

APPENDIX A

UPDATED 02/08/10

CRITERIA FOR SELECTING BOARD OF DIRECTOR CANDIDATES OF A. O. SMITH CORPORATION

In considering possible director candidates, the Nominating and Governance Committee (“Committee”) and the other directors should recognize that the contribution of the Board of Directors (“Board”) will depend not only on the individual character and capacities of the directors but also on their collective strengths. The Committee considers the needs of the Board and evaluates each recommended candidate in light of, among other things, the candidate’s qualifications. All candidates are reviewed in the same manner, regardless of the source of recommendation. The following criteria should be considered:

The Board of Directors should be composed of:

1. Directors who will bring to the Board a variety of experience and backgrounds.
2. Directors who are highly educated and have substantial senior management experience, industry-related experience and/or financial expertise, or other relevant experience, such as with government, charitable organizations or academic institutions. In particular, one or more directors should have such financial expertise as to qualify as an Audit Committee Financial Expert. Further, Directors should have diverse backgrounds and expertise so as to provide the Board with a balanced approach assessing risk and ensure that the Company does not encourage unnecessary or excessive risk taking.
3. Directors who together will represent the balanced, best interests of the shareholders as a whole and the interests of the Company’s stakeholders, as appropriate, rather than special interest groups or constituencies.
4. A majority of directors who are independent. A director is “independent” if he or she meets the requirements for independence set forth in the rules of the New York Stock Exchange and the Security and Exchange Commission, as appropriate.

Minimum Qualifications for Directors

The qualifications of directors should, at a minimum, include the following:

1. Be an individual of the highest character and integrity and have an inquiring mind, vision and the ability to work collaboratively with others.
2. Be free of any conflict of interest which would violate any applicable law or regulation or interfere with the proper performance of the responsibilities of a director.
3. Possess substantial and significant experience which would be of value to the Company in the performance of the duties of a director.
4. The Board prefers that more than one member of the Audit Committee meet the definition of "Audit Committee Financial Expert."
5. Should be independent. A majority of independent directors must be maintained at all times, while recognizing that it is appropriate for certain key members of the Company's management to participate on the Board.
6. Have sufficient time available to devote to the affairs of the Company in order to carry out the responsibilities of a director and be of an age that, if elected, the candidate could serve on the Board for at least five years before reaching the mandatory retirement age.