
- Repairs at homeowner’s expense—may be opportunity to make a sale



EXTEND

- Homeowner continues paying month-to-month at 90% of existing payment
- Dealer continues biannual maintenance at same compensation rate
- Repairs at homeowner’s expense—may be opportunity to make a sale



REMOVE

- Homeowner can pay \$500 to have the equipment removed
- Dealer compensated at market rate and disposes of system

PLAN DETAILS: ELIGIBLE PRODUCTS

Any Trane ducted system and accessories that exceed a combined total of \$2,500 are eligible for the leasing plan. (Note: RunTru™ products are not eligible.) As shown below, smart thermostats and Trane Diagnostics remote monitoring are required to participate in the leasing plan.

TRANE DUCTED SYSTEMS

Heat pump, AC/furnace, and packaged systems

Trane accessories

Required: XL824, ComfortLink™ II XL850, or ComfortLink™ II XL1050 smart thermostat

Required: Trane Diagnostics remote monitoring

Mosaic will handle the registration required for 10-year parts warranty



PLAN DETAILS: AFTER INSTALLATION

Trane’s financial partner bank for the Unstoppable Comfort™ Plan, Mosaic, provides several post-installation advantages as defined below. Mosaic also offers an intuitive point-of-sale app, which includes the ability to do a soft credit check for the customer before they make a commitment, with no penalty or impact to their credit. The homeowner has the option to complete the required forms on their own device or on one provided by your team in the field. Finally, because of their familiarity with our leasing model, Mosaic can easily transition leases for customers who sell their home.

- 1** After the system is installed, including the smart thermostat and Trane Diagnostics, Mosaic will fund the dealer the amount of the dealer invoice to the homeowner.
- 2** Mosaic will purchase the labor warranty from AIG to cover the system that has been sold and installed.
- 3** The homeowner will make a monthly payment to Mosaic that covers the entire cost of the plan:
 - ✓ The invoice amount paid to the dealer
 - ✓ The cost of the labor warranty
 - ✓ A fee that covers the cost of the maintenance plan
- 4** Twice per year, Mosaic will pay the dealer to perform preventative maintenance service in accordance with the program. The dealer will be paid upon completion of each scheduled service.
- 5** As repairs are necessary, parts claims under warranty will be made in the traditional manner. Labor claims will be made through AIG.



TRANE DUCTLESS SYSTEMS

Must be a registered Trane Ductless Pro contractor

No registration required 10-year parts warranty

PLAN DETAILS: PREVENTATIVE MAINTENANCE PLAN

The Trane Unstoppable Comfort™ Plan preventative maintenance plan contains similar items to what’s covered on most dealers’ standard plans, but we’ve structured the agreement in a way that’s even more favorable to your dealership. You’ll receive a flat amount of \$300 dollars (ducted system) or \$200 (ductless system) a year throughout the life of the lease—quite a bit more than a typical twice-a-year

maintenance plan. That protects you against rising costs, while also giving the homeowner predictable rates for their budgets. We will continue to monitor the annual amounts and adjust them accordingly.



The dealer will perform **preventative maintenance twice per year** in accordance with the program.

The dealer will be **paid by Mosaic after each service** (twice per year).

For each ducted system, the dealer will be **paid \$150 for each scheduled service** (\$300 total per year).

The dealer will **track and schedule service** for each homeowner.

Over time, this can become a **big cash flow source** for the dealer.

In the case of multiple ducted or ductless systems, each installed system will be paid at the rate described above. For example, a home with two ducted systems will be paid \$300 for each system per year, for a total of \$600 per year.

For each ductless system, the dealer will be **paid \$100 for each scheduled service** (\$200 total per year).

Filters are included in the price. If a system needs 4 filter changes per year instead of 2, then the dealer will leave an extra filter after each service for the homeowner to change out at the 3-month mark.

MAKING THE SALE: SUCCESS FACTORS

For maximum success, the Trane Unstoppable Comfort™ Plan needs buy-in at every level from front-line sales staff up to ownership. Everyone in the organization should understand the program and feel confident about proposing it to your customers as an attractive option. Employee incentives, plus the right marketing materials and support, will also help deliver results. Strategically, you’ll want to lead your pitch with high-end systems and accessories: For dealers who are already in the program, more than 50% of systems have been between 18 and 20 SEER.

From a big-picture perspective, the program is about cultivating lifelong customers who are eager to lease a new system in the program every 10 years. In the process, you’re training them to come to you. The message to your current and prospective homeowners is simple: Our program will exceed what you expect from traditional equipment financing...**It’s a lifestyle change that makes it a worry-free option for year-round indoor comfort.**




MAKING THE SALE: MARKETING MATTERS

You’ve experienced it yourself at the kitchen table: It’s much easier to close a sale with a customer who asks about a specific type of HVAC system or service. So don’t wait to introduce the Trane Unstoppable Comfort™ Plan in a conversation—make sure your homeowners have already heard about it on TV, radio, or social media!

This program has appeal for different audiences—such as homeowners who are low on upfront cash, on a fixed income, or interested in the convenience of a fixed payment that covers maintenance and filters—so cover all your bases in your messaging. Marketing this program broadly will pay off on your bottom line.


The program is effective when presented to any homeowner, but the program becomes even more effective when it has been marketed to your customers who are:

NEW CUSTOMERS




EXISTING CUSTOMERS

with aging or inefficient systems who are considering replacement




Marketing can create demand for the program for customers who are:

LOOKING FOR WORRY-FREE LIFESTYLE, PEACE OF MIND, SIMPLICITY




LOOKING FOR LOW MONTHLY PAYMENT



NEXT STEPS

We’ve covered the basics of the Trane Unstoppable Comfort™ Plan. What’s next?

1




SETUP

If you are a dealer who wants to move forward with offering the leasing plan, there is a simple setup process with both Mosaic and AIG (if you aren’t already a customer). The process typically takes a few days, or even more quickly if you have the right information readily available. There are two steps to get set up.

1. Visit tranelease.partner.joinmosaic.com and follow the steps on the screen.

2. Contact AIG by emailing hvacenrollments@aig.com and copying Todd.Bishop@aig.com.

2




TRAINING FOR MANAGEMENT, SALES, AND BACKOFFICE

Next, your account manager will set up training for the program, which takes about 3 hours. Typically, training includes the management team, sales team and backoffice team on three topics:

- Program training in greater depth than covered in this dealer guide.
- App training with Mosaic, including a demonstration, installation on sales and backoffice team members’ devices, and verification of login ability.
- Information on how to file a warranty claim with AIG

3



GO-LIVE/SUPPORT

With setup and training complete, your dealership is live and ready to go. In fact, you could conduct training that morning, and then sell the Trane Unstoppable Comfort Plan that afternoon—it’s that simple!

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YEAR-ROUND COMFORT. UNSTOPPABLE PERFORMANCE. LOW MONTHLY PAYMENTS.

WE ARE COMMITTED TO USING ENVIRONMENTALLY FRIENDLY PRINTING PRACTICES.



It's Hard To Stop A Trane.®

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About Trane

Trane – by Trane Technologies (NYSE: TT), a global climate innovator – creates comfortable, energy-efficient indoor environments for commercial and residential applications. For more information, visit Trane.com or TraneTechnologies.com

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