

March 23, 2018

To Our Valued Distributors:

As a result of increased supply costs, and higher freight costs due to high demand for equipment and drivers as a result of the new government electronic data logging regulations, we are announcing a **June 4, 2018** price increase.

Prices will be increased effective June 4, 2018 for all tankless products. *Note: Quotes could reflect a higher percent increase than our tankless sheet price.*

- Tankless Heaters Up to 5%
- Tankless Parts Up to 5%

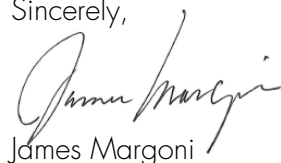
ORDER POLICY AND GUIDELINES

- In order to guarantee shipments by **June 4, 2018** we need to receive your orders for **immediate shipment** no later than **Thursday, May 3, 2018**.
- All orders received after **May 3, 2018** will be invoiced at the new price levels.
- To insure all customer product requirements are met, A. O. Smith reserves the right to limit orders to your normal monthly purchases.

National price books and price sheets will be distributed at a later date.

Please contact your local Sales Representative, Regional Sales Manager or myself if you have any questions. As always, thank you for your business and continued support.

Sincerely,



James Margoni
Sr. Vice President Wholesale Sales