

Date: March 2, 2016

New & Improved Packaging for Light Commercial and Premium Residential Gas

At A. O. Smith, it's our mission to ensure our customers are provided with the best possible experience with our products. This starts with superior innovation and product development, and continues when the product is ordered and shipped to the distributor. Recently, we've made improvements to the packaging for light commercial and premium residential models that often ship LTL.

The new packaging includes:

- Heavy duty wooden pallet base
- Water heater is secured/screwed to the pallet with metal brackets
- Carton side flaps are folded under and secured to pallet
- Front and rear forklift access allows forklift loading and less forklift damage

We've tested our packaging improvements by shipping them through harsh conditions nationwide, and enlisted the help of the Clemson University Engineering department for extreme shake testing to ensure our packaging can survive the rigors of LTL shipping.

The models that will be upgraded with the new packaging design are:

- All DEN/DEL models 30 gals and larger
- Cyclone BTX-80 and BTX-100 (BTXL-100 is already palletized)
- Vertex Power Vent GPHE-50 and Power Direct Vent GDHE-50 (GDHE-75 is already palletized)

We have begun to phase in the new packaging on select models. We expect to complete the implementation of the new packaging on all models by the end of April. As we work through the transition period, shipments of mixed models may include a mix of new and old style packaging. We will try to minimize this as much as possible.

We have developed the attached New Packaging Flyer to help you explain the new packaging changes to your customer. If you should have any further questions or need any additional information please contact Howard Holliman or Arthur Smith at the numbers below.

Thanks,

A handwritten signature in black ink that reads "Howard Holliman".

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Commercial Products
Office - 615.792.6376

A handwritten signature in black ink that reads "Arthur Smith".

Product Manager
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