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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 13D**

**Under the Securities Exchange Act of 1934  
(Amendment No. 1)**

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**A. O. Smith Corporation**

(Name of Issuer)

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**Common Stock, \$1.00 par value**

(Title of Class of Securities)

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**831865209**

(CUSIP Number)

with a copy to:

Fredrick G. Lautz  
Quarles & Brady LLP  
411 East Wisconsin Avenue  
Milwaukee, Wisconsin 53202  
(414) 277-5309

Bruce M. Smith  
c/o Smith Investment Company  
11270 West Park Place  
Milwaukee, Wisconsin 53224  
(414) 359-4030

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(Name, Address and Telephone Number of Persons Authorized to Receive Notices and Communications)

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**December 9, 2008**

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1. Names of Reporting Persons  
I.R.S. Identification Nos. of Above Persons (Entities Only)

Smith Family Trusts  
N/A

2. Check the Appropriate Box if a Member of a Group

- (a)   
(b)

3. SEC Use Only

4. Source of Funds

OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

United States

7. Sole Voting Power

7,383 (See Item 5)

8. Shared Voting Power

5,077,479 (See Item 5)

9. Sole Dispositive Power

7,383 (See Item 5)

10. Shared Dispositive Power

5,077,479 (See Item 5)

**NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY EACH  
REPORTING  
PERSON WITH**

11. Aggregate Amount Beneficially Owned by Each Reporting Person

5,084,862 (See Item 5)

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares

(See Item 5)

13. Percent of Class Represented by Amount in Row (11)

19.5% (See Item 5)

14. Type of Reporting Person

OO

Preliminary Note:

This Schedule 13D/A is filed by certain shareholders of Smith Investment Company, a Nevada corporation (“SICO”). These shareholders are certain individual members of the Smith family and trusts for the benefit of certain members of the Smith family (collectively, the “Smith Family Trusts”). Arthur O. Smith and Bruce M. Smith (together, “Messrs. Smith”) act as the Smith Family Trusts’ representatives for purposes of the matters described in this filing. Messrs. Smith as individuals are included in the Smith Family Trusts, and also are trustees for and beneficiaries of certain of the trusts which are included in the Smith Family Trusts. This Schedule 13D/A amends the Schedule 13D previously filed by the Smith Family Trusts.

The Smith Family Trusts previously reported their determination to jointly engage in discussions with other shareholders of SICO, a special committee of SICO’s board of directors, and potentially A. O. Smith Corporation, a Delaware corporation (“AOS”), and a special committee formed by AOS’s board of directors, regarding a proposal for a potential transaction between SICO and AOS, or any related proposals or counter-proposals, as well as to potentially negotiate and enter into agreements with other SICO shareholders related to a potential transaction.

On December 9, 2008, AOS and SICO executed an Agreement and Plan of Merger among them and certain subsidiaries (the “Merger Agreement”) pursuant to which SICO will merge into a subsidiary of AOS (the “Merger”) and, among other matters, each outstanding share of SICO common stock (other than shares owned by AOS, SICO or their respective subsidiaries, or shares held by SICO shareholders who properly exercise dissenters’ rights) will be converted into the right to receive 2.396 shares of AOS Class A Common Stock, \$5.00 par value per share (the “Class A Common Stock”) and 0.463 shares of AOS Common Stock, \$1.00 par value (the “Common Stock”), without giving effect to escrow arrangements pursuant to the Merger Agreement. The aggregate number of AOS shares to be issued in the Merger represents a 1.5% discount to the aggregate number of AOS shares currently held by SICO, which was required by AOS as a condition to entering into the Merger Agreement. A portion of the Common Stock will be placed in escrow to satisfy indemnification claims, if any, by AOS under the Merger Agreement. A copy of the Merger Agreement is attached as an exhibit to AOS’s Current Report on Form 8-K, dated December 9, 2008 (the “AOS 8-K”). In connection with and as contemplated by the Merger Agreement, the Smith Family Trusts have entered into certain agreements and arrangements, which are further described in this Schedule 13D/A.

The Smith Family Trusts may be deemed to be the controlling shareholders of SICO and have indirect beneficial ownership of the Common Stock reported as owned by SICO. Although this Schedule 13D/A reports shares of Common Stock to the extent they represent the proportionate indirect interest of the Smith Family Trusts in SICO, the Smith Family Trusts disclaim beneficial ownership of the Common Stock owned by SICO. This filing does not constitute an admission that, by these actions, the Smith Family Trusts or any constituents of the Smith Family Trusts constitute or have formed a “group” within the meaning of Regulation 13D under the Securities Exchange Act of 1934 (the “Exchange Act”).

**Item 1. Security and Issuer**

The Schedule 13D/A relates to the Common Stock, par value \$1.00 per share, of A. O. Smith Corporation, a Delaware corporation. The address of the principal executive office of AOS is 11270 West Park Place, Milwaukee, Wisconsin 53224.

**Item 2. Identity and Background**

- (a) This filing is made by the Smith Family Trusts, as described above in "Preliminary Note." The names of the persons and entities that are part of the Smith Family Trusts are set forth on Appendix A hereto.
- (b) The address of the Smith Family Trusts is in care of Arthur O. Smith and Bruce M. Smith at 11270 West Park Place, Milwaukee, Wisconsin 53224.
- (c) Arthur O. Smith is the retired Chairman, President and Chief Executive Officer of SICO, and currently serves as a Director of SICO. Bruce M. Smith is the Chairman, President and Chief Executive Officer of SICO. Margaret B. Smith is the spouse of Arthur O. Smith. The trusts are family-created trusts.
- (d) None of Arthur O. Smith, Bruce M. Smith nor the other members of the Smith Family Trusts has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) during the last five years.
- (e) None of Arthur O. Smith, Bruce M. Smith nor the other members of the Smith Family Trusts has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.
- (f) Arthur O. Smith, Bruce M. Smith and the other individuals among the Smith Family Trusts are citizens of the United States. The trusts included in the Smith Family Trusts are all organized under Wisconsin law.

**Item 3. Source and Amount of Funds or Other Consideration**

SICO has reported that it beneficially owns an aggregate of 9,626,328 shares of Common Stock, which includes 8,067,252 shares of Common Stock that are issuable upon conversion of Class A Common Stock held by SICO. The shares of Common Stock reported as beneficially owned by the Smith Family Trusts, including through SICO, were acquired over a number of years, including prior to the initial public offering of AOS and subsequently as a result of open market purchases and stock dividends.

**Item 4. Purpose of Transaction**

The Preliminary Note at the beginning of this Schedule 13D/A is incorporated by reference in this section. In their joint press release, AOS and SICO have described the Merger Agreement and Merger in part as follows:

A. O. Smith Corporation (NYSE: AOS) and its largest stockholder, Smith Investment Company (PK: SMIC), announced today that they have signed a definitive merger agreement providing for Smith Investment to become a wholly-owned subsidiary of A. O. Smith in a tax free exchange. As a result of the merger, the stockholders of Smith Investment will own shares of A. O. Smith directly, rather than through Smith Investment. Stockholders of Smith Investment will be entitled to receive 2.396 shares of A. O. Smith Class A Common Stock and 0.463 shares of A. O. Smith Common Stock for each share of Smith Investment stock they hold.

A description of the Merger Agreement, the Merger and related transactions is also included in the AOS 8-K. SICO is also filing an amendment to its Schedule 13D relating to the Merger Agreement, the Merger and the related transactions.

The Smith Family Trusts previously entered into a relationship to jointly have discussions with other shareholders of SICO, the SICO special committee, AOS and AOS's special committee, regarding a potential transaction between SICO and AOS and related matters. Messrs. Smith have acted as the Smith Family Trust's representatives in these matters. The Smith Family Trusts disclosed that they might seek to negotiate agreements, arrangements or understandings related to a potential transaction, and to enter into such agreements, arrangements or understandings, among themselves, with certain other shareholders of SICO, with SICO, potentially with AOS, and/or with the other parties with which they hold discussions.

In connection with the execution of the Merger Agreement and as contemplated thereby, the Smith Family Trusts have entered into a letter agreement, dated December 9, 2008, with AOS and SICO (the "Support Agreement") by which the Smith Family Trusts agree to take certain actions which are generally supportive of the Merger, including voting their shares of SICO common stock in favor of the Merger and the other transactions contemplated by the Merger Agreement.

The Smith Family Trusts have entered into a Stockholder Agreement, dated December 9, 2008, with AOS (the "Stockholder Agreement") whereby they generally agree that, for a period of up to three years after the Merger, they will not engage in certain actions relating to AOS or its securities, including solicitations of proxies or shareholder consents, specific acquisition transactions, or certain transfers of their shares of Class A Common Stock.

The Merger Agreement also contemplates that the Smith Family Trusts and certain other members of the Smith family may form a voting trust to hold their shares of the Common Stock and the Class A Common Stock after the Merger. The trustees of the voting trust would be responsible for the voting of the shares held by it; the related agreement also contemplates restrictions on certain withdrawals from the voting trust. A form of the Voting Trust Agreement (the "Voting Trust Agreement") is contemplated by the Merger Agreement. Prior to the Merger, the Smith Family Trusts expect to invite certain other descendants of Lloyd R. Smith and certain related parties to deposit shares into the voting trust, and expect to engage in related discussions with those parties.

See Item 6 hereof for a further, more detailed discussion of each of the Support Agreement, the Stockholder Agreement and the Voting Trust Agreement. Except as set forth herein (including in the Preliminary Note), the Smith Family Trusts do not have any plans or proposals that relate to or would result in any of the actions specified in clauses (a) through (j) of the instructions to Item 4 of Schedule 13D. Subject to the foregoing, the Smith Family Trusts reserve the right to formulate plans or make proposals, engage in further discussions, and take such action with respect thereto, including any or all of the items set forth in paragraphs (a) through (j) of Item 4 of Schedule 13D and any other actions, as they may determine.

**Item 5. Interest in Securities of the Issuer**

The Preliminary Note at the beginning of this Schedule 13D/A is incorporated by reference in this section.

*Smith Investment Company*

SICO has reported that it beneficially owned an aggregate of 9,626,328 shares of Common Stock, which included 8,067,252 shares of Common Stock that are issuable upon conversion of Class A Common Stock held by SICO. This aggregate amount represented approximately 32.1% of the outstanding Common Stock (including, solely for purposes of computing this percentage, Common Stock deemed to be outstanding upon conversion of Class A Common Stock held by SICO). SICO has the sole power to vote or direct the vote of and to dispose of or direct the disposition of all of the Common Stock listed as beneficially owned by SICO.

*Smith Family Trusts*

The Smith Family Trusts collectively own 52.7% of the outstanding shares of SICO and may be deemed to be controlling shareholders of SICO. As a result, the Smith Family Trusts may be deemed to have indirect beneficial ownership of the Common Stock reported as beneficially owned by SICO. Bruce M. Smith is Chairman and Chief Executive Officer of SICO and is a director of AOS. Arthur O. Smith is a director of SICO. He retired as Chairman and Chief Executive Officer of SICO in January 1999. As noted above, SICO has reported beneficial ownership of 32.1% of the Common Stock.

The Smith Family Trusts on a combined basis report owning 5,084,862 shares of Common Stock, or 19.5% of that class of securities, including certain shares of Common Stock that are beneficially owned by SICO, as described below. The Smith Family Trusts and the constituents of the Smith Family Trusts disclaim beneficial ownership of Common Stock that is held by SICO.

Unless otherwise stated in this Item, the following information relates to the ownership of SICO shares. Each SICO share represents an indirect interest in approximately 2.90206 shares of Common Stock, including the shares of Common Stock into which shares of Class A Common Stock could be converted, based upon currently reported shares outstanding. The reported indirect combined ownership by the Smith Family Trusts was determined using this multiplier.

Bruce M. Smith beneficially owns 75,696 shares of the outstanding common stock of SICO, which are held in trusts for the benefit of Bruce M. Smith, and 102,372 shares of the outstanding common stock of SICO are held in various trusts for the benefit of the wife and issue of Bruce M. Smith. Arthur O. Smith beneficially owns 172,034 shares of the outstanding common stock of SICO, including shares held in a trust for the benefit of Arthur O. Smith, his wife, Margaret B. Smith, beneficially owns 6,970 shares of the outstanding common stock of SICO and 463,116 shares of the outstanding common stock of SICO are held in various trusts for the benefit of the wife and issue of Arthur O. Smith. In addition, Messrs. Smith are trustees of various trusts for the benefit of persons other than themselves, their wives and issue, which trusts hold an aggregate of 823,153 shares of the common stock of SICO. With respect to the 823,153 shares of the common stock of SICO held in trust for the benefit of persons other than Messrs. Smith and their wives and issue, Arthur O. Smith is sole trustee of trusts holding 11,100 shares of the common stock of SICO and holds all investment and voting power with respect to such trusts and Arthur O. Smith or Bruce M. Smith are co-trustees with at least one other person and hold shared investment and voting power with respect to the trusts holding the remaining shares. Two other trusts which are part of the Smith Family Trusts but not otherwise included above own 106,271 shares of SICO common stock. The shares of common stock of SICO held beneficially by Messrs. Smith and their wives, together with shares held by Messrs. Smith in trust for the benefit of others and in the other trusts included in the Smith Family Trusts, comprised 52.7% of the 3,317,066 outstanding shares of common stock of SICO on the date hereof. The Smith Family Trusts and the constituents of the Smith Family Trusts disclaim that any of the foregoing relationships or interests in the common stock of SICO constitute beneficial ownership of any Common Stock, and the Smith Family Trusts and the constituents of the Smith Family Trusts disclaim beneficial ownership of the Common Stock reported as beneficially owned by SICO.

Excluding the shares of Common Stock reported as beneficially held by SICO, as to which Arthur O. Smith disclaims beneficial ownership, Arthur O. Smith beneficially owns 4,734 shares of Common Stock, which represents less than 0.1% of the outstanding Common Stock. Arthur O. Smith has the sole voting and dispositive power with respect to these shares.

Excluding the shares of Common Stock beneficially held by SICO, as to which Bruce M. Smith disclaims beneficial ownership, Bruce M. Smith beneficially owns 2,649 shares of Common Stock, which represents less than 0.1% of the outstanding Common Stock. Bruce M. Smith has the sole voting and dispositive power with respect to these shares. Bruce M. Smith also has deferred receipt of stock awards representing a total of 7,160 shares of Common Stock under AOS's Corporate Directors' Deferred Compensation Plan. AOS treats these deferred stock awards as restricted stock units.

Neither Messrs. Smith nor any of the other constituents of the Smith Family Trusts has effected any transactions in the Common Stock or the Class A Common Stock during the past sixty days.

**Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer**

The Smith Family Trusts entered into the relationship described herein for purposes of joint discussions, and potential negotiations and agreements, arrangements and understandings, regarding a potential transaction. In connection with the signing of the Merger Agreement and as contemplated thereby, the Smith Family Trusts have entered into the following two agreements:

- Under the Support Agreement, until the Merger is consummated or the Merger Agreement is otherwise terminated, the Smith Family Trusts agree that they will vote their shares of SICO common stock in favor of the Merger, the other transactions contemplated by the Merger Agreement, and any other matter being voted upon by SICO's shareholders for the purpose of facilitating the Merger. The Smith Family Trusts also agree to vote against any proposal which is reasonably expected to prevent or materially delay the Merger or any proposal directly resulting from or related to an intervening event that results in the modification and withdrawal of the recommendation of SICO's board of directors in favor of the Merger. In the event of a termination of the Merger Agreement, for one year thereafter the Smith Family Trusts agree to vote their SICO shares against any proposal directly resulting from or related to an intervening event that resulted in the modification or withdrawal of the SICO board's recommendation in favor of the Merger.
- Under the Stockholder Agreement, the Smith Family Trusts generally agree that, for a period of up to three years after the Merger, as shareholders of AOS, they will not engage in certain solicitations of proxies or shareholder consents, solicit approval for a shareholder proposal, make specific acquisition transactions, make certain transfers of their shares of Class A Common Stock to a permitted transferee that has not executed the Stockholder Agreement, or enter into certain other agreements, arrangements or understandings which would result in the formation of a "group" within the meaning of Section 13(d)(3) of the Exchange Act with respect to AOS or the Common Stock. The Stockholder Agreement provides that certain transactions which might otherwise conflict with the Stockholder Agreement are nonetheless permitted, and also provides that certain of these restrictions will terminate upon the occurrence of specified events set forth in the Stockholder Agreement.

In addition, as contemplated by the Merger Agreement, the Smith Family Trusts may enter into the Voting Trust Agreement to hold the shares of Common Stock and Class A Common Stock that are currently held by them, or will be received by them in the Merger. The Smith Family Trusts expect to enter into the Voting Trust Agreement, and deposit their shares of the Common Stock and the Class A Common Stock into the voting trust formed thereby, promptly after the Merger. Under the form of Voting Trust Agreement, the trustees of the voting trust would be responsible for the voting of the Common Stock and the Class A Common Stock. The Voting Trust Agreement also contemplates restrictions on certain withdrawals from the voting trust, such as the ability of the trustees to substitute Common Stock for any shares of Class A Common Stock that a participant wishes to withdraw. Prior to the Merger, the Smith Family Trusts expect to invite certain other lineal descendants of Lloyd R. Smith and certain related persons or entities to deposit shares into the voting trust.



Each of the Support Agreement, the Stockholder Agreement and the form of Voting Trust Agreement is filed as an exhibit to this Schedule 13D/A and is incorporated herein by reference. The descriptions contained herein are only a summary of the material provisions of those agreements. The texts of the agreements provide further information, detail and limitations as to the specific rights, duties and obligations of the Smith Family Trusts thereunder.

Except as described herein, the Smith Family Trusts do not have any contract, arrangement, understanding or relationship (legal or otherwise) with any person with respect to securities of AOS, including, but not limited to transfer or voting of any such securities, finder's fees, joint ventures, loans or option agreement, puts or call, guarantees of profits, division of profits or losses, or the giving or withholding of proxies.

**Item 7. Material to Be Filed as Exhibits**

1. Joint Filing Agreement, dated August 14, 2008, among the Smith Family Trusts, pursuant to Rule 13d-1(k) of the Securities Exchange Act of 1934, as amended. *[Incorporated by reference to Exhibit 1 of the Schedule 13D of the Smith Family Trusts dated August 14, 2008.]*
2. Support Agreement dated December 9, 2008 among AOS, SICO and the Smith Family Trusts.
3. Stockholder Agreement dated December 9, 2008 among AOS and the Smith Family Trusts.
4. Form of Voting Trust Agreement proposed to be entered into after the Merger among the Smith Family Trusts and certain other parties.

**SIGNATURES**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: December 9, 2008

SMITH FAMILY TRUSTS

/s/ Arthur O. Smith

Arthur O. Smith, representative

/s/ Bruce M. Smith

Bruce M. Smith, representative



**Name of Trust**

Arthur O. Smith Revocable 1976 Trust  
 Arthur O. Smith III Family Trust dated 12/29/76  
 Mallon Family Trust  
 Maria Lauren Smith Family Trust dated 12/27/79  
 Mark Dean Smith Family Trust dated 8/12/82  
 Dana K. Smith Family Trust dated 12/16/83  
 A. O. Smith Family 1973 Trust f/b/o Arthur O. Smith III  
 A. O. Smith Family 1973 Trust f/b/o Maria L. Smith  
 A. O. Smith Family 1973 Trust f/b/o Mark D. Smith  
 A. O. Smith Family 1973 Trust f/b/o Dana K. Smith  
 A. O. Smith Family 1973 Trust f/b/o Tracy Aaron Mallon  
 Bruce M. Smith Family Trust u/a dated 6/01/72  
 Jessica A. Mallon Minority Trust dated 12/27/83  
 Robert A. Mallon Minority Trust dated 12/27/83  
 Tracy A. Mallon 1987 Trust dated 4/15/87  
 Lindsay Smith 1987 Trust dated 5/22/87  
 Megan Elizabeth Smith 1987 Trust dated 12/12/87  
 Jennifer Katherine Smith 1994 Trust dated 5/17/94  
 Theresa Marie Banghart 1999 Trust dated 12/06/99  
 Rebecca A. Banghart 1999 Trust dated 12/06/99  
 Arthur Oliver Smith IV 1999 Trust dated 12/07/99  
 Elizabeth Carter Smith 1999 Trust dated 12/07/99  
 Katherine Lee Smith 1999 Trust dated 12/07/99  
 Roger Scott Smith Family Trust u/a dated 6/29/72  
 Nancy Smith Linzmeyer Family Trust u/a dated 9/27/73

**Others**

Arthur O. Smith  
 Margaret B. Smith  
 Bruce M. Smith

**Trustees**

Margaret Smith, Bruce Smith, Daniel Hess  
 Margaret B. Smith, Daniel M. Hess  
 Margaret B. Smith, Daniel M. Hess  
 Margaret B. Smith, Daniel M. Hess  
 Margaret B. Smith, Daniel M. Hess  
 Margaret B. Smith, Daniel M. Hess  
 Margaret B. Smith, Arthur O. Smith  
 Margaret B. Smith, Arthur O. Smith  
 Margaret B. Smith, Arthur O. Smith  
 Margaret B. Smith, Arthur O. Smith  
 Margaret B. Smith, Arthur O. Smith  
 Robert L. Smith, Daniel M. Hess  
 A. O. Smith III, Daniel M. Hess  
 A. O. Smith III, Daniel M. Hess  
 A. O. Smith III, Daniel M. Hess  
 A. O. Smith III, Daniel M. Hess  
 A. O. Smith III, Daniel M. Hess  
 A. O. Smith III, Daniel M. Hess  
 Daniel M. Hess, Elizabeth Smith  
 Daniel M. Hess, Elizabeth Smith  
 Mark Dean Smith, Daniel M. Hess  
 Mark Dean Smith, Daniel M. Hess  
 Mark Dean Smith, Daniel M. Hess  
 Daniel M. Hess  
 Daniel M. Hess

**Manner Held**

Individually  
 Individually  
 Individually

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## EXHIBIT INDEX

1. Joint Filing Agreement, dated August 14, 2008, among the Smith Family Trusts, pursuant to Rule 13d-1(k) of the Securities Exchange Act of 1934, as amended. *[Incorporated by reference to Exhibit 1 of the Schedule 13D of the Smith Family Trusts dated August 14, 2008.]*
2. Support Agreement dated December 9, 2008 among AOS, SICO and the Smith Family Trusts.
3. Stockholder Agreement dated December 9, 2008 among AOS and the Smith Family Trusts.
4. Form of Voting Trust Agreement proposed to be entered into after the Merger among the Smith Family Trusts and certain other parties.

December 9, 2008

A. O. Smith Corporation  
11270 West Park Place  
Milwaukee, WI 53224  
Attention: James F. Stern

Smith Investment Company  
11270 West Park Place  
Milwaukee, WI 53224  
Attention: Bruce M. Smith

Ladies and Gentlemen:

Smith Investment Company, a Nevada corporation ("SICO"), Smith Investment Company LLC, a Delaware limited liability company ("SpinCo"), A. O. Smith Corporation, a Delaware corporation (the "Company"), and SICO Acquisition, LLC, a Delaware limited liability company and a wholly-owned subsidiary of the Company ("Merger Sub"), are parties to an Agreement and Plan of Merger, dated as of the date hereof (as the same may be amended, supplemented, modified or waived from time to time, the "Merger Agreement"), providing for, among other things, the merger of SICO with and into Merger Sub (the "Merger"), in which all of the outstanding shares of common stock, par value \$0.10 per share, of SICO ("SICO Common Stock") held by the shareholders of SICO are being converted into a right to receive shares of Class A common stock, par value \$5.00 per share, of the Company and shares of Common Stock, par value \$1.00 per share, of the Company. Each of the parties signatory hereto are stockholders of SICO (each, individually, a "Stockholder" and, collectively, the "Stockholders"). Capitalized terms that are used but not otherwise defined in this support agreement ("Support Agreement") will have the meanings ascribed to them in the Merger Agreement.

As a condition to the willingness of the Company and SICO to enter into and perform their respective obligations under the Merger Agreement, the Company and SICO have required that each Stockholder enter into this Support Agreement. Each Stockholder is further entering into this Support Agreement to express its support for the Merger and the other transactions contemplated by the Merger Agreement.

In consideration of the foregoing and the mutual covenants and agreements set forth herein and in the Merger Agreement, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Each Stockholder represents and warrants that the list showing ownership by each of the Stockholders, provided to the Company and SICO (the "List"), sets forth as of the date hereof the number of shares of SICO Common Stock owned beneficially or of record by such Stockholder (the "Covered Shares"). Each Stockholder represents and warrants that, as of the date hereof, such Stockholder owns its Covered Shares free and clear of all liens, charges, encumbrances, voting agreements and commitments of every kind, except for such liens, charges, encumbrances, voting agreements and commitments that would not prevent or delay the performance by such Stockholder of its obligations under this Support Agreement or the transactions contemplated hereby. As of the date of this Support Agreement, except as expressly permitted or provided in this Support Agreement or the Merger Agreement and except as disclosed on the List, each Stockholder has sole voting power and sole dispositive power with respect to all of its Covered Shares. Each Stockholder agrees, while this Support Agreement is in effect, to endeavor to promptly notify the Company and SICO of the number of any new shares of SICO Common Stock with respect to which such Stockholder acquires beneficial or record ownership. Any such shares shall automatically become Covered Shares and subject to the terms of this Support Agreement as though owned by such Stockholder as of the date hereof.

2. Each Stockholder has all necessary legal capacity, power and authority to execute and enter into this Support Agreement, and this Support Agreement is the legally valid and binding agreement of such Stockholder, and, other than Paragraph 7 as to which the Stockholders make no representation, is enforceable against such Stockholder in accordance with its terms, subject to the Bankruptcy and Equity Exception.

3. Each Stockholder represents and warrants that (A) except for filings as may be required under, and other applicable requirements of, the Exchange Act, no filing with, and no permit, authorization, consent or approval of, any state, federal or foreign public body or authority is necessary for the execution of this Support Agreement by such Stockholder and the consummation by such Stockholder of the transactions contemplated hereby and (B) none of the execution and delivery of this Support Agreement by such Stockholder, the consummation by such Stockholder of the transactions contemplated hereby or compliance by such Stockholder with any of the provisions hereof shall (i) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default (or give rise to any third party right of termination, cancellation, material modification or acceleration of any obligation or to a loss of a material benefit) under any of the terms, conditions or provisions of any contract, agreement or arrangement to which such Stockholder is a party or by which such Stockholder may be bound in a manner that would render such Stockholder unable to perform its covenants and agreements set forth in this Support Agreement, including any voting agreement, stockholders agreement, irrevocable proxy, voting trust or organizational document, or (ii) violate any law, order, injunction, judgment, decree or award of any court, Governmental Authority or arbitrator applicable to such Stockholder.

4. Each Stockholder agrees that, during the term of this Support Agreement, it will not, and will not agree to, sell, transfer, assign, pledge, encumber or otherwise dispose of any of the Covered Shares, or any interest therein, or otherwise enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance of other disposition of, or limitation on the voting rights of, any of the Covered Shares (any such action a "Transfer"); provided however, that nothing herein shall prevent such Stockholder from consummating a Transfer (i) to another Stockholder, (ii) as specifically required by a court order, which such Stockholder shall use its reasonable best efforts to avoid, (iii) pursuant to this Support Agreement or the Merger Agreement or the transactions and other agreements contemplated thereby, (iv) as required by such Stockholder's trust documents, or (v) with the Company's and SICO's prior written consent. Any action taken in violation of the foregoing sentence shall be null and void ab initio and each Stockholder agrees that any such prohibited action may and should be enjoined. If any involuntary Transfer of any of the Covered Shares shall occur, the transferee (which term, as used herein, shall include any and all transferees and subsequent transferees of the initial transferee) shall take and hold the Covered Shares subject to all of the restrictions, liabilities and rights under this Support Agreement, which shall continue in full force and effect until valid termination of this Support Agreement.

5. Each Stockholder agrees that, during the term of this Support Agreement, at any meeting of SICO stockholders, however called, or any adjournment or postponement thereof, such Stockholder shall be present (in person or by proxy) and vote (or cause to be voted) all of the Covered Shares (1) in favor of (a) the Merger and the other transactions contemplated thereby, including the Merger Agreement and (b) any other matter that is on the ballot in furtherance of or for the purpose of facilitating the Merger, including any matter that is required by law or regulatory authority to be approved by the stockholders of SICO to facilitate the Merger or any transaction contemplated by the Merger Agreement; and (2) against (X) any proposal that would reasonably be expected to prevent or materially delay the consummation of the Merger and (Y) any proposal directly resulting from or related to a Company Intervening Event that resulted in the modification or withdrawal of the Company Recommendation.

6. Each Stockholder further agrees that, during the one year period following any termination of the Merger Agreement by the Company pursuant to Section 8.1(e) of the Merger Agreement, at any meeting of SICO stockholders, however called, or any adjournment or postponement thereof, such Stockholder shall be present (in person or by proxy) and vote (or cause to be voted) all of the Covered Shares against any proposal directly resulting from or related to the Company Intervening Event that resulted in the modification or withdrawal of the Company Recommendation.

7. Each Stockholder hereby (i) waives, to the fullest extent of the law, and agrees not to assert any dissenters' or appraisal rights in connection with the Merger, including pursuant to Section 92A.380 of the Nevada Revised Statutes or otherwise, with respect to any and all Covered Shares; and (ii) agrees not to commence or participate in, and agrees to take all actions necessary to opt out of any class in any class action with respect to any claim, derivative or otherwise, against the Company, Merger Sub, SICO or any of their respective successors relating to the negotiation, execution or delivery of this Support Agreement, the Merger Agreement or the consummation of the Merger, including any claim (a) challenging the validity of, or seeking to enjoin the operation of, any provision of this Support Agreement, the Merger Agreement or any transactions contemplated by the Merger Agreement, or (b) alleging a breach of any fiduciary duty of any officers or directors of the Company, Merger Sub or SICO in connection with this Support Agreement, the Merger or any of the transactions contemplated by the Merger, including the Merger Agreement. For the avoidance of doubt, the parties agree that this Paragraph 7 shall not preclude a Stockholder from being a party to any litigation between or among the Company, Merger Sub, SICO, the Surviving Entity, SpinCo, the Shareholders' Representative, any Smith Family Member or any other Former Company Shareholder concerning any provision of the Merger Agreement or any Ancillary Agreement or to resolve any dispute regarding any provision of the Merger Agreement or any Ancillary Agreement



8. Each Stockholder agrees that, except for filings under the Exchange Act or otherwise required by applicable Law, such Stockholder shall not issue any press release or make any public announcement relating to the subject matter of the Merger Agreement, whether prior to or following the termination of this Support Agreement, without the prior written consent of the Company and SICO.

9. Whenever possible, each provision or portion of any provision of this Support Agreement will be interpreted in such manner as to be effective and valid under applicable law but if any provision or portion of any provision of this Support Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Support Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

10. Each of the parties hereto recognizes and acknowledges that a breach by any Stockholder of any covenants or agreements contained in this Support Agreement will cause the Company and SICO to sustain damages for which it would not have an adequate remedy at law for money damages, and therefore each of the parties hereto agrees that in the event of any such breach the Company and SICO shall be entitled to the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief in addition to any other remedy to which they may be entitled, at law or in equity.

11. Notwithstanding any other provision herein, the obligations of each Stockholder set forth in this Support Agreement shall not be effective or binding until after such time as the Merger Agreement is executed and delivered by the Company, Merger Sub, SpinCo and SICO. This Support Agreement shall terminate immediately upon the earlier of (a) termination of the Merger Agreement in accordance with its terms, (b) the Company Recommendation having been withdrawn or modified in a manner that would permit the Company to terminate the Merger Agreement in accordance with its terms, and (c) the Effective Time. Upon such termination, this Support Agreement shall immediately become void, there shall be no liability hereunder on the part of any Stockholder and all rights and obligations of the parties to this Support Agreement shall cease, in all cases so long as such Stockholder is not in breach of its covenants or agreements under this Support Agreement; provided, however, that Paragraphs 6 through 17 hereof shall survive termination of this Support Agreement (it being understood that Section 10 shall survive solely to the extent necessary to effect the provisions of Sections 6, 7 and 8).

12. Any notice, request, instruction or other document to be given hereunder by any party to the other parties shall be in writing and shall be deemed to have been duly given on the next business day after the same is sent, if delivered personally or sent by telecopy or overnight delivery, or three calendar days after the same is sent, if sent by registered or certified mail, return receipt requested, postage prepaid, as set forth below, or to such other persons or addresses as may be designated in writing in accordance with the terms hereof by the party to receive such notice.

If to a Stockholder, to:

The address indicated for each Stockholder on the signature page to this Support Agreement.

with a copy (which shall not constitute notice) to:

Bruce M. Smith  
c/o Smith Investment Company  
11270 West Park Place  
Milwaukee, WI 53224  
Facsimile: 414-359-4198

with a copy (which shall not constitute notice) to:

Quarles & Brady LLP  
411 East Wisconsin Avenue, Suite 2040  
Milwaukee, Wisconsin 53202  
Facsimile: 414-271-3552  
Attention: Kenneth V. Hallett

If to SICO:

Smith Investment Company  
11270 West Park Place  
Milwaukee, WI 53224  
Facsimile: 414-359-4198  
Attention: Bruce M. Smith

with a copy (which shall not constitute notice) to:

Latham & Watkins LLP  
233 South Wacker Drive, Suite 5800  
Chicago, Illinois 60606  
Facsimile: 312-993-9767  
Attention: Mark D. Gerstein

with a copy (which shall not constitute notice) to:

Reinhart Boerner Van Deuren s.c.  
1000 North Water Street, Suite 1700  
Milwaukee, Wisconsin 53202  
Facsimile: 414-298-8097  
Attention: James M. Bedore

If to the Company:

A. O. Smith Corporation  
11270 West Park Place  
Milwaukee, WI 53224  
Facsimile: 414-359-7450  
Attention: General Counsel

13. This Support Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without reference to principles of conflicts of law. The parties hereto (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Court of Chancery of the State of Delaware (the "Court") and not in any other state or federal court in the United States of America or any court in any other country; (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement; (c) agree that mailing of process or other papers in connection with such action, suit or proceeding in the manner provided in Paragraph 12 hereof or in such other manner as may be permitted by law will have the same legal force and validity as if served upon such party personally within the State of Delaware; (d) waive any objection to the laying of venue of any such action or proceeding in the Court; and (e) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Court has been brought in an improper or inconvenient forum, or is subject (in whole or in part) to a jury trial.

14. This Support Agreement may be executed in any number of counterparts and by the parties hereto on separate counterparts but all such counterparts shall together constitute one and the same Support Agreement.

15. This Support Agreement, together with the Merger Agreement and the other agreements contemplated thereby, constitutes the entire agreement among the parties with respect to the subject matter of this Support Agreement and supersedes all prior written and oral and all contemporaneous oral agreements and understandings with respect to the subject matter of this Support Agreement.

16. This Support Agreement may not be amended except by an instrument in writing signed on behalf of all the parties.

17. This Support Agreement is not intended to confer any rights or remedies upon any Person other than the Parties to this Support Agreement.

[signature page follows]

Please confirm that the foregoing correctly states the understanding between each Stockholder and SICO by signing and returning to us a counterpart hereof.

Very truly yours,

THE STOCKHOLDERS:

/s/ Arthur O. Smith

Arthur O. Smith, individually

Address:

740 East Bay Point Road  
Milwaukee, WI 53217-1350

/s/ Margaret B. Smith

Margaret B. Smith, individually

Address:

740 East Bay Point Road  
Milwaukee, WI 53217-1350

Arthur O. Smith III Trust dated 12/05/74  
Regina Smith Mallon Trust dated 12/05/74  
Maria L. Smith Trust dated 12/05/74  
Mark D. Smith Trust dated 12/05/74  
Dana K. Smith Trust dated 12/05/74  
Lucy W. Smith Trust u/a dated 12/29/52  
Robert Lewis Smith Family Trust dated 6/28/72  
Sierra Anne Steer Smith 2002 Trust dated 1/13/2003  
Lloyd David Smith 2003 Trust  
June E. Rhea Family Trust dated 1/5/71  
June Ellyn Rhea 1987 Trust  
Robin Rhea Family Trust dated 7/22/76  
June S. Rhea 1971 Revocable Trust f/b/o Lloyd Fay  
June S. Rhea 1971 Revocable Trust f/b/o June Rhea  
June S. Rhea 1971 Revocable Trust f/b/o Robin Rhea  
June S. Rhea 1970 Trust f/b/o Lloyd Fay  
June S. Rhea 1970 Trust f/b/o June E. Rhea  
Lloyd Johns Fay Trust dated 11/6/74  
June Ellyn Rhea Trust dated 11/6/74  
Robin Rhea Trust dated 11/6/74  
June Rhea 1979 Family Trust f/b/o Lloyd Fay  
June Rhea 1979 Family Trust f/b/o June E. Rhea  
June Rhea 1979 Family Trust f/b/o Robin Robin

By: /s/ Bruce M. Smith

\_\_\_\_\_  
Bruce M. Smith, Trustee

/s/ Daniel M. Hess

\_\_\_\_\_  
Daniel M. Hess, Trustee

Address:

c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

Taylor Benjamin Alt 2001 Trust  
Jonathon Douglas Alt 2001 Trust  
L.B. Smith 1994 Trust  
Melissa Anne Smith 2003 Trust  
Amelia Paige McEneany Smith Minority Trust 6/24/96  
Amelia Paige McEneany Smith 1996 Trust 12/10/96  
Liam Quinn McEneany Smith 2000 Trust  
Alexandra Marie Smith 1987 Trust dated 11/06/87  
Alexandra Marie Smith Minority 1989 Trust 12/19/89  
Joshua Daniel Smith 1987 Trust dated 9/4/87  
Joshua Daniel Smith 1989 Minority Trust dated 12/19/89  
Katherine Anne Smith 1988 Trust dated 12/23/88  
Katherine Anne Smith 1989 Minority Trust 12/19/89  
Anneliese Victoria Smith 1994 Trust  
Anneliese Victoria Smith 1994 Minority Trust  
Scott Gordon Linzmeyer 1987 Trust dated 3/10/87  
Scott Gordon Linzmeyer 1989 Minority Trust 12/19/89  
Lloyd E. Fay Irrevocable 2003 Trust

By: /s/ Arthur O. Smith  
Arthur O. Smith, Trustee

/s/ Daniel M. Hess  
Daniel M. Hess, Trustee

Address:  
c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

Agnes G. Hummel Trust

By: /s/ Arthur O. Smith  
Arthur O. Smith, Trustee

Address:  
740 E. Bay Point Road  
Milwaukee, WI 53217-1350

Robert Lewis Smith Trust u/a dated 11/12/52  
Roger Scott Smith Trust u/a dated 11/12/52  
Nancy Smith Linzmeyer Trust u/a dated 12/17/57

By: /s/ Bruce M. Smith  
Bruce M. Smith, Trustee

/s/ Arthur O. Smith  
Arthur O. Smith, Trustee

/s/ Daniel M. Hess  
Daniel M. Hess, Trustee

Address:  
c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

Bruce M. Smith Trust u/a dated 11/12/52

By: /s/ Robert L. Smith  
Robert L. Smith, Trustee

/s/ Arthur O. Smith  
Arthur O. Smith, Trustee

/s/ Daniel M. Hess  
Daniel M. Hess, Trustee

Address:  
c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202



Arthur O. Smith Revocable 1976 Trust

By: /s/ Margaret B. Smith  
Margaret B. Smith, Trustee

/s/ Bruce M. Smith  
Bruce M. Smith, Trustee

/s/ Daniel M. Hess  
Daniel M. Hess, Trustee

Address:  
c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

Arthur O. Smith III Family Trust dated 12/29/76  
Mallon Family Trust  
Maria Lauren Smith Family Trust dated 12/27/79  
Mark Dean Smith Family Trust dated 8/12/82  
Dana K. Smith Family Trust dated 12/16/83

By: /s/ Margaret B. Smith  
Margaret B. Smith, Trustee

/s/ Daniel M. Hess  
Daniel M. Hess, Trustee

Address:  
c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

A.O. Smith Family 1973 Trust f/b/o Arthur O. Smith III  
A.O. Smith Family 1973 Trust f/b/o Maria L. Smith  
A.O. Smith Family 1973 Trust f/b/o Mark D. Smith  
A.O. Smith Family 1973 Trust f/b/o Dana K. Smith  
A.O. Smith Family 1973 Trust f/b/o Tracy Aaron Mallon

By: /s/ Margaret B. Smith  
Margaret B. Smith, Trustee

/s/ Arthur O. Smith  
Arthur O. Smith, Trustee

Address:  
740 E. Bay Point Road  
Milwaukee, WI 53217-1350

Bruce M. Smith Family Trust u/a dated 6/01/72

By: /s/ Robert L. Smith  
Robert L. Smith, Trustee

/s/ Daniel M. Hess  
Daniel M. Hess, Trustee

Address:  
c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

Jessica A. Mallon Minority Trust dated 12/27/83  
Robert A. Mallon Minority Trust dated 12/27/83  
Tracy A. Mallon 1987 Trust dated 4/15/87  
Lindsay Smith 1987 Trust dated 5/22/87  
Megan Elizabeth Smith 1987 Trust dated 12/12/87  
Jennifer Katherine Smith 1994 Trust dated 5/17/94

By: /s/ A. O. Smith III  
A. O. Smith III, Trustee

/s/ Daniel M. Hess  
Daniel M. Hess, Trustee

Address:  
c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

Theresa Marie Banghart 1999 Trust dated 12/06/99  
Rebecca A. Banghart 1999 Trust dated 12/06/99

By: /s/ Daniel M. Hess  
Daniel M. Hess, Trustee

/s/ Elizabeth Smith  
Elizabeth Smith, Trustee

Address:  
c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

Arthur Oliver Smith IV 1999 Trust dated 12/07/99  
Elizabeth Carter Smith 1999 Trust dated 12/07/99  
Katherine Lee Smith 1999 Trust dated 12/07/99

By: /s/ Mark Dean Smith  
Mark Dean Smith, Trustee

/s/ Daniel M. Hess  
Daniel M. Hess, Trustee

Address:  
c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

Roger Scott Smith Family Trust u/a dated 6/29/72  
Nancy Smith Linzmeyer Family Trust u/a dated 9/27/73

By: /s/ Daniel M. Hess  
Daniel M. Hess, Trustee

Address:  
c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

Confirmed as of the date  
first above written:

**SMITH INVESTMENT COMPANY**

By: /s/ Bruce M. Smith

Name: Bruce M. Smith

Title: Chairman, President and CEO

**A. O. SMITH CORPORATION**

By: /s/ James F. Stern

Name: James F. Stern

Title: Executive Vice President, General  
Counsel and Secretary

## STOCKHOLDER AGREEMENT

**THIS STOCKHOLDER AGREEMENT** (this "Agreement"), dated as of December 9, 2008, is made by and among A. O. Smith Corporation, a Delaware corporation (the "Company"), and each Person signatory hereto or who becomes signatory hereto in accordance with the terms of this Agreement (each, individually, a "Stockholder" and, collectively, the "Stockholders"). All terms used, but not otherwise defined herein, shall have those meanings set forth in the Merger Agreement (defined below).

### RECITALS

WHEREAS, the Company, SICO Acquisition, LLC, a Delaware limited liability company ("MergerCo"), Smith Investment Company, a Nevada corporation ("SICO"), and Smith Investment Company LLC, a Delaware limited liability company, are party to that certain Agreement and Plan of Merger, dated as of the date hereof (the "Merger Agreement"), pursuant to which, among other things, SICO will be merged with and into MergerCo (the "Merger"), and the outstanding shares of common stock, par value \$.10 per share, of SICO will be converted in the Merger into the right to receive shares of common stock, par value \$1 per share, of the Company (the "Common Stock") and shares of Class A common stock, par value \$5 per share, of the Company (the "Class A Common Stock"); and, together with the Common Stock, the "Company Common Stock");

WHEREAS, each Stockholder is a stockholder of SICO and will receive shares of Company Common Stock issued as consideration in the Merger;

WHEREAS, in considering the Merger, the Company has determined that it is advisable and in the best interests of the Company and its stockholders to condition its entry into the Merger on, among other things, the Stockholders' agreement to certain standstill and other obligations set forth in this Agreement with respect to the affairs of the Company and the Company Common Stock; and

WHEREAS, in order to induce the Company to cause the Merger to be completed, the Stockholders have agreed to the standstill and other obligations set forth in this Agreement with respect to the affairs of the Company and the Company Common Stock.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### AGREEMENT

1.01 Definitions. Except as otherwise provided herein, the following terms have the following meanings for all purposes of this Agreement:

(a) “Acquisition Transaction” shall mean any transaction or series of transactions, directly or indirectly, involving any merger, consolidation, share exchange, business combination, issuance of securities, acquisition of securities, recapitalization, tender offer, exchange offer or other transaction (regardless of whether the Company is the surviving entity after the consummation of such transaction) in which a Person, directly or indirectly, acquires all or more than 50% of the assets or beneficial ownership of all or more than 50% of any class of stock of the Company; provided, however, that the term “Acquisition Transaction” shall not include (i) the Merger or any other transactions contemplated by the Merger Agreement, (ii) entry into and performance under the terms of the Voting Trust Agreement, or (iii) any acquisition of shares of Company Common Stock by a Stockholder (A) from any Existing Class A Holder or from any Permitted Transferee (each as defined in the proposed Amended and Restated Certificate of Incorporation of the Company, a form of which is appended to the Merger Agreement as Exhibit J), (B) in a “brokers transaction” (within the meaning of Rule 144 under the Securities Act) or (C) in any privately negotiated transaction that does not otherwise constitute a “tender offer” (within the meaning of Section 14(d) under the Exchange Act).

(b) “beneficially owns” (or comparable variations thereof) has the meaning set forth in Rule 13d-3 promulgated under the Exchange Act.

(c) “Bylaws” means the Amended and Restated Bylaws of the Company, as the same may be amended and restated from time to time.

(d) “Certificate of Incorporation” means the Amended and Restated Certificate of Incorporation of the Company, as the same may be amended and restated from time to time, and including the amendments thereto contemplated by the Merger Agreement.

(e) “Commission” means the Securities and Exchange Commission.

(f) “Controlled Affiliate” means a Person that, directly or indirectly, through one or more intermediaries, is controlled by a Stockholder. For purposes of this definition, “controlled by”, with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

(g) “Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(h) “Governmental Authority” shall mean any government, court, regulatory or administrative agency, commission or authority, securities exchange (including the NYSE) or other governmental instrumentality, whether federal, state or local, domestic, foreign or multinational.

(i) “Person” means any individual, corporation, limited liability company, partnership, trust, other entity or group (within the meaning of Section 13(d)(3) of the Exchange Act).

(j) “Proxy Contest” means any “solicitation” of “proxies” (each within the meaning of Section 14(a) of the Exchange Act) by a Person other than a Stockholder, a Controlled Affiliate thereof, the Company or the Board of Directors of the Company with respect to any matter submitted for (i) consideration at any annual or special meeting of the stockholders of the Company or (ii) stockholder action by written consent.

(k) “Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(l) “Standstill Termination Date” means the earliest of (i) three years after the Effective Time, (ii) the date on which all of the outstanding Class A Common Stock is automatically converted into Common Stock in accordance with the Certificate of Incorporation, (iii) the date on which the Company publicly announces that it has entered into a definitive written agreement with respect to an Acquisition Transaction, or (iv) ten business days after a Person publicly announces an unsolicited offer with respect to an Acquisition Transaction, if prior to such tenth business day the Company has not issued a press release expressly rejecting such Acquisition Transaction.

1.02 Standstill Agreement. From and after the Effective Time until the Standstill Termination Date, each Stockholder will not, and will cause its Controlled Affiliates not to, directly or indirectly, without the prior written approval of the Company’s Board of Directors or any duly constituted committee thereof:

(a) Except in response to a Proxy Contest, engage in or knowingly participate in, directly or indirectly, or publicly announce an intention to engage in or participate in, any “solicitation” of “proxies” (each within the meaning of Section 14(a) of the Exchange Act) from any Person other than a Stockholder with respect to any matter submitted for consideration (including the election of directors by holders of the Common Stock, voting as a separate class, in accordance with the Certificate of Incorporation) at any annual or special meeting of the stockholders of the Company; *provided however*, that nothing herein shall restrict or limit the ability of (i) the holders of Class A Common Stock to solicit proxies or consents solely regarding matters affecting the rights, preferences or privileges of the Class A Common Stock that are exclusive to the Class A Common Stock and not shared with the holders of Company Common Stock, (ii) the holders of the Class A Common Stock, voting as a separate class or voting with the holders of Common Stock, to elect directors in accordance with the Certificate of Incorporation, or (iii) the Stockholders to vote their respective shares;

(b) Except in response to a Proxy Contest or otherwise if initiated or not opposed by the Company, initiate, knowingly participate in, or consent to the taking of any stockholder action by consent without a meeting pursuant to Section 228 of the DGCL; provided however, that nothing herein shall restrict or limit the ability of (i) the holders of Class A Common Stock to solicit consents, or to take action by written consent, solely regarding matters affecting the rights, preferences or privileges of the Class A Common Stock that are exclusive to the Class A Common Stock and not shared with the holders of Company Common Stock, or (ii) the holders of the Class A Common Stock, voting or acting as a separate class or voting or acting with the holders of Common Stock, to elect directors in accordance with the Certificate of Incorporation;



(c) Submit, otherwise solicit stockholder approval for, or take any action that would result in a public announcement related to, any proposal for consideration at any annual or special meeting of the stockholders of the Company (including pursuant to Rule 14a-8 under the Exchange Act);

(d) Make, effect or commence an Acquisition Transaction, or take any action that would reasonably be expected to result in a public announcement of an Acquisition Transaction;

(e) Enter into any agreements, arrangements or understandings with any other Person with respect to any matter described in this Section 1.02, including forming, joining or knowingly participating in a “group” (within the meaning of Section 13(d)(3) of the Exchange Act) with respect to the Company or the Company Common Stock; provided, however, that nothing herein shall limit any Stockholder from forming, joining or participating in a “group”

(i) comprised solely of the Stockholders and their respective Controlled Affiliates, (ii) created by entry into and the conduct of the Voting Trust Agreement, (iii) created as a result of any transaction undertaken for bona fide estate planning purposes, and/or (iv) created as a result of a transaction expressly permitted by this Agreement; or

(f) Except as provided in the Voting Trust Agreement, directly or indirectly sell, assign, gift, bequeath, appoint or otherwise dispose of any shares of Class A Common Stock to a Permitted Transferee unless the transferee is a Stockholder or becomes a party to this Agreement by executing a counterpart signature page to this Agreement.

The provisions of this Section 1.02 shall not impair or affect in any way the exercise by any Stockholder or any of its Controlled Affiliates of his or her fiduciary or other duties as a director, officer or employee of the Company in his or her capacity as such, nor shall any action in such capacity constitute a breach of this Agreement.

1.03 Stockholder Representations. Each Stockholder, severally and not jointly, hereby represents and warrants to the Company as follows:

(a) This Agreement has been duly and validly executed and delivered by such Stockholder and constitutes a legally valid and binding obligation of such Stockholder enforceable against such Stockholder in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors’ rights generally and by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) The execution and delivery by such Stockholder of this Agreement do not, and the performance by such Stockholder of such Stockholder’s obligations under this Agreement will not: (i) conflict with or result in a violation or breach of any term or provision of any law, statute, rule or regulation or any order, judgment or decree of any Governmental Authority applicable to such Stockholder; or (ii) conflict with or result in a violation or breach of, constitute (with or without notice or lapse of time or both) a default under, or require such Stockholder to obtain any consent, approval or action of, make any filing with or give any notice to any Person as a result or under the terms of, any contract, permit, license, agreement or arrangement to which such Stockholder is a party or by which such Stockholder may be bound.

(c) No consent, approval or action of, filing with or notice to any Governmental Authority on the part of such Stockholder is required in connection with the execution and delivery of this Agreement, other than any filing with the Commission required in connection with the execution and delivery of this Agreement.

1.04 Company Representations. The Company hereby represents and warrants to each Stockholder as follows:

(a) The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. The Company has the requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby.

(b) The execution and delivery by the Company of this Agreement, and the performance by the Company of its obligations hereunder, have been duly and validly authorized by the Board of Directors of the Company, no other corporate action on the part of the Company or its stockholders being necessary. This Agreement has been duly and validly executed and delivered by the Company and constitutes a legally valid and binding obligation of the Company in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) The execution and delivery by the Company of this Agreement do not, and the performance by the Company of its obligations under this Agreement and the consummation of the transactions contemplated hereby will not (i) conflict with or result in a violation or breach of any of the terms, conditions or provisions of the Certificate of Incorporation or Bylaws; (ii) conflict with or result in a violation or breach of any term or provision of any law, statute, rule or regulation or any order, judgment or decree of any Governmental Authority applicable to the Company; or (iii) conflict with or result in a violation or breach of, constitute (with or without notice or lapse of time or both) a default under, or require the Company to obtain any consent, approval or action of, make any filing with or give any notice to any Person as a result or under the terms of, any contract, permit or license to which the Company is a party.

(d) No consent, approval or action of, filing with or notice to any Governmental Authority on the part of the Company is required in connection with the execution and delivery of this Agreement, other than any filing with the Commission required in connection with the execution and/or delivery of this Agreement.

1.05 Failure to Consummate the Merger. This Agreement shall be effective upon the Effective Time. In the event that the Merger Agreement is terminated, this Agreement shall be terminated and be of no force or effect.

1.06 Amendment and Waiver. This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of each party hereto. Any term or condition of this Agreement may be waived at any time by the party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the party waiving such term or condition. No waiver by any party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by law or otherwise afforded, will be cumulative and not alternative.

1.07 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by facsimile or sent by prepaid overnight carrier to the parties at the following addresses (or at such other addresses as shall be specified by the parties by like notice):

If to any Stockholder, to:

The address indicated for each Stockholder on the signature page to this Agreement.

with a copy (which shall not constitute notice) to:

Bruce M. Smith  
Smith Investment Company  
11270 West Park Place Milwaukee, Wisconsin 53224  
Facsimile: 414-359-4198

with a copy (which shall not constitute notice) to:

Quarles & Brady LLP  
411 East Wisconsin Avenue, Suite 2040  
Milwaukee, Wisconsin 53202  
Facsimile: 414-271-3552  
Attention: Kenneth V. Hallett

with a copy (which shall not constitute notice) to:

Latham & Watkins LLP  
233 South Wacker Drive, Suite 5800  
Chicago, Illinois 60606  
Facsimile: 312-993-9767  
Attention: Mark D. Gerstein

If to the Company, to:

A.O. Smith Corporation  
11270 West Park Place  
Milwaukee, Wisconsin 53224  
Facsimile: 414-359-7450  
Attention: General Counsel

with a copy (which shall not constitute notice) to:

Winston & Strawn LLP  
35 West Wacker Drive  
Chicago, Illinois 60601-9703  
Facsimile: 312-558-5700  
Attention: Robert F. Wall

1.08 Entire Agreement. This Agreement, and the Merger Agreement and the other agreements contemplated thereby constitute the entire agreement, and except as explicitly set forth herein, supersedes all prior written agreements, arrangements, communications and understandings and all prior and contemporaneous oral agreements, arrangements, communications and understandings among the parties with respect to the subject matter of this Agreement.

1.09 No Third Party Beneficiary. This Agreement shall be binding upon and inure solely to the benefit of each of the parties and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature under or by reason of this Agreement.

1.10 No Assignment; Binding Effect. Neither this Agreement nor any right, interest or obligation hereunder may be assigned by any parties hereto without the prior written consent of the other party hereto and any attempt to do so will be void. Subject to the preceding sentence, this Agreement is binding upon, inures to the benefit of and is enforceable by the parties hereto and their respective successors and assigns and legal representatives.

1.11 Specific Performance. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in addition to any other remedy to which they are entitled at law or in equity.

1.12 Certain Interpretations. Unless the context otherwise requires, as used in this Agreement: (a) “or” is not exclusive; (b) “including” and its variants mean “including, without limitation” and its variants; (c) words defined in the singular have the parallel meaning in the plural and vice versa; (d) references to “written” or “in writing” include in electronic form; (e) the terms “hereof”, “herein”, “hereby”, “hereto”, and derivative or similar words refer to this entire Agreement; (f) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms; (g) the word “will” shall be construed to have the same meaning and effect as the word “shall”; (h) references to “dollars” or “\$” in this Agreement shall mean United States dollars; (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein); (j) reference to a particular statute, regulation or law includes all rules and regulations thereunder and any predecessor or successor statute, regulation or law, in each case, as amended or otherwise modified from time to time prior to the date hereof; (k) whenever this Agreement refers to a number of days, such number shall refer to calendar days unless business days are specified; and (l) the headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

1.13 Severability. If any provision of this Agreement or of any other instrument or writing referred to herein, or the application thereof to any Person or circumstance is held invalid or unenforceable, the remainder of this Agreement, and the application of such provision to other Persons or circumstances, shall not be affected thereby, and to such end, the provisions of this Agreement are agreed to be severable.

1.14 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to a contract executed and performed in such State, without giving effect to the conflicts of laws principles thereof. Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the courts of the State of Delaware and the Federal Courts of Delaware (the “Delaware Courts”), in any suit, action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment resulting from any suit, action or proceeding, and each party hereby irrevocably and unconditionally agrees that all claims in respect to any such suit, action or proceeding may be heard and determined in a Delaware Court. Each party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, (a) any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in a Delaware Court, (b) the defense of an inconvenient forum to the maintenance of such suit, action or proceeding in any such court, and (c) the right to object, with respect to such suit, action or proceeding, that such court does not have jurisdiction over such party. Each party irrevocably consents to service or process in any manner permitted by law.

1.15 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts thereof have been signed by each of the parties and delivered to the other party.

1.16 Facsimile Signature. This Agreement may be executed by facsimile signature and a facsimile signature shall constitute an original for all purposes.

IN WITNESS WHEREOF, each party hereto has signed this Agreement, or caused this Agreement to be signed on its behalf, as of the date first above written.

THE COMPANY:

A. O. SMITH CORPORATION

By: /s/ James F. Stern

Name: James F. Stern

Title: Executive Vice President, General  
Counsel and Secretary

[Stockholder signature pages to follow.]

THE STOCKHOLDERS:

/s/ Arthur O. Smith

Arthur O. Smith, individually

Address:

740 East Bay Point Road  
Milwaukee, WI 53217-1350

/s/ Margaret B. Smith

Margaret B. Smith, individually

Address:

740 East Bay Point Road  
Milwaukee, WI 53217-1350

Arthur O. Smith III Trust dated 12/05/74  
Regina Smith Mallon Trust dated 12/05/74  
Maria L. Smith Trust dated 12/05/74  
Mark D. Smith Trust dated 12/05/74  
Dana K. Smith Trust dated 12/05/74  
Lucy W. Smith Trust u/a dated 12/29/52  
Robert Lewis Smith Family Trust dated 6/28/72  
Sierra Anne Steer Smith 2002 Trust dated 1/13/2003  
Lloyd David Smith 2003 Trust  
June E. Rhea Family Trust dated 1/5/71  
June Ellyn Rhea 1987 Trust  
Robin Rhea Family Trust dated 7/22/76  
June S. Rhea 1971 Revocable Trust f/b/o Lloyd Fay  
June S. Rhea 1971 Revocable Trust f/b/o June Rhea  
June S. Rhea 1971 Revocable Trust f/b/o Robin Rhea  
June S. Rhea 1970 Trust f/b/o Lloyd Fay  
June S. Rhea 1970 Trust f/b/o June E. Rhea  
Lloyd Johns Fay Trust dated 11/6/74  
June Ellyn Rhea Trust dated 11/6/74  
Robin Rhea Trust dated 11/6/74  
June Rhea 1979 Family Trust f/b/o Lloyd Fay  
June Rhea 1979 Family Trust f/b/o June E. Rhea  
June Rhea 1979 Family Trust f/b/o Robin Robin

By: /s/ Bruce M. Smith

\_\_\_\_\_  
Bruce M. Smith, Trustee

/s/ Daniel M. Hess

\_\_\_\_\_  
Daniel M. Hess, Trustee

Address:

c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202



Taylor Benjamin Alt 2001 Trust  
Jonathon Douglas Alt 2001 Trust  
L.B. Smith 1994 Trust  
Melissa Anne Smith 2003 Trust  
Amelia Paige McEneaney Smith Minority Trust 6/24/96  
Amelia Paige McEneaney Smith 1996 Trust 12/10/96  
Liam Quinn McEneaney Smith 2000 Trust  
Alexandra Marie Smith 1987 Trust dated 11/06/87  
Alexandra Marie Smith Minority 1989 Trust 12/19/89  
Joshua Daniel Smith 1987 Trust dated 9/4/87  
Joshua Daniel Smith 1989 Minority Trust dated 12/19/89  
Katherine Anne Smith 1988 Trust dated 12/23/88  
Katherine Anne Smith 1989 Minority Trust 12/19/89  
Anneliese Victoria Smith 1994 Trust  
Anneliese Victoria Smith 1994 Minority Trust  
Scott Gordon Linzmeyer 1987 Trust dated 3/10/87  
Scott Gordon Linzmeyer 1989 Minority Trust 12/19/89  
Lloyd E. Fay Irrevocable 2003 Trust

By: /s/ Arthur O. Smith

Arthur O. Smith, Trustee

/s/ Daniel M. Hess

Daniel M. Hess, Trustee

Address:

c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

Agnes G. Hummel Trust

By: /s/ Arthur O. Smith  
\_\_\_\_\_  
Arthur O. Smith, Trustee

Address:  
740 E. Bay Point Road  
Milwaukee, WI 53217-1350

Robert Lewis Smith Trust u/a dated 11/12/52  
Roger Scott Smith Trust u/a dated 11/12/52  
Nancy Smith Linzmeyer Trust u/a dated 12/17/57

By: /s/ Bruce M. Smith  
\_\_\_\_\_  
Bruce M. Smith, Trustee

/s/ Arthur O. Smith  
\_\_\_\_\_  
Arthur O. Smith, Trustee

/s/ Daniel M. Hess  
\_\_\_\_\_  
Daniel M. Hess, Trustee

Address:  
c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

Bruce M. Smith Trust u/a dated 11/12/52

By: /s/ Robert L. Smith  
\_\_\_\_\_  
Robert L. Smith, Trustee

/s/ Arthur O. Smith  
\_\_\_\_\_  
Arthur O. Smith, Trustee

/s/ Daniel M. Hess  
\_\_\_\_\_  
Daniel M. Hess, Trustee

Address:  
c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

Arthur O. Smith Revocable 1976 Trust

By: /s/ Margaret B. Smith  
Margaret B. Smith, Trustee

/s/ Bruce M. Smith  
Bruce M. Smith, Trustee

/s/ Daniel M. Hess  
Daniel M. Hess, Trustee

Address:  
c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

Arthur O. Smith III Family Trust dated 12/29/76  
Mallon Family Trust  
Maria Lauren Smith Family Trust dated 12/27/79  
Mark Dean Smith Family Trust dated 8/12/82  
Dana K. Smith Family Trust dated 12/16/83

By: /s/ Margaret B. Smith  
Margaret B. Smith, Trustee

/s/ Daniel M. Hess  
Daniel M. Hess, Trustee

Address:  
c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

A.O. Smith Family 1973 Trust f/b/o Arthur O. Smith III  
A.O. Smith Family 1973 Trust f/b/o Maria L. Smith  
A.O. Smith Family 1973 Trust f/b/o Mark D. Smith  
A.O. Smith Family 1973 Trust f/b/o Dana K. Smith  
A.O. Smith Family 1973 Trust f/b/o Tracy Aaron Mallon

By: /s/ Margaret B. Smith  
Margaret B. Smith, Trustee

/s/ Arthur O. Smith  
Arthur O. Smith, Trustee

Address:  
740 E. Bay Point Road  
Milwaukee, WI 53217-1350

Bruce M. Smith Family Trust u/a dated 6/01/72

By: /s/ Robert L. Smith  
Robert L. Smith, Trustee

/s/ Daniel M. Hess  
Daniel M. Hess, Trustee

Address:  
c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

Jessica A. Mallon Minority Trust dated 12/27/83  
Robert A. Mallon Minority Trust dated 12/27/83  
Tracy A. Mallon 1987 Trust dated 4/15/87  
Lindsay Smith 1987 Trust dated 5/22/87  
Megan Elizabeth Smith 1987 Trust dated 12/12/87  
Jennifer Katherine Smith 1994 Trust dated 5/17/94

By: /s/ A. O. Smith III  
A. O. Smith III, Trustee

/s/ Daniel M. Hess  
Daniel M. Hess, Trustee

Address:  
c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

Theresa Marie Banghart 1999 Trust dated 12/06/99  
Rebecca A. Banghart 1999 Trust dated 12/06/99

By: /s/ Daniel M. Hess  
Daniel M. Hess, Trustee

/s/ Elizabeth Smith  
Elizabeth Smith, Trustee

Address:  
c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

Arthur Oliver Smith IV 1999 Trust dated 12/07/99  
Elizabeth Carter Smith 1999 Trust dated 12/07/99  
Katherine Lee Smith 1999 Trust dated 12/07/99

By: /s/ Mark Dean Smith  
\_\_\_\_\_  
Mark Dean Smith, Trustee

/s/ Daniel M. Hess  
\_\_\_\_\_  
Daniel M. Hess, Trustee

Address:  
c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

Roger Scott Smith Family Trust u/a dated 6/29/72  
Nancy Smith Linzmeyer Family Trust u/a dated 9/27/73

By: /s/ Daniel M. Hess  
\_\_\_\_\_  
Daniel M. Hess, Trustee

Address:  
c/o Daniel M. Hess  
Foley & Lardner LLP  
777 East Wisconsin Avenue  
Milwaukee, WI 53202

**SMITH FAMILY  
VOTING TRUST AGREEMENT**

This Voting Trust Agreement (“Agreement”) is made as of the \_\_\_\_ day of \_\_\_\_\_, 2009, between the persons whose signatures are hereunto affixed as depositors, and such other qualified persons as shall become parties hereto from time to time as hereinafter provided (the “Depositors”), and \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_, and their successors, as Trustees (the “Trustees”).

WITNESSETH:

WHEREAS, as former shareholders of Smith Investment Company, a Nevada corporation (“SICO”), and Smith Family Members (as defined below), the Depositors have received or will receive, in the merger (the “Merger”) of SICO into a subsidiary of A.O. Smith Corporation, a Delaware corporation (“AOS”), shares of AOS Common Stock (“Common Stock”) and Class A Common Stock (“Class A Stock”); and

WHEREAS, the Depositors deem it advisable and in their best interests, in order to insure harmony and agreement among themselves as to the investment in AOS and to protect their collective interests in AOS, to deposit their shares of Common Stock and Class A Stock (collectively, “Shares”) with the Trustees pursuant to this Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Depositors and the Trustees do hereby agree as follows:

**I. DEPOSIT OF SHARES; GENERAL PROVISIONS**

1. Transfer of Shares to Trustees. The undersigned Depositors, holding the number of Shares set opposite their respective names on the addendum to the signature page to this Agreement, shall deposit said Shares, and any additional Shares which they may receive upon termination of the escrow arrangements pursuant to the Merger, with the Trustees, properly endorsed for assignment and transfer to the Trustees on the books of AOS. The Shares so deposited with the Trustees shall be surrendered to AOS and cancelled and new certificates therefor shall be issued to the Trustees stating that they are issued pursuant to the Smith Family Voting Trust (“Trust”), created by this Agreement, which fact shall also be stated in the stock ledger of AOS.

2. Effect. The deposit of Shares with the Trustees hereunder shall constitute assignment and transfer to the Trustees of full legal title to such Shares, and shall vest in the Trustees all rights and powers of every nature incident to ownership of such Shares subject only to the limitations specifically set forth herein.

3. Depositors. Any holder of Common Stock or Class A Stock who is a Smith Family Member, as defined in the Amended and Restated Certificate of Incorporation of AOS as adopted by its stockholders on \_\_\_\_\_, 2009 (the "AOS Certificate") may become a Depositor and thereby a party to this Agreement at any time, with the consent of the Trustees, by executing and delivering to the Trustees a deposit letter in substantially the form hereto annexed as Exhibit "A" and by depositing the certificates representing Shares owned by the Depositor, duly authorized for transfer, with the Trustees, together with a sum sufficient to cover any governmental charges incidental to such transfer. The Trustees shall have the sole discretion to determine whether an individual is eligible to be a Depositor pursuant to this Agreement. Each Depositor, by the deposit of his or her Shares hereunder, shall, as of the date of deposit, become a party to and be bound by all the terms and provisions of this Agreement with the same effect as if an initial Depositor hereunder. Any Depositor may, at any time or from time to time following the initial deposit of Shares hereunder, deposit additional Shares.

4. Trust Interests. The Shares deposited hereunder shall be held for the account of each respective Depositor. Trust certificates for said Shares will not be issued. For purposes of this Trust Agreement, the beneficial interests of Depositors or Beneficiaries in Shares held by the Trust for their respective accounts shall be referred to herein as "Trust Interests".

5. Certificate of Intent. Each Depositor may file a Certificate of Intent in substantially the form hereto annexed as Exhibit "B," signifying an intent by the Depositor to purchase additional shares of Common Stock or (if permitted by the AOS Certificate without their conversion into shares of Common Stock) Class A Stock pursuant to the terms and conditions herein. A Depositor may amend his Certificate of Intent to reflect any change in the Depositor's interest or ability to purchase additional stock.

6. Beneficiary. The term "Beneficiary," as used in this Agreement, shall mean a holder of record on the books of the Trustees of Trust Interests granted hereunder (whether held by initial deposit or by permitted transfer), and shall be construed to mean and include not only such holders and owners acting in their own right but also any person, association, or corporation possessing Trust Interests in a representative or fiduciary capacity. Although a Depositor is a Beneficiary, a Beneficiary may not necessarily be a Depositor.

## **II. DIVIDENDS; ADDITIONAL STOCK AVAILABILITY**

1. Payment of Dividends. In the event the Trustees receive any dividend or other distribution of cash or property (other than Common Stock, Class A Stock or other securities which may become AOS voting stock upon the happening of any specified contingency) upon or by reason of the Shares held by the Trustees hereunder, the Trustees shall promptly make a pro rata distribution (based on number and class of shares held in each Beneficiary's account) of such dividend or distribution to the Beneficiaries as their respective Trust Interests appear on the books of the Trustees as of the record date of the dividend or distribution. In the event of a stock split-up, or dividend or distribution of Common Stock, Class A Stock or other securities that may become voting stock, such stock shall be added to the Shares held by the Trustees hereunder and the Trust Interests of Beneficiaries shall be adjusted accordingly. Prior to making any distribution of cash, securities or other property to the Beneficiaries, the Trustees may retain therefrom a sufficient part, either in cash, securities or property, to meet the expenses and obligations of the Trust; provided, however, that the Trustees may not sell or otherwise dispose of Common Stock, Class A Stock or other voting securities for the purpose of meeting such expenses or obligations except in compliance with the procedure outlined in Paragraph 3 of Part V hereof. The Trustees may, in their discretion, from time to time, instead of receiving and distributing any such dividends or distributions, authorize AOS to make payment or delivery thereof directly to the Beneficiaries. The Trustees may also withhold taxes from the distributions to any Beneficiary as may be required by applicable law or regulation.



2. Subscription Rights. The Trustees shall promptly give notice to the Beneficiaries of the issuance or granting by AOS to its stockholders of any warrants or rights to subscribe to any security to be issued by AOS, and each such Beneficiary shall have the right, upon furnishing adequate funds and complying with other terms or provisions of such warrants or rights, to direct the Trustees to exercise such warrants or rights, or any part thereof, in respect of the Shares represented by the Trust Interests possessed by such Beneficiary. The Trustees shall hold and own, subject to the provisions hereof, all voting stock and all stock convertible into voting stock issued upon exercise of such warrants or rights, and shall adjust in respect thereof the Beneficiaries' Trust Interests accordingly.

3. Purchases by Trust. The Trustees shall be entitled to purchase Common Stock or Class A Stock (or rights thereto) directly from AOS or from sources other than AOS on behalf of Depositors to the extent made available to the Trust from time to time; provided, however, that the Trust shall not purchase any such stock in excess of the amount indicated on the Depositors' Certificates of Intent, so that at no time will the Trust purchase or own Shares for its own account. In the event the Trust has the opportunity to purchase stock in excess of the Depositors' current expressions of interest, the Trustees may, in their discretion, notify the Depositors of such opportunity. Any Depositor, in response to such notice, desiring to amend his Certificate of Intent in order to purchase stock in addition to the amount previously set forth in his Certificate of Intent shall file a written request with the Trustees during the time frame indicated by the Trustees. The Trustees shall promptly notify the Depositors of stock purchases, and the Depositors shall promptly make payment therefor at the time and in such manner specified by the Trustees. Any stock purchased by the Trust shall be distributed to the accounts of the Depositors on a pro rata basis, in accordance with the Certificates of Intent filed by the Depositors or in such other manner as the Trustees deem fair and equitable; provided, however, that the allocation of Shares may be adjusted by the Trustees in favor of purchasers who do not need to borrow funds to finance their purchases.

4. Common/Class A Exchanges. Unless directed to the contrary in a Depositor's Certificate of Intent, and other than in respect of any Depositor which is not eligible under the AOS Certificate to purchase additional shares of Class A Stock without their conversion into shares of Common Stock, the Trustees may use and/or exchange Common Stock held by the Trust as consideration for the purchase of Class A Stock available to the Trust from time to time. Any such exchanges shall be on such terms and conditions as deemed reasonable by the Trustees and shall be made on a pro rata basis based on each Beneficiary's Trust Interests attributable to Class A Stock or pursuant to such other method as the Trustees deem fair and equitable.

5. Reorganization. If, in case of reorganization, merger, consolidation or other similar change in AOS, the Trustees receive stock or other equity securities in any reorganized, merged, consolidated, new or different corporation in exchange for the Shares deposited or held hereunder, the Trustees may in their discretion hold the securities so received or may distribute such securities to the Beneficiaries as their respective Trust Interests appear on the Trustees' records. With respect to securities exchanged or substituted for the Shares represented by outstanding Trust Interests, the rights and obligations of the Trustees and Beneficiaries shall, for all purposes, be treated as applying to the securities so held in exchange or substitution.

### **III. TRUSTEE ACTIONS; POWERS**

1. **Powers.** The Trustees, with respect to the Shares held hereunder, are hereby vested as owners of such Shares (without limitation except as herein otherwise expressly provided) with all of the rights, powers and privileges of every kind and character of an owner thereof, including, without limiting the generality of the foregoing: (a) the right to vote the same, either in person or by proxy, for every purpose; (b) the right to become parties to or prosecute or intervene in any suits or other legal or administrative proceedings affecting (i) the Shares held hereunder, (ii) AOS, or (iii) the powers and duties or obligations of the Trustees; (c) the right to transfer all or any part of the Shares held hereunder into their names as Trustees or into the name or names of the nominee or nominees; (d) the right to exchange Shares of Common Stock held hereunder for Shares of Class A Stock; and (e) the right to borrow or to arrange for borrowing for the purpose of purchasing additional stock, including the right to pledge the Shares held hereunder as security for said borrowing(s). The obligations and agreements of the Trustees shall not be binding upon the Trustees personally but shall bind solely the Shares and other assets and property in the hands of the Trustees.

2. **Voting.** In voting the Shares held hereunder, the Trustees shall exercise their best judgment and may take such part or action with respect to the management of the affairs of AOS as they deem appropriate or necessary, subject to the obligations of the Depositors under the Stockholder Agreement dated December 9, 2008 by and among AOS and the various Smith Family Members who are signatories thereto.

3. **Trustee Status.** Any Trustee, individually or otherwise, may hold Common Stock, Class A Stock or other securities of AOS or possess Trust Interests issued hereunder and, individually or as a Trustee, may vote for himself as a director of AOS; and any Trustee, or any firm of which he is a member, or a corporation in which he is a stockholder or officer or in which he may be otherwise interested, may contract with AOS or the Trustees or be or become pecuniarily interested in any matter or transaction to which AOS or the Trustees may be a party, as fully as though such person were not a Trustee hereunder. A Trustee, if a director of AOS, may vote for himself as an officer and/or employee of AOS and may participate in fixing the amount of compensation for such services. Any Trustee who is also a Beneficiary or a Depositor shall have all rights accorded Beneficiaries or Depositors hereunder.

4. **Majority to Act.** Except as otherwise herein provided, any action to be taken hereunder by the Trustees shall require the approval of a majority of the Trustees then qualified as Trustees and acting hereunder. In the event that a majority of the Trustees are unable to agree upon any issue, the Trustees shall act in accordance with the decision of the majority of a board of three arbitrators, one each to be appointed by the opposing Trustees and the third to be appointed by the other two arbitrators so selected.

5. Expenses. The Trustees may incur and pay all expenses and disbursements which the Trustees may deem necessary or proper in and about exercising the powers of authority given to or vested in the Trustees by this Agreement, and shall be entitled to reimbursement for any expenses and obligations incurred by them by reason of this Trust, as provided in Paragraph 1 in Part II above. The Trustees shall not be entitled to compensation for services rendered as Trustees.

6. Records and Reports.

(a) The Trustees shall keep proper records of Trust assets, receipts and disbursements, a list of Beneficiaries and the Shares in their accounts, and other records connected with the administration of this Trust. The books and records of the Trustees containing the accounts and names of Beneficiaries shall at all reasonable times be open to inspection by the Beneficiaries for any proper purpose.

(b) The Trustees shall periodically prepare and transmit to each Beneficiary statements of such Beneficiary's account, showing the number of shares of Common Stock and/or Class A Stock held on behalf of the Beneficiary, recent activity in such account, and such other matters as the Trustees deem appropriate.

(c) Upon the written request of a Beneficiary, the Trustees shall issue and mail annual financial reports to such Beneficiary within thirty (30) days after the final adjournment of each annual meeting of the stockholders of AOS and may, in their discretion, issue and mail to Beneficiaries interim financial reports. Financial reports shall include information of such nature and scope as the Trustees shall deem relevant and appropriate under the circumstances. Unless formal notice questioning the adequacy and accuracy of such financial reports is filed with the Secretary within thirty (30) days after the mailing of any such report, such report as against all Beneficiaries requesting such report shall be conclusively presumed to be in all respects correct.

(d) The Trustees shall promptly transmit all communications from AOS received by the Trustees as AOS stockholders to the Beneficiaries.

7. Secretary. The Trustees shall appoint a Secretary and an Assistant Secretary (herein referred to as the "Secretary" and "Assistant Secretary"), either of whom may but need not be a Trustee. The Trustees may remove or replace at any time the persons who are appointed as Secretary and Assistant Secretary, and may pay reasonable compensation to the Secretary and/or the Assistant Secretary, if said persons are not Trustees. It shall be the duty of the Secretary to keep the minutes of meetings of the Trustees and to maintain a record of transactions hereunder and to perform such other duties as herein provided or as may be required by the Trustees. The Assistant Secretary shall act in place of the Secretary in taking any action or performing any duties herein required to be taken or performed by the Secretary whenever the Secretary shall be incapacitated, absent, or for any other reason unable to act. Promptly upon appointment, the Secretary shall give notice in writing to all Beneficiaries of his name and address, and the name and address of the Assistant Secretary, and shall give similar notice of any change therein.

#### **IV. SALE OF STOCK BY THE TRUSTEES**

Whenever Beneficiaries possessing Trust Interests representing in the aggregate at least seventy-five percent (75%) of all the votes as determined by the voting power of the Shares held hereunder direct the sale as a unit of all or any part of the Shares for such price and upon such terms or in exchange for such other property that they shall agree upon, then the Trustees shall make the sale of such Shares as so directed, whether or not the Trustees or other Beneficiaries approve the sale. Likewise, if at any time the Trustees unanimously authorize such action, the Trustees, with the written consent of Beneficiaries holding Trust Interests representing in the aggregate a majority of the voting power of all of the Shares held hereunder, may sell as a unit all or any part of the Shares for such price and upon such terms or in exchange for such other property as they in their discretion deem proper. If such a sale is of all of the Shares then held hereunder, this Agreement may be terminated in the discretion of the Trustees, and the Trustees may distribute the assets in their hands in accordance with the provisions of Paragraph 4 of Part VII hereof. If such sale is of only part of the Shares then held hereunder, then the Shares so sold shall be selected by the Trustees pro rata from the Shares of all Beneficiaries, as their respective interests shall appear on the Trustees' books, and the proceeds of such sale shall be distributed to the Beneficiaries in the same manner; provided, that if such sales are made in exchange for other stocks or securities of any corporation, the Trustees, in their discretion, may retain such stock or securities, and thereafter the rights and obligations of the Trustees and Beneficiaries shall, for all purposes, be treated as applying to the stock or securities so received in exchange.

#### **V. TRANSFER OF TRUST INTERESTS AND SHARES**

1. Transfer Books. The Trust Interests issued hereunder shall be transferable only on the books of the Trustees, subject to such regulations as the Trustees may institute and upon compliance with this Part V, and the Trustees may at all times and for all purposes treat the registered owner of each Trust Interest as the sole owner thereof. Upon the transfer of a Trust Interest on the books of the Trustees, the transferee shall, except as herein otherwise provided, be substituted for the prior registered owner and shall be a Beneficiary, having the rights and be subject to the obligations with respect to the Trust Interest of the original Beneficiary. Transferees who are not Depositors will not become Depositors as a result of the transfer. No party other than a Smith Family Member may be a Depositor or a Beneficiary. The Trustees may, in their discretion, from time to time cause the transfer books to be closed for such reasonable period of time as the Trustees may deem expedient.

2. Transfer of Trust Interests. A Beneficiary may at any time freely sell or otherwise transfer or dispose of any or all of the Trust Interests owned by the Beneficiary to any Smith Family Member. Except as set forth above, Trust Interests shall not be transferable. Transfer of the underlying Shares may occur, subject to Paragraph 3 below.

3. Transfer of Shares; Withdrawals. Whenever any Depositor or Beneficiary, or his estate, personal representative, executor, or other representative, desires to withdraw from the Trust, or sell or otherwise transfer or dispose of any and/or all of the Shares represented by Trust Interests, or whenever a Beneficiary ceases to be eligible to be a party to this Agreement by virtue of a change in the status of the Beneficiary, or the Beneficiary or the Depositor ceases to be eligible to participate in the Voting Trust because the Beneficiary or the Depositor is not an Eligible Transferee, the following procedures shall be observed:

(a) The Trustees shall give notice to the Beneficiary or the Depositor of the termination of that party's status as an eligible party hereto, or in the event of withdrawal or proposed transfer, the Beneficiary shall give written notice of the intended withdrawal and/or transfer to the Secretary, which notice shall disclose the number of Shares represented by the Trust Interests to be withdrawn and/or transferred, the date of the proposed withdrawal and/or transfer (which shall not be less than thirty days after such notice), and such other pertinent information as the Trustees may request.

(b) Shares the subject of a notice referred to in subparagraph (a) above (a "Notice of Withdrawal") which constitute Class A Common Stock shall automatically be exchanged for Shares of Common Stock held by the Trust on a one-for-one share basis, to the extent available in the Trust from the accounts of Eligible Transferees. Said exchange shall be deemed effective immediately prior to the time of the proposed withdrawal or transfer. As a result of such an exchange, the remaining Trust Interest accounts of the Beneficiaries who are Permitted Transferees (as defined in the AOS Certificate) shall be adjusted on a pro rata basis based on each Beneficiary's Trust Interests attributable to Common Stock or pursuant to such other method as the Trustees deem fair and equitable.

(c) A Notice of Withdrawal shall, by virtue of this Agreement, constitute an offer to sell the Shares represented by the Trust Interests specified therein to the Trust, in accordance with the provisions hereof, at a price per share equal to the average closing sales price per share of Common Stock of AOS as traded on the New York Stock Exchange (or such other national securities exchange or system, if applicable) for the ten (10) trading days immediately prior to the date on which the Shares are proposed to be withdrawn or transferred. In the event part or all of said Shares comprise Class A Stock after giving effect to subparagraph (b) above, the price per share for Class A Stock shall not differ from that of Common Stock.

(d) The Secretary shall review the Certificates of Intent on file with the Trustees. If sufficient interest has been expressed, the Trust, at the sole discretion of the Trustees, may do any (or none) of the following: (i) purchase Common Stock from other sources for the purpose of exchanging shares of the Common Stock for shares of Class A Stock pursuant to subparagraph (b) above; (ii) purchase for cash some or all of the Shares that are Class A Shares; or (iii) subject to the prior written consent of the Beneficiary, purchase for cash some or all of the Shares that are Common Stock. Shares purchased hereunder shall be allocated to the accounts of the purchasing Depositors on a pro rata basis.

(e) The Trustees may, in their discretion, permit the "Withdrawing Beneficiary" to withdraw his or her offer of sale at any time prior to the time of transfer or withdrawal.

(f) If the Trust does not purchase any or all of the Shares represented by the Trust Interests so offered, the Withdrawing Beneficiary may withdraw the Shares that were not purchased and the Trustees shall cause AOS to promptly deliver to said party certificates or other evidence of ownership as may be provided by AOS for said Shares.

## **VI. ELECTION AND REMOVAL OF TRUSTEES**

1. **Term of Office.** Each Trustee shall hold office until he resigns, dies, becomes incapacitated, or refuses to act or is removed as hereinafter provided. Any Trustee may resign at any time by mailing or delivering a written notice of his resignation to each of the remaining Trustees. A person designated to act as an additional or successor Trustee shall become a Trustee upon mailing or delivering to each of the then acting Trustees an acknowledgement that he accepts the trust herein set forth. The Trustees shall promptly notify the Beneficiaries upon the addition or succession of a Trustee.

2. **Additional or Successor Trustees.** In addition to the original Trustees hereunder, one or more additional or successor Trustees may be appointed at any time by the unanimous action of the qualified and acting Trustees hereunder. Each Trustee shall have the power, by written instrument delivered to the Secretary, or by his last Will and Testament, to nominate and appoint a successor as Trustee. In case any Trustee shall die, resign, become incapacitated or be removed without having nominated a successor, such successor shall be appointed by unanimous action of the remaining or surviving Trustee or Trustees. Any additional or successor Trustee must be a Permitted Transferee or a trustee of a trust which is both a Beneficiary hereunder and a Permitted Transferee.

3. **Removal.** Any Trustee may be removed at any time, with or without cause, by the affirmative action of Beneficiaries possessing Trust Interests representing at least two-thirds (2/3) of the voting power of all Shares then held by the Trustees hereunder.

## **VII. AMENDMENT AND TERMINATION**

1. **Amendment.** This Trust may be amended from time to time by unanimous agreement of the Trustees; provided, however, that if in the judgment of the Trustees, whose determination shall be conclusive and binding upon all of the parties, an amendment adopted by the Trustees effects a substantial change in the rights of Beneficiaries, such amendment shall not be effective unless approved in writing by the Beneficiaries having Trust Interests representing at least a majority of the Shares then held hereunder. Written notice of all amendments shall be given promptly to all Beneficiaries. Any Beneficiary whose rights hereunder are determined by the Trustees to be subject to a materially adverse change effected by any such amendment may withdraw the Shares represented by Trust Interests held by him, subject to the procedures set forth in Paragraph V.3 above, but only if written notice is given to the Secretary within fifteen (15) days following mailing of notice of such amendment by the Secretary. Approval of such proposed amendment shall constitute a waiver of the right to withdraw the Shares.

2. **Term and Termination.** This Agreement may be terminated at any time by the affirmative vote of Beneficiaries having Trust Interests representing in the aggregate at least seventy-five percent (75%) of the voting power of the Shares then held hereunder. Unless so terminated, this Agreement shall continue in full force and effect for a period of thirty (30) years and such additional thirty (30) year renewal periods as follow; provided, however, that if the permissible duration of this Agreement shall be limited to any lesser period by operation of law, this Agreement shall terminate upon the expiration of such lesser permitted period of duration.

3. Withdrawal. Except as otherwise provided herein, a Beneficiary may withdraw a part or all of the Shares represented by Trust Interests owned by him only upon unanimous consent of the Trustees and in accordance with the procedures set forth in Part V hereof. The Trustees shall provide unanimous consent unless good cause exists to withhold it. Any Beneficiary may also be required at any time, by the Trustees, to withdraw the Shares represented by the Trust Interests owned by him, with such withdrawal to proceed in accordance with the procedures set forth in Part V.

4. Terminal Distributions. Whenever this Agreement shall terminate, the rights of all parties hereunder shall terminate, except the rights of the Beneficiaries to the Shares held in their respective accounts and their distributive share of the proceeds of the Trust as hereinafter in this Paragraph 4 provided. In case of termination of this Agreement, every Beneficiary, and in case of termination of this Agreement as to a withdrawing Beneficiary only, such Beneficiary, upon the payment of his pro rata share of the costs, expenses, disbursements and outlays of the Trustees shall be entitled to his pro rata portion of all property, securities, and cash held by or for the Trustees hereunder. Beneficiaries, by the acceptance of their respective pro rata portion or a part of any property, securities, or cash distributed by the Trustees, shall thereby be deemed to have released and discharged the Trustees, their agents and attorneys, from all liability and accountability under this Agreement of every kind, character, and description whatsoever.

#### **VIII. NOTICES**

1. Meetings. Whenever a meeting of the Beneficiaries as a class shall be requested in writing by the Trustees or by Beneficiaries who will be entitled to cast at least ten percent (10%) of all the votes which would be entitled to be cast at such meeting, the Secretary shall call such meeting within thirty (30) days and shall promptly give notice to all persons entitled to be present at such meeting, specifying the time and place of holding the meeting and the business proposed to be transacted. The Secretary shall likewise give notice of all meetings of Trustees to each Trustee, specifying the time and place of holding the meeting and the business proposed to be transacted. Such notices shall be given not less than ten (10) days before the time of holding the meeting but notice may be waived in writing or by presence at the meeting.

2. Method. Any and all notices herein provided shall be in writing and personally delivered or shall be given by mailing such notice by registered mail, return receipt requested, to the address of the person or corporation to whom such notice is given as shown upon the records of the Trustees, and, in the event that notice is given to the Secretary, it shall be given to him at his address as specified in the most recent notice given by him to the Beneficiaries. In the case of any requirement in this Agreement that such notice be for any number of days, such time shall run from the personal delivery thereof or from the mailing of such notice, exclusive of the day of mailing, and the affidavit of the person giving such notice as to the delivery or mailing thereof in case such person is a Trustee or the Secretary shall be conclusive.

#### **IX. MISCELLANEOUS**

1. Voting. Unless otherwise expressly provided herein, whenever any action is to be taken by any class of persons hereunder (i.e., the Trustees or the Beneficiaries), such class of persons may act either (a) by a vote in person or by a proxy at a meeting of such class of persons, or (b) by an instrument or concurrent instruments in writing, signed by the number or proportion in interest (as required herein) of such class of persons without a formal meeting; provided, however, that a Trustee may vote as such in person or by written instrument, but not by proxy. On all matters in which a Beneficiary is entitled to vote hereunder, each Beneficiary shall be entitled to one (1) vote in person or by proxy for each share of Common Stock represented by the Trust Interests held by him, and ten (10) votes for each share of Class A Stock represented by the Trust Interests held by him.

2. Construction. The Trustees shall have full power and authority to interpret and construe this Agreement, and their interpretation and construction made in good faith shall be conclusive and binding upon the parties hereto, and the Trustees may make such regulations as in their judgment may be deemed necessary or proper to carry out the same properly and effectively.

3. Liability. No Trustee shall be liable or responsible for any act or omission hereunder, including acts or omissions of any agents, except for his own individual personal malfeasance, nor shall any Trustee, whether original or successor or substitute, at any time be required to give or file any bond or other security in order to qualify or continue as a Trustee hereunder, unless the giving of such bond shall be directed by the Trustees, in which event the cost of such bond shall be considered and treated as an expense of the Trust. No person (including Beneficiaries) incurring any loss resulting from liability for breach of any fiduciary duty with respect to this Trust shall be entitled to indemnification out of the assets of the Trust.

4. Severability. If any provision of this Agreement shall under any circumstances be deemed invalid or inoperative to any extent, it is agreed and understood that such invalidity shall not invalidate the whole Agreement, but the Agreement shall be construed as not containing any provision or provisions so deemed invalid and inoperative, and the rights and obligations of the parties shall be construed and enforced accordingly.

5. Gender. Masculine pronouns used in this Agreement are intended to refer to both male and female persons and to entities.

6. Experts. The Trustees may employ legal counsel, accountants and other consultants to assist them in the exercise of their authority, and may rely upon the advice so obtained.

7. Counterpart. This Agreement shall be executed in counterparts by the Depositors and the Trustees as originally constituted. At least one of such counterparts and a copy of all amendments to this Agreement shall be retained by the Trustees at all times and one of such counterparts and a copy of all amendments to this Agreement shall be deposited with AOS at its registered office.

8. Governing Law; Courts. This Agreement and the resulting Trust have been formed in, and shall be governed and construed in accordance with the laws of, the State of Wisconsin. The parties hereto (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the courts of the State of Wisconsin or the federal courts located in the State of Wisconsin (the "Courts") and not in any other state or federal court in the United States of America or any court in any other country; (b) consent to submit to the exclusive jurisdiction of the Courts for purposes of any action or proceeding arising out of or in connection with this Agreement; (c) waive any objection to the laying of venue of any such action or proceeding in the Courts; and (d) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Courts has been brought in an improper or inconvenient forum, or is subject (in whole or in part) to a jury trial.



9. Securities Laws. It is acknowledged that requirements and restrictions of various laws, including federal and state securities laws, may impose limitations upon the Trustees in the performance of their duties and obligations hereunder on behalf of the Trust, including limitations as to the timing and volume of Trust purchases or sales of AOS securities.

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures and seals as of the day and year first written above.

**TRUSTEES**

\_\_\_\_\_  
\_\_\_\_\_, Trustee

\_\_\_\_\_  
\_\_\_\_\_, Trustee

\_\_\_\_\_  
\_\_\_\_\_, Trustee

Continued signatures to Smith Family Voting Trust Agreement

DEPOSITORS:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

Address:  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

Address:  
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\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

Address:  
\_\_\_\_\_  
\_\_\_\_\_

EXHIBIT "A"  
DEPOSIT LETTER

\_\_\_\_\_, 20\_\_\_\_

Trustees under the Smith Family Voting Trust Agreement dated as of \_\_\_\_\_, 2009.

c/o \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Gentlemen:

Enclosed herewith are the following certificates for a total of \_\_\_\_\_ shares of Common Stock and \_\_\_\_\_ shares of Class A Stock of A.O. Smith Corporation: **[Attach an additional page, if necessary.]**

<u>Certificate Number</u>	<u>Number of Shares</u>	<u>Class</u>
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The certificates have been endorsed in blank with the signature witnessed or executed stock powers are attached thereto, and are hereby deposited with you as Trustees to hold the same in trust under and pursuant to the terms of the Smith Family Voting Trust Agreement relating to such Common and Class A Stock, dated as of \_\_\_\_\_, 2009, the initial Trustees named in such agreement being \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.

The undersigned hereby acknowledges receipt of a copy of the above mentioned Trust Agreement and, subject to your acceptance of this deposit by issuing the Trust Interest as mentioned below, hereby accepts and agrees to all the terms and provisions of said Trust Agreement and joins therein.

Please record Trust Interests evidencing the deposit of the above described shares of stock registered in the name of the undersigned Depositor as follows: **[Attach an additional page, if necessary.]**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Very truly yours,

\_\_\_\_\_  
Print Name of Depositor

\_\_\_\_\_  
Signature of Depositor

EXHIBIT "B"  
CERTIFICATE OF INTENT

\_\_\_\_\_, 2009

Trustees under the Smith Family Voting Trust Agreement dated as of \_\_\_\_\_, 2009.

c/o \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Gentlemen:

This document constitutes the intent of the undersigned to purchase up to \_\_\_\_\_ shares of A.O. Smith Corporation Common Stock and/or Class A Stock, purchased by the Trustees on my/its behalf in the event such shares become available on or before \_\_\_\_\_, 20\_\_\_\_; provided, that the purchase price per share for either class of stock does not exceed \$\_\_\_\_\_. If the price per share exceeds \$\_\_\_\_\_, the undersigned will purchase shares at a total purchase price not to exceed \$\_\_\_\_\_.

At present, the undersigned would need to borrow \$\_\_\_\_\_ to fulfill my/its commitment. The undersigned understands and agrees that the Trustees may give preference to Depositors who do not need to borrow in the event shares become available and that such preference may affect the allocation of shares purchased on my behalf.

\_\_\_ If the undersigned has checked the space preceding this sentence, the Trustees are NOT authorized to exchange Common Stock held in my/its account for Class A Stock.

This Certificate of Intent sets forth the current intent of the undersigned. The undersigned understands and agrees that I/it may amend this Certificate of Intent pursuant to the terms and conditions set forth in the Trust Agreement.

Very truly yours,

\_\_\_\_\_  
Print Name of Depositor

\_\_\_\_\_  
Signature of Depositor