



Policy Type: Global	Date of Last Review: May 2023
Scope: All Locations Globally	Effective Date of current version: November 2018
Name: Conflicts of Interest	Document Control Number: Global Policy 03

Purpose/Policy Statement

A. O. Smith Corporation and our worldwide affiliates are dedicated to conducting business with the highest level of ethical standards. This includes avoiding conflicts of interest whenever possible. This Policy explains what creates a conflict of interest and describes what to do if a conflict of interest, or potential conflict of interest, occurs.

Scope/Target Audience

This Policy applies to all Employees and to our subsidiaries, joint ventures, and worldwide affiliates. It also applies to other individuals and entities as we consider appropriate.

You should read this Policy read in conjunction with the Guiding Principles and related policies and procedures. You should specifically consult **Global Policy 01, “Anti-bribery,”** and any related local or regional **Gift & Entertainment** policy.

Defined Terms

Employee: any director, officer, manager or other person who is in a position to influence or control decisions either concerning the choice of individuals or businesses with whom we may have Business Relationships or the price of goods or services involved in such transactions.

- **Family Member:** Family Member includes spouse, child, parent, sibling, in-law, grandparent, other relatives, or other similar relationships.
- **Business Relationship:** Business Relationships are transactions involving the sale or exchange of goods or services.

Policy Requirements

As an Employee, you owe a duty of loyalty to A. O. Smith. This duty includes the obligation that you act in good faith, you act in our best interests, and that you refrain from exercising your position with us for private or personal advantage or gain, other than regular salaries or emoluments. If you do not uphold these duties, you may face a conflict of interest. A conflict of interest arises when your personal interests interfere, or appear to interfere, with the interests of A. O. Smith.

Common examples of conflicts of interest include when you or your Family Member:

- Have a direct or indirect financial interest in any of our current or potential competitors, suppliers, or customers (other than owning shares of a publicly traded company).
- Conduct business on our behalf with a supplier or customer that employs one of your Family Members as a principal, officer, or representative.
- Operate a business or work as an Employee, officer, or director of another company in a way that could harm A. O. Smith.

- Accept a gift, entertainment, or other favors of more than token value from a current or potential customer, supplier, or competitor.

Common business transactions a conflict of interest might arise:

- Purchase of materials, supplies, equipment, transportation and services;
- Purchase and lease of real estate;
- Purchase of advertising space and time;
- The investment or borrowing of funds;
- The purchase of insurance;
- The choice of consultants; and
- The sale of our products.

These are only some examples of transactions that may involve conflicts of interest.

To avoid conflicts of interest or a potential conflict from arising, you must abide by the following:

- A. You must report in writing to your supervisor and to the General Counsel if you or a Family Member have any direct or indirect financial interest with an individual or business that we currently have a Business Relationship with or a business that we consider a competitor. You must also report in writing to your supervisor and to the General Counsel if you are considering a Business Relationship with an individual or business that we currently have a Business Relationship with or a business that we consider a competitor. There is an exception if you own publicly traded stocks acquired in a normal investment program. However, it is our policy that, unless approved by the General Counsel, you shall not own a substantial interest in a company with whom we or our subsidiaries have a Business Relationship. For that reason, when you report your interest, we may request that you divest yourself of such holdings unless the facts warrant making an exception to this Policy.
- B. Report in writing to your supervisor and to the General Counsel any connection between you or your Family Member and an individual or business with which we currently have or is considering a Business Relationship. These connections include, but are not limited to, the employment of your Family Member by a current or proposed customer or supplier. Some connections may involve no conflict of interest, or it may be that alternative measures can be implemented to avoid a conflict. We will evaluate each situation on a case-by-case basis.
- C. Adhere to the Global Anti-bribery Policy and any applicable local Gift & Entertainment Policies when offered any gifts, entertainment, or other favors, either directly or via your Family Member, in connection with a current or proposed Business Relationship. If you accept gifts, entertainment or favors, it might place you under an obligation to the gift-giver. This obligation could affect your objectivity and impartiality when representing us and our Business Relationships.
- D. Disclose any other interests or relationships that may create a conflict of interest or even the appearance of a conflict of interest, before taking any action that would result in a conflict of interest. You should report to your supervisor and the Legal Department. Directors must clear any potential conflict with the Board of Directors.

Depending on the circumstances, a waiver of the requirements within this Policy may be provided. The A. O. Smith General Counsel must be contacted if a waiver is requested.

Disclosure & Training

It is your responsibility to disclose actual conflicts or potential conflicts as soon as you become aware of the conflict. Where possible, you should disclose such actual or potential conflicts before the conflict, or appearance of a conflict, occurs.

Periodically, we will require you to certify compliance with this Policy and otherwise complete comprehensive conflicts of interest training, as determined by the Legal Department.

Violations

Violation of this Policy may result in business and/or legal damages to the A. O. Smith. If you violate this Policy, you will be appropriately disciplined, up to and including termination of employment.

Policy Owner/Contact

The Corporate General Counsel of A. O. Smith Corporation is responsible for implementation of this policy.

Date of Next Review

This Policy is subject to amendment as determined by A. O. Smith General Counsel.

Related Policies

Anti-Bribery Policy [Global Policy 01]

Any related local or regional **Gift & Entertainment Policy**

NOTE: THIS POLICY MAY ONLY BE REVISED IF APPROVED BY THE CORPORATE GENERAL COUNSEL OF A. O. SMITH CORPORATION.