

**Report of Organizational Actions  
 Affecting Basis of Securities**

▶ See separate instructions.

**Part I Reporting Issuer**

|   |   |  |                      |
|---|---|--|----------------------|
| 1 Issuer's name<br><b>A.O. Smith Corporation</b>  |   | 2 Issuer's employer identification number (EIN)<br><b>39-0619790</b>                         |                      |
| 3 Name of contact for additional information<br><b>Patricia Ackerman</b>  | 4 Telephone No. of contact<br><b>414-359-4130</b> | 5 Email address of contact<br><b>packerman@aosmith.com</b>                                   |                      |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact<br><b>11270 West park Place</b> |   | 7 City, town, or post office, state, and Zip code of contact<br><b>Milwaukee, WI 53224</b>   |                      |
| 8 Date of action<br><b>May 15, 2013</b>   |   | 9 Classification and description<br><b>Two-for-One Common and Class A Common Stock Split</b> |                      |
| 10 CUSIP number   | 11 Serial number(s)                               | 12 Ticker symbol<br><b>AOS</b>   | 13 Account number(s) |

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **In April 15, 2013, the Board of Directors of A.O. Smith Corporation approved a Two-for-One stock split in the form of a 100 percent stock dividend, payable to owners of Common Stock and Class A Common Stock, for all shares outstanding on April 30, 2013. The additional shares were distributed on May 15, 2013.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **As a result of the Two-for-One stock split, the number of Common Stock and Class A Common Stock outstanding increases to approximately \$92.7 million shares. After the stock split, basis per share equals 50 percent of pre stock basis per share.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **The Two-for-One stock split doubles the number of shares each shareholder owns and reduces the basis in each share by one half. The record date for the split was April 30, 2013, and the distribution date occurred on May 15, 2013. The data that supports this calculation is each shareholder's basis immediately before the distribution and the number of shares issued in the distribution.**

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code Sections §305(a) and §307(a). Under §305(a), the distribution is not taxable to shareholders. Under §307(a), each shareholder's basis in his or her stock must be allocated between the old stock and the new stock that was distributed in the stock split.

Blank lines for providing details for question 17.

18 Can any resulting loss be recognized? ▶ No Loss will be recognized.

Blank lines for providing details for question 18.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

Blank lines for providing details for question 19.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶ [Handwritten Signature] Date ▶ 5/15/17

Print your name ▶ John J. Kita Title ▶ Executive Vice President and CFO

|                               |                            |                      |      |   |              |
|-------------------------------|----------------------------|----------------------|------|---|--------------|
| <b>Paid Preparer Use Only</b> | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN         |
|                               | Firm's name ▶              |                      |      |   | Firm's EIN ▶ |
|                               | Firm's address ▶           |                      |      |   | Phone no.    |

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054