

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended May 31, 2025.
- OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to .

Commission file number 001-16583.

ACUITY INC.

(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction of
incorporation or organization)*

58-2632672
*(I.R.S. Employer
Identification No.)*

1170 Peachtree Street, N.E., Suite 1200, Atlanta, Georgia 30309
(Address of principal executive offices)

(404) 853-1400
(Registrant's telephone number, including area code)

Acuity Brands, Inc.
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.01 par value per share	AYI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer
Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock — \$0.01 par value — 30,644,832 shares as of June 23, 2025.

ACUITY INC.
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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

ACUITY INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except per-share data)

	<u>May 31, 2025</u>	<u>August 31, 2024</u>
	<u>(unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 371.8	\$ 845.8
Accounts receivable, less reserve for doubtful accounts of \$2.6 and \$1.9, respectively	608.6	563.0
Inventories	486.0	387.6
Prepayments and other current assets	122.6	75.1
Total current assets	<u>1,589.0</u>	<u>1,871.5</u>
Property, plant, and equipment, net	323.8	303.9
Operating lease right-of-use assets	77.8	65.6
Goodwill	1,492.6	1,098.7
Intangible assets, net	1,108.3	440.5
Deferred income taxes	21.1	2.3
Other long-term assets	33.7	32.1
Total assets	<u>\$ 4,646.3</u>	<u>\$ 3,814.6</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 409.0	\$ 352.3
Current operating lease liabilities	23.3	19.2
Accrued compensation	110.2	110.1
Other current liabilities	257.0	206.3
Total current liabilities	<u>799.5</u>	<u>687.9</u>
Long-term debt	996.7	496.2
Long-term operating lease liabilities	65.6	58.1
Accrued pension liabilities	37.8	37.5
Deferred income taxes	14.3	26.0
Other long-term liabilities	148.4	130.1
Total liabilities	<u>2,062.3</u>	<u>1,435.8</u>
Commitments and contingencies (see <i>Commitments and Contingencies</i> footnote)		
Stockholders' equity:		
Preferred stock, \$0.01 par value per share; 50.0 shares authorized; none issued	—	—
Common stock, \$0.01 par value per share; 500.0 shares authorized; 54.9 and 54.6 shares issued, respectively	0.5	0.5
Paid-in capital	1,143.5	1,115.9
Retained earnings	4,177.1	3,909.8
Accumulated other comprehensive loss	(114.6)	(114.9)
Treasury stock, at cost, of 24.2 and 23.8 shares, respectively	(2,622.5)	(2,532.5)
Total stockholders' equity	<u>2,584.0</u>	<u>2,378.8</u>
Total liabilities and stockholders' equity	<u>\$ 4,646.3</u>	<u>\$ 3,814.6</u>

The accompanying *Notes to Consolidated Financial Statements* are an integral part of these statements.

ACUIY INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)
(In millions, except per-share data)

	Three Months Ended		Nine Months Ended	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
Net sales	\$ 1,178.6	\$ 968.1	\$ 3,136.5	\$ 2,808.7
Cost of products sold	608.4	515.9	1,649.0	1,515.7
Gross profit	570.2	452.2	1,487.5	1,293.0
Selling, distribution, and administrative expenses	400.7	306.9	1,074.5	896.7
Special charges	29.7	—	29.7	—
Operating profit	139.8	145.3	383.3	396.3
Other expense:				
Interest expense (income), net	12.1	(1.8)	15.0	(1.0)
Miscellaneous expense (income), net	2.3	(0.5)	5.8	1.2
Total other expense (income)	14.4	(2.3)	20.8	0.2
Income before income taxes	125.4	147.6	362.5	396.1
Income tax expense	27.0	33.7	79.9	92.4
Net income	\$ 98.4	\$ 113.9	\$ 282.6	\$ 303.7
Earnings per share⁽¹⁾:				
Basic earnings per share	\$ 3.19	\$ 3.70	\$ 9.14	\$ 9.83
Basic weighted average number of shares outstanding	30.851	30.829	30.912	30.905
Diluted earnings per share	\$ 3.12	\$ 3.62	\$ 8.92	\$ 9.67
Diluted weighted average number of shares outstanding	31.565	31.477	31.673	31.420
Dividends declared per share	\$ 0.17	\$ 0.15	\$ 0.49	\$ 0.43
Comprehensive income:				
Net income	\$ 98.4	\$ 113.9	\$ 282.6	\$ 303.7
Other comprehensive (loss) income items:				
Foreign currency translation adjustments	27.8	0.3	(1.2)	(1.1)
Defined benefit plans, net of tax	0.5	0.5	1.5	1.8
Other comprehensive income items, net of tax	28.3	0.8	0.3	0.7
Comprehensive income	\$ 126.7	\$ 114.7	\$ 282.9	\$ 304.4

⁽¹⁾ Earnings per share is calculated using unrounded numbers. Amounts in the table may not recalculate exactly due to rounding.

The accompanying *Notes to Consolidated Financial Statements* are an integral part of these statements.

ACUITY INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In millions)

	Nine Months Ended	
	May 31, 2025	May 31, 2024
Cash flows from operating activities:		
Net income	\$ 282.6	\$ 303.7
Adjustments to reconcile net income to cash flows from operating activities:		
Depreciation and amortization	86.7	68.5
Share-based payment expense	34.0	34.9
Asset impairments	16.7	—
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	10.4	42.5
Inventories	5.1	(1.2)
Prepayments and other current assets	(31.9)	(16.3)
Accounts payable	38.1	40.4
Other operating activities	(42.8)	(27.4)
Net cash provided by operating activities	398.9	445.1
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(43.6)	(41.0)
Acquisition of business, net of cash acquired	(1,189.4)	—
Other investing activities	(16.3)	(3.6)
Net cash used for investing activities	(1,249.3)	(44.6)
Cash flows from financing activities:		
Borrowings from term loan	600.0	—
Repayments of term loan borrowings	(100.0)	—
Repurchases of common stock	(91.3)	(88.7)
Proceeds from stock option exercises and other	17.5	12.0
Payments of taxes withheld on net settlement of equity awards	(24.0)	(10.4)
Dividends paid	(15.3)	(13.4)
Other financing activities	(9.3)	—
Net cash provided by (used for) financing activities	377.6	(100.5)
Effect of exchange rate changes on cash and cash equivalents	(1.2)	1.1
Net change in cash and cash equivalents	(474.0)	301.1
Cash and cash equivalents at beginning of period	845.8	397.9
Cash and cash equivalents at end of period	\$ 371.8	\$ 699.0
Supplemental cash flow information:		
Income taxes paid during the period	\$ 118.3	\$ 120.1
Interest paid during the period	\$ 27.5	\$ 18.7

The accompanying *Notes to Consolidated Financial Statements* are an integral part of these statements.

Note 1 — Description of Business and Basis of Presentation

Acuity Inc. (referred to herein as “we,” “our,” “us,” the “Company,” or similar references) is a market-leading industrial technology company. Effective March 26, 2025, we changed our corporate name from Acuity Brands, Inc. to Acuity Inc. We use technology to solve problems in spaces, light, and more things to come. Through our two business segments, Acuity Brands Lighting (“ABL”) and Acuity Intelligent Spaces (“AIS”), we design, manufacture, and bring to market products and services that make a valuable difference in people’s lives. We achieve growth through the development of innovative new products and services, including lighting, lighting controls, building management solutions, and an audio, video and control platform. We focus on customer outcomes and drive growth and productivity to increase market share and deliver superior returns. We look to aggressively deploy capital to grow the business and to enter attractive new verticals.

Acuity Brands Lighting Segment

Our mission at Acuity Brands Lighting is to provide sustainable, inspiring, and intelligent lighting solutions that enrich communities where people live, learn, work, and play. We bring this mission to life through our strategy, which is to increase product vitality, elevate service levels, use technology to improve and differentiate both our products and how we operate the business, and to drive productivity. At Acuity Brands Lighting, our offering combines innovative luminaires with advanced electronics. Our luminaires deliver exceptional performance and aesthetic appeal, while our electronics portfolio, featuring drivers and a leading controls platform, ensures seamless connectivity and superior functionality. Together, these elements form the foundation of our comprehensive lighting solutions. Acuity Brands Lighting's portfolio of products includes, but is not limited to the following brands: A-Light™, Aculux™, American Electric Lighting®, Cyclone™, Dark to Light®, eldoLED®, Eureka®, Gotham®, Healthcare Lighting®, Holophane®, Hydrel®, IOTA®, Juno®, Lithonia Lighting®, Luminaire LED™, Luminis®, Mark Architectural Lighting™, nLight®, OPTOTRONIC®, Peerless®, RELOC® Wiring Solutions, and SensorSwitch™ and Verjure™.

Customers of Acuity Brands Lighting are located in North America and select international markets that serve new construction, renovation and retrofit, and maintenance and repair applications. Our lighting solutions are sold primarily through a network of independent sales agencies, by internal sales representatives, through electrical distributors and consumer retailers, directly to large corporate accounts, and directly to original equipment manufacturer (“OEM”) customers. Products are delivered directly from our manufacturing facilities or through a network of distribution centers.

Acuity Intelligent Spaces Segment

Our mission at Acuity Intelligent Spaces is to make spaces smarter, safer, and greener through our strategy of connecting the edge with the cloud using disruptive technologies that leverage data interoperability. Through Atrius®, Distech Controls®, and QSC®, we control how a built space operates and the experiences that happen within that space. We have a unique collection of disruptive technologies, which are delivering distinct end-user outcomes. In the future, we can continue to add to those end-user outcomes through data interoperability.

Our Atrius intelligent building software enhances the occupant experience, improves building system management, and automates labor intensive tasks while delivering operational energy efficiency and cost reductions. Our Distech Controls® building management platform includes products for controlling heating, ventilation, and air conditioning (“HVAC”), lighting, shades, and building access that deliver end-to-end optimization of those building systems. Q-SYS®, our innovative full stack audio, video and control platform, unifies data, devices, and a cloud-first architecture, empowering organizations to deliver transformative AV experiences across built spaces. QSC Audio delivers audio technology that empowers live entertainers and sound reinforcement professionals to create and deliver memorable experiences.

Acuity Intelligent Spaces goes to market primarily through system integrators and key customer verticals include retail stores, airports, universities, enterprise campuses, and hospitality among many other broad applications throughout North America, Europe, and other select international locations.

ACUITY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Basis of Presentation

We have prepared the *Consolidated Financial Statements* in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) to present the financial position, results of operations, and cash flows of Acuity Inc. and its wholly-owned subsidiaries.

These unaudited interim consolidated financial statements reflect all normal and recurring adjustments that are, in the opinion of management, necessary to present fairly our consolidated financial position as of May 31, 2025, our consolidated comprehensive income for the three and nine months ended May 31, 2025 and May 31, 2024, and our consolidated cash flows for the nine months ended May 31, 2025 and May 31, 2024. Certain information and footnote disclosures normally included in our annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. However, we believe that the disclosures included herein are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the audited consolidated financial statements as of and for the three years in the period ended August 31, 2024 and notes thereto included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”) on October 28, 2024 (“Form 10-K”).

Our business exhibits some seasonality, with net sales being affected by weather and seasonal demand on construction and installation programs, particularly during the winter months, as well as the annual budget cycles of major customers. Historically, with certain exceptions, we have experienced our highest sales in the last two quarters of each fiscal year due to these factors.

Note 2 — Significant Accounting Policies**Use of Estimates**

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Reclassifications

We may reclassify certain prior period amounts to conform to the current year presentation. No material reclassifications occurred during the current period.

Note 3 — Acquisitions**QSC, LLC**

On January 1, 2025, we acquired all of the equity interests of QSC, LLC (“QSC”), a leader in the design, engineering, and manufacturing of audio, video, and control solutions and services, for \$1.2 billion in cash. This acquisition is intended to expand AIS into a cloud-manageable audio, video, and control platform that includes controls, sensors, and software with broad applications across multiple end-markets including education, commercial, hospitality, government, healthcare, and transportation. We funded the transaction using cash on hand and proceeds from our indebtedness. See *Debt and Lines of Credit* footnote of the *Notes to Consolidated Financial Statements* for further details on our outstanding borrowings.

We accounted for the acquisition of QSC in accordance with Accounting Standards Codification (“ASC”) Topic 805, *Business Combinations* (“ASC 805”). Acquired assets and liabilities were recorded at their estimated acquisition-date fair values. Acquisition-related professional fees were expensed as incurred for \$2.5 million and \$21.2 million for the three and nine months ended May 31, 2025, respectively. These costs were recorded in *Selling, distribution, and administrative expenses* on the *Consolidated Statements of Comprehensive Income* and were reflected in our unallocated corporate amounts.

ACUITY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

The following table outlines the preliminary fair values of the assets and liabilities obtained in connection with the QSC acquisition as of January 1, 2025 (in millions):

	Purchase Price Allocation
Consideration transferred:	
Cash consideration	\$ 1,240.7
Identifiable assets:	
Intangible assets ⁽¹⁾	697.6
Inventories	101.9
Property, plant, and equipment	27.0
Operating lease right-of-use assets	23.9
Accounts receivable	55.7
Other assets	95.2
Total identifiable assets	1,001.3
Liabilities assumed:	
Accounts payable	32.6
Operating lease liabilities	24.2
Other liabilities	98.8
Total liabilities assumed	155.6
Total identifiable net assets	845.7
Goodwill	\$ 395.0

⁽¹⁾ Gross intangible assets of \$697.6 million reflect estimates for definite-lived intangibles with a preliminary estimated weighted average useful life of approximately 15 years.

Assets and liabilities for QSC are reflected in the *Consolidated Balance Sheets* as of May 31, 2025. Approximately \$300.0 million of the preliminary goodwill is expected to be deductible for tax purposes. The preliminary goodwill is recorded in the AIS segment, and it is primarily comprised of benefits related to expanding AIS' technology and audio, video, and control solution product portfolios.

Amounts recorded for acquired assets and liabilities are deemed to be provisional until disclosed otherwise, as we continue to gather information related to the identification and valuation of acquired assets and liabilities, including but not limited to, intangible assets, potential liabilities, and tax-related items. These amounts are expected to change as we finalize the allocation.

Measurement period adjustments for the fiscal third quarter primarily reflected updated amounts of consideration transferred for the purchase of QSC and were reflected as adjustments to goodwill. Other measurement period adjustments, including the income statement impact to prior period results, were not material.

The operating results of QSC have been included in our consolidated financial statements since the date of acquisition. The following table provides the amount of QSC net sales and net income included within our consolidated financial statements since the acquisition date (in millions):

	May 31, 2025	
	Three Months Ended	Nine Months Ended
Net sales	\$ 172.8	\$ 267.9
Net income ⁽¹⁾	7.9	6.2

⁽¹⁾ Net income for the three months ended May 31, 2025 includes preliminary pre-tax nonrecurring acquisition date fair value adjustments to inventory of \$19.2 million and preliminary amortization of acquired intangible assets of \$11.6 million. Net income for the nine months ended May 31, 2025 includes preliminary pre-tax nonrecurring acquisition date fair value adjustments to inventory of \$29.6 million and preliminary amortization of acquired intangible assets of \$19.4 million

ACUITY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

We have included unaudited pro forma financial information to show the impacts of the QSC acquisition to our consolidated results assuming the acquisition closed as of the first day of our prior fiscal year. The unaudited pro forma information is not necessarily indicative of our results of operations had the acquisition been completed on this date, neither is it necessarily indicative of our future results. Amounts in the table below combine our previously reported results with QSC's results for the corresponding periods as well as adjustments for purchase accounting, accounting policy alignments, changes to our capital structure, including additional interest expense associated with borrowings to fund the acquisition, and other nonrecurring items that were incurred in connection with the acquisition, assuming they occurred as of September 1, 2023 (in millions):

	Quarter-to-Date		Year-to-Date	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
Revenue	\$ 1,178.6	\$ 1,107.6	\$ 3,337.2	\$ 3,204.0
Net income ⁽¹⁾	115.1	112.6	323.7	253.3

⁽¹⁾ Pro forma net income for the year-to-date period ending May 31, 2024 includes preliminary pre-tax nonrecurring acquisition date fair value adjustments to inventory of \$29.6 million and acquisition-related costs of \$21.2 million. We did not have any other significant nonrecurring pro forma adjustments directly attributable to the acquisition.

M3 Innovation, LLC

On May 1, 2025, we acquired certain assets of M3 Innovation, LLC ("M3 Innovation"), a sports lighting startup that uses innovative technology to lower the overall cost of the installation and operation of sports lighting solutions. The assets have been included in ABL's financial results since the date of acquisition and did not have a material impact to our consolidated financial condition, results of operations, or cash flows.

Note 4 — New Accounting Pronouncements

Accounting Standards Yet to Be Adopted

Accounting Standards Update ("ASU") 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Topic 220): Disaggregation of Income Statement Expenses ("ASU 2024-03")

In November 2024, the Financial Accounting Standards Board ("FASB") issued ASU 2024-03, which requires public entities to disaggregate specific types of expenses, including disclosures for purchases of inventory, employee compensation, depreciation, and intangible asset amortization, as well as selling expenses. Annual disclosures are required for fiscal years beginning after December 15, 2026, or our fiscal 2028. Interim disclosures are required for periods within fiscal years beginning after December 15, 2027, or our fiscal 2029. Prospective application is required, and retrospective application is permitted. Early adoption is permitted. We are currently assessing the impact of the requirements on our consolidated financial statements and disclosures.

ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09")

In December 2023, the FASB issued ASU 2023-09, which expands income tax disclosure requirements to include additional information related to the rate reconciliation of our effective tax rates to statutory rates as well as additional disaggregation of taxes paid. The amendments in the ASU also remove disclosures related to certain unrecognized tax benefits and deferred taxes. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, or our fiscal 2026. The amendments may be applied prospectively or retrospectively, and early adoption is permitted. We are currently assessing the impact of the requirements on our consolidated financial statements and disclosures.

ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07")

In November 2023, the FASB issued ASU 2023-07, which expands reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in the ASU require that a public entity disclose, on an annual and interim basis, significant segment expenses that are regularly provided to an entity's chief operating decision maker ("CODM"), a description of other segment items by reportable segment, and any additional measures of a segment's profit or loss used by the CODM when deciding how to

ACUITY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

allocate resources. Annual disclosures are required for fiscal years beginning after December 15, 2023 or our fiscal 2025. Interim disclosures are required for periods within fiscal years beginning after December 15, 2024, or our fiscal 2026. Retrospective application is required for all prior periods presented, and early adoption is permitted. We are currently assessing the impact of the requirements on our consolidated financial statements and disclosures.

All other newly issued accounting pronouncements not yet effective have been deemed either immaterial or not applicable.

Note 5 — Fair Value Measurements

We determine fair value measurements based on the assumptions a market participant would use in pricing an asset or liability. ASC Topic 820, *Fair Value Measurement* (“ASC 820”), establishes a three-level hierarchy that distinguishes between market participant assumptions based on (i) unadjusted quoted prices for identical assets or liabilities in an active market (Level 1), (ii) quoted prices in markets that are not active or inputs that are observable either directly or indirectly for substantially the full term of the asset or liability (Level 2), and (iii) prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement (Level 3).

We utilize valuation methodologies to determine the fair values of our financial assets and liabilities in conformity with the concepts of “exit price” and the fair value hierarchy as prescribed in ASC 820. All valuation methods and assumptions are validated at least quarterly to ensure the accuracy and relevance of the fair values. There were no material changes to the valuation methods or assumptions used to determine fair values during the periods presented. No transfers between the levels of the fair value hierarchy occurred during the current fiscal period. In the event of a transfer in or out of a level within the fair value hierarchy, the transfers would be recognized on the date of occurrence. We may from time to time be required to remeasure the carrying value of certain assets and liabilities to fair value on a nonrecurring basis. Such adjustments typically arise if we determine that certain of our assets are impaired.

Financial Instruments Recorded at Fair Value

The following table summarizes balances and the fair value hierarchy level of our financial instruments recorded at fair value on a recurring basis as of the dates presented (in millions):

	May 31, 2025				August 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 371.8	\$ —	\$ —	\$ 371.8	\$ 845.8	\$ —	\$ —	\$ 845.8
Assets in fair value hierarchy	371.8	—	—	371.8	845.8	—	—	845.8
Other investments ⁽¹⁾				5.1				6.7
Total assets at fair value	\$ 371.8	\$ —	\$ —	\$ 376.9	\$ 845.8	\$ —	\$ —	\$ 852.5

⁽¹⁾ Includes strategic investments in privately-held entities over which we do not exercise significant influence or control and without readily determinable fair values. Amounts are recorded at cost less any impairment adjusted for observable price changes, if any.

Nonrecurring Fair Value Measurements

The following table summarizes information related to our nonrecurring fair value measurements as of the dates presented (in millions):

	Measurement Date	Fair Value Hierarchy Level	Fair Value
Long-lived intangible assets	May 31, 2025	Level 3	\$ —
Assets held for sale	May 31, 2025	Level 3	5.5
Total assets at nonrecurring fair value			\$ 5.5

ACUITY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Long-Lived Intangible Assets

During the third quarter of fiscal 2025, we took actions to accelerate productivity efforts, including the elimination of certain brands, which triggered an impairment test for the related intangible assets. Accordingly, we assessed the recoverability of these assets using an undiscounted cash flow model and concluded the carrying values of the assets were not fully recoverable. Based on the significant change in expected use of these assets, we determined their fair values were de minimis at May 31, 2025, and recorded impairment charges of \$14.7 million. This charge is reflected within *Special Charges* on the *Consolidated Statements of Comprehensive Income* and relates to our ABL segment.

Long-lived Assets Held for Sale

During the third quarter of fiscal 2025, we determined one of our assets, included within property, plant, and equipment, with a carrying value of \$7.5 million met the criteria to be classified as held for sale and is expected to be sold within one year. We concluded the carrying value exceeded its fair value less cost to sell of this asset, which resulted in an impairment charge of \$2.0 million. This charge is reflected within *Special Charges* on the *Consolidated Statements of Comprehensive Income* and relates to our ABL segment. Fair values and costs were measured primarily using recent sales of comparable assets. As of May 31, 2025, the carrying value of the asset was \$5.5 million.

Any reasonably likely change in the assumptions used in the analyses for the assets impaired during the third quarter of fiscal 2025 would not be material to our financial condition or results of operations.

Disclosures of Fair Value of Financial Instruments

Disclosures of fair value information about financial instruments, for which it is practicable to estimate that value, are required each reporting period in addition to any financial instruments carried at fair value on a recurring basis as prescribed by ASC Topic 825, *Financial Instruments* ("ASC 825"). In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, such as the discount rate and estimates of future cash flows.

Fair value for our senior unsecured public notes is estimated based on discounted future cash flows using rates currently available for debt of similar terms and maturity (Level 2). Our senior unsecured public notes are carried at the outstanding balance, net of unamortized bond discount and deferred costs, as of the end of the reporting period. The estimated fair value of our senior unsecured public notes was \$433.0 million and \$429.7 million as of May 31, 2025 and August 31, 2024, respectively.

We had \$500.0 million and no borrowings outstanding under our credit agreement as of May 31, 2025 and August 31, 2024, respectively. Such borrowings are variable-rate instruments that reset on a frequent short-term basis; therefore, we estimate that any outstanding carrying values of these instruments, which are equal to their face amounts, approximate their fair values. See *Debt and Lines of Credit* footnote of the *Notes to Consolidated Financial Statements* for further details on our outstanding borrowings.

ASC 825 excludes certain financial instruments and all nonfinancial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value to us. In many cases, the fair value estimates cannot be substantiated by comparison to independent markets, nor can the disclosed value be realized in immediate settlement of the instruments. In evaluating our management of liquidity and other risks, the fair values of all assets and liabilities should be taken into consideration, not only those presented above.

ACUITY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 6 — Inventories

Inventories include materials, direct labor, inbound freight, customs, duties, tariffs, and related manufacturing overhead. Inventories are stated on a first-in, first-out basis at the lower of cost and net realizable value and consist of the following as of the dates presented (in millions):

	May 31, 2025	August 31, 2024
Raw materials, supplies, and work in process ⁽¹⁾	\$ 239.5	\$ 222.1
Finished goods	273.0	191.1
Inventories excluding reserves	512.5	413.2
Less: Reserves	(26.5)	(25.6)
Total inventories	<u>\$ 486.0</u>	<u>\$ 387.6</u>

⁽¹⁾ Due to the immaterial amount of estimated work in process and the short lead times for the conversion of raw materials to finished goods, we do not believe the segregation of raw materials and work in process is meaningful information.

We review inventory quantities on hand and record a provision for excess and obsolete inventory primarily based on estimated future demand and current market conditions. A significant change in customer demand and/or market conditions could render certain inventory obsolete and could have a material adverse impact on our operating results in the period the change occurs.

Note 7 — Property, Plant, and Equipment

Property, plant, and equipment consist of the following as of the dates presented (in millions):

	May 31, 2025	August 31, 2024
Land	\$ 22.0	\$ 22.3
Buildings and leasehold improvements	229.0	218.7
Machinery, equipment, and information technology	807.6	758.7
Total property, plant, and equipment, at cost	1,058.6	999.7
Less: Accumulated depreciation and amortization	(734.8)	(695.8)
Property, plant, and equipment, net	<u>\$ 323.8</u>	<u>\$ 303.9</u>

As of May 31, 2025, one of our assets, included within property, plant, and equipment, with a carrying value of \$5.5 million met the criteria to be classified as held for sale and is expected to be sold within one year. This asset is reflected within *Prepayments and other current assets* on our *Consolidated Balance Sheets* as of May 31, 2025. See the *Fair Value Measurement* footnote of the *Notes to Consolidated Financial Statements* for further details.

Note 8 — Goodwill and Intangible Assets

Through multiple acquisitions, we acquired definite-lived intangible assets consisting primarily of customer relationships, patented technology, distribution networks, and trademarks and trade names associated with specific products, which are amortized over their estimated useful lives. Indefinite-lived intangible assets consist of trade names that are expected to generate cash flows indefinitely.

We recorded amortization expense for definite-lived intangible assets of \$20.0 million and \$10.0 million during the three months ended May 31, 2025 and May 31, 2024, respectively, and \$45.5 million and \$29.9 million during the nine months ended May 31, 2025 and May 31, 2024, respectively. During the nine months ended May 31, 2025, we acquired goodwill and intangible assets as part of the QSC acquisition. Refer to *Acquisitions* footnote of the *Notes to Consolidated Financial Statements* for additional information.

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The following table summarizes the changes in the carrying amount of goodwill by segment during the periods presented (in millions):

	Acuity Brands Lighting	Acuity Intelligent Spaces	Total
Balance at August 31, 2024	\$ 1,015.1	\$ 83.6	\$ 1,098.7
Provisional amounts from acquired business	—	363.5	363.5
Adjustments to provisional amounts from acquired businesses	—	31.5	31.5
Foreign currency translation adjustments	(0.3)	(0.8)	(1.1)
Balance at May 31, 2025	<u>\$ 1,014.8</u>	<u>\$ 477.8</u>	<u>\$ 1,492.6</u>

	Acuity Brands Lighting	Acuity Intelligent Spaces	Total
Balance at August 31, 2023	\$ 1,014.4	\$ 83.5	\$ 1,097.9
Foreign currency translation adjustments	(0.7)	(0.5)	(1.2)
Balance at May 31, 2024	<u>\$ 1,013.7</u>	<u>\$ 83.0</u>	<u>\$ 1,096.7</u>

Further discussion of goodwill and intangible assets is included within the *Significant Accounting Policies* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K.

Note 9 — Other Current Liabilities

Other current liabilities consist of the following as of the dates presented (in millions):

	May 31, 2025	August 31, 2024
Customer incentive programs ⁽¹⁾	\$ 38.6	\$ 35.3
Refunds to customers ⁽¹⁾	32.0	28.2
Current deferred revenues ⁽¹⁾	20.8	17.4
Sales commissions	33.3	35.3
Freight costs	27.4	18.1
Product warranty costs ⁽²⁾	27.4	28.4
Tax-related items ⁽³⁾	26.6	7.1
Interest on debt ⁽⁴⁾	6.9	2.3
Other	44.0	34.2
Total other current liabilities	<u>\$ 257.0</u>	<u>\$ 206.3</u>

⁽¹⁾ Refer to the *Revenue Recognition* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K for additional information.

⁽²⁾ Refer to the *Commitments and Contingencies* footnote of the *Notes to Consolidated Financial Statements* for additional information.

⁽³⁾ Includes accruals for income, property, sales and use, and value-added taxes.

⁽⁴⁾ Refer to the *Debt and Lines of Credit* footnote of the *Notes to Consolidated Financial Statements* for additional information.

Note 10 — Debt and Lines of Credit***Long-term Debt***

On November 10, 2020, Acuity Brands Lighting, Inc., a wholly-owned operating subsidiary of Acuity Inc., issued \$500.0 million aggregate principal amount of 2.150% senior unsecured notes due December 15, 2030 (the “Unsecured Notes”) at a price equal to 99.737% of their face value. Interest on the Unsecured Notes is paid semi-annually in arrears on June 15 and December 15 of each year. At issuance we recorded \$4.8 million of deferred issuance costs related to the Unsecured Notes as a direct deduction from the face amount of the Unsecured Notes. These issuance costs are amortized over the 10-year term of the Unsecured Notes.

The Unsecured Notes are fully and unconditionally guaranteed on a senior unsecured basis by Acuity Inc. and ABL IP Holding LLC, a wholly-owned subsidiary of Acuity Inc.

Lines of Credit

On June 30, 2022, we entered into a credit agreement (the “Credit Agreement”) with a syndicate of banks that provides us with a \$600.0 million five-year unsecured revolving credit facility (the “Revolving Credit Facility”) with the ability to request an additional \$400.0 million of borrowing capacity. We had no short-term borrowings outstanding under the Revolving Credit Facility at May 31, 2025 and August 31, 2024.

On November 25, 2024, we entered into an amendment to the Credit Agreement that, among other things, provided for a delayed draw term loan facility of up to \$600.0 million (the “Term Loan Facility”), which could be drawn in a single borrowing at any time, subject to certain conditions. In connection with the acquisition of QSC, we incurred an aggregate \$600.0 million in indebtedness under the Term Loan Facility. In March 2025, we repaid \$100.0 million of the outstanding obligation. We had \$500.0 million in borrowings outstanding under the Term Loan Facility at May 31, 2025.

The Term Loan Facility will mature on June 30, 2027, which is the maturity date of the revolving loans and commitments under the existing Credit Agreement. Borrowings under the Term Loan Facility bear interest at an adjusted term Secured Overnight Financing Rate (“SOFR”), adjusted daily simple SOFR rate, or base rate, at the Company’s option, plus an applicable margin. The applicable margin is based on, at our option, the Company’s leverage ratio or ratings level, each as defined in the Credit Agreement, and ranges from 0.875% to 1.375% (for SOFR-based loans) and from 0.0% to 0.375% (for base rate loans). Undrawn commitments under the Term Loan Facility will accrue a commitment fee from and after February 24, 2025 at a per annum rate ranging from 0.075% to 0.175%, depending on, at our option, the Company’s leverage ratio or ratings level, each as defined in the Credit Agreement.

The covenants and events of default that apply to the revolving loans and commitments under the Credit Agreement also apply to the Term Loan Facility, and borrowings under the Term Loan Facility are guaranteed by the Company and the subsidiaries of the Company that guarantee the revolving loans and commitments.

We were in compliance with all financial covenants under the Credit Agreement as of the periods presented. At May 31, 2025, we had additional borrowing capacity under the Credit Agreement of \$595.8 million under the most restrictive covenant in effect at the time, which represents the full amount of the Revolving Credit Facility less outstanding letters of credit of \$4.2 million issued under the Revolving Credit Facility, primarily for securing collateral requirements under our casualty insurance premiums.

None of our existing debt instruments include provisions that would require an acceleration of repayments based solely on changes in our credit ratings. Borrowings and repayments on our Revolving Credit Facility with terms of three months or less are reported on a net basis on our *Consolidated Statements of Cash Flows*.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 11 — Commitments and Contingencies

In the normal course of business, we are subject to the effects of certain contractual stipulations, events, transactions, and laws and regulations that may, at times, require the recognition of liabilities, such as those related to self-insurance estimated liabilities and claims, legal and contractual issues, environmental laws and regulations, guarantees, and indemnities. We establish estimated liabilities when the associated costs related to uncertainties or guarantees become probable and can be reasonably estimated. For the period ended May 31, 2025, no material changes have occurred in our estimated liabilities for self-insurance, litigation, environmental matters, guarantees, and indemnities, or relevant events and circumstances, from those disclosed in the *Commitments and Contingencies* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K.

Product Warranty Costs

Our products generally have a standard warranty term of five years or less that assures our products comply with agreed upon specifications. We record an accrual for the estimated amount of future warranty costs in accordance with ASC Topic 450, *Contingencies* ("ASC 450") when the related revenue is recognized and when costs are deemed to be probable and can be reasonably estimated. Liabilities related to product warranty costs are subject to uncertainty because they require estimates of future costs. Estimated future warranty costs are primarily based on historical experience, including the number and costs of identified warranty claims as well as the period of time between the shipment of products and our settlement of related claims. Any estimated or actual loss recoveries that offset our costs and payments are reflected as assets and included within *Other current assets* or *Other long-term assets* based on the timing of receipt of recovery. Recoveries are recorded net of allowances for credit losses.

Although we assume that historical experience will continue to be the best indicator of future warranty costs, we cannot assure that future warranty costs will not exceed historical amounts, and/or loss recoveries will not be fully collectible. If actual future warranty costs exceed recorded amounts, or recoveries are no longer collectible, adjustments to our accruals and/or receivables may be warranted, which could have a material adverse impact on our results of operations and cash flows.

Estimated liabilities for product warranty costs are included in *Other accrued liabilities* or *Other long-term liabilities* on the *Consolidated Balance Sheets* based upon when we expect to settle the incurred warranty. The following table summarizes changes in the estimated liabilities for product warranty costs during the periods presented (in millions):

	Nine Months Ended	
	May 31, 2025	May 31, 2024
Beginning balance	\$ 37.5	\$ 31.6
Product warranty costs ⁽¹⁾	23.7	35.8
Payments and other deductions ⁽¹⁾	(28.0)	(30.1)
Acquired warranty liabilities	7.8	—
Ending balance	\$ 41.0	\$ 37.3

⁽¹⁾ Amounts exclude any estimated or actual loss recoveries.

Litigation

We are subject to various other legal claims arising in the normal course of business, including patent infringement, employment matters, and product liability claims. Based on information currently available, it is the opinion of management that the ultimate resolution of pending and threatened legal proceedings will not have a material adverse effect on our financial condition, results of operations, or cash flows. However, in the event of unexpected future developments, it is possible that the ultimate resolution of any such matters, if unfavorable, could have a material adverse effect on our financial condition, results of operations, or cash flows in future periods. We establish estimated liabilities for legal claims when associated costs become probable and can be reasonably estimated. The actual costs of resolving legal claims may be substantially higher than the amounts accrued for such claims. However, we cannot make a meaningful estimate of actual costs to be incurred that could possibly be higher or lower than the accrued amounts.

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Note 12 — Changes in Stockholders' Equity

The following tables summarize changes in the components of stockholders' equity for the periods presented (in millions):

	Common Stock Outstanding		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock, at cost	Total
	Shares ⁽¹⁾	Amount					
Balance, August 31, 2024	30.8	\$ 0.5	\$ 1,115.9	\$ 3,909.8	\$ (114.9)	\$ (2,532.5)	\$ 2,378.8
Net income	—	—	—	106.7	—	—	106.7
Other comprehensive loss	—	—	—	—	(16.8)	—	(16.8)
Share-based payment amortization, issuances, and cancellations	0.1	—	(11.0)	—	—	—	(11.0)
Employee stock purchase plan issuances	— *	—	0.6	—	—	—	0.6
Cash dividends of \$0.15 per share paid on common stock	—	—	—	(4.5)	—	—	(4.5)
Stock options exercised	0.1	—	15.0	—	—	—	15.0
Repurchases of common stock	— *	—	—	—	—	(5.4)	(5.4)
Balance, November 30, 2024	31.0	0.5	1,120.5	4,012.0	(131.7)	(2,537.9)	2,463.4
Net income	—	—	—	77.5	—	—	77.5
Other comprehensive loss	—	—	—	—	(11.2)	—	(11.2)
Share-based payment amortization, issuances, and cancellations	— *	—	10.9	—	—	—	10.9
Employee stock purchase plan issuances	— *	—	0.4	—	—	—	0.4
Cash dividends of \$0.17 per share paid on common stock	—	—	—	(5.5)	—	—	(5.5)
Stock options exercised	— *	—	1.0	—	—	—	1.0
Repurchases of common stock	— *	—	—	—	—	(16.1)	(16.1)
Balance, February 28, 2025	31.0	0.5	1,132.8	4,084.0	(142.9)	(2,554.0)	2,520.4
Net income	—	—	—	98.4	—	—	98.4
Other comprehensive income	—	—	—	—	28.3	—	28.3
Share-based payment amortization, issuances, and cancellations	— *	—	10.2	—	—	—	10.2
Employee stock purchase plan issuances	— *	—	0.5	—	—	—	0.5
Cash dividends of \$0.17 per share paid on common stock	—	—	—	(5.3)	—	—	(5.3)
Repurchases of common stock	(0.3)	—	—	—	—	(68.5)	(68.5)
Balance, May 31, 2025	30.7	\$ 0.5	\$ 1,143.5	\$ 4,177.1	\$ (114.6)	\$ (2,622.5)	\$ 2,584.0

⁽¹⁾ Share activity and balances above are calculated using rounded numbers.
* Represents shares of less than 0.1 million.

ACUITY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

	Common Stock Outstanding		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock, at cost	Total
	Shares ⁽¹⁾	Amount					
Balance, August 31, 2023	31.1	\$ 0.5	\$ 1,066.8	\$ 3,505.4	\$ (112.6)	\$ (2,444.7)	\$ 2,015.4
Net income	—	—	—	100.6	—	—	100.6
Other comprehensive loss	—	—	—	—	(1.5)	—	(1.5)
Share-based payment amortization, issuances, and cancellations	0.1	—	2.1	—	—	—	2.1
Employee stock purchase plan issuances	— *	—	0.5	—	—	—	0.5
Cash dividends of \$0.13 per share paid on common stock	—	—	—	(4.1)	—	—	(4.1)
Stock options exercised	— *	—	1.1	—	—	—	1.1
Repurchases of common stock	(0.3)	—	—	—	—	(50.0)	(50.0)
Balance, November 30, 2023	30.9	0.5	1,070.5	3,601.9	(114.1)	(2,494.7)	2,064.1
Net income	—	—	—	89.2	—	—	89.2
Other comprehensive income	—	—	—	—	1.4	—	1.4
Share-based payment amortization, issuances, and cancellations	— *	—	11.8	—	—	—	11.8
Employee stock purchase plan issuances	— *	—	0.3	—	—	—	0.3
Cash dividends of \$0.15 per share paid on common stock	—	—	—	(4.7)	—	—	(4.7)
Stock options exercised	— *	—	5.1	—	—	—	5.1
Repurchases of common stock	(0.1)	—	—	—	—	(17.6)	(17.6)
Balance, February 29, 2024	30.8	0.5	1,087.7	3,686.4	(112.7)	(2,512.3)	2,149.6
Net income	—	—	—	113.9	—	—	113.9
Other comprehensive income	—	—	—	—	0.8	—	0.8
Share-based payment amortization, issuances, and cancellations	— *	—	10.7	—	—	—	10.7
Employee stock purchase plan issuances	— *	—	0.4	—	—	—	0.4
Cash dividends of \$0.15 per share paid on common stock	—	—	—	(4.6)	—	—	(4.6)
Stock options exercised	— *	—	4.6	—	—	—	4.6
Repurchases of common stock	(0.1)	—	—	—	—	(20.7)	(20.7)
Balance, May 31, 2024	30.7	\$ 0.5	\$ 1,103.4	\$ 3,795.7	\$ (111.9)	\$ (2,533.0)	\$ 2,254.7

⁽¹⁾ Share activity and balances above are calculated using rounded numbers.

* Represents shares of less than 0.1 million.

Note 13 — Revenue

We recognize revenue when we transfer control of goods and services to our customers. Revenue is measured as the amount of consideration we expect to receive in exchange for goods and services and is recognized net of allowances for rebates, sales incentives, product returns, and discounts to customers. We allocate the expected consideration to be collected to each distinct performance obligation identified in a sale based on its standalone selling price. Sales and use taxes collected on behalf of governmental authorities are excluded from revenues.

Further details regarding revenue recognition are included within the *Revenue Recognition* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K.

Contract Balances

Our rights related to collections from customers are unconditional and are reflected within *Accounts receivable* on the *Consolidated Balance Sheets* at net realizable value. Further details regarding our method for developing our estimate of expected credit losses over the contractual term of our receivables are included within the *Significant Accounting Policies* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K.

We do not have any other significant contract assets. Contract liabilities arise when we receive cash or an unconditional right to collect cash prior to the transfer of control of goods or services.

ACUITY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

The amount of transaction price from contracts with customers allocated to our contract liabilities consists of the following as of the dates presented (in millions):

	May 31, 2025	August 31, 2024
Current deferred revenues	\$ 20.8	\$ 17.4
Non-current deferred revenues	38.8	41.5

Current deferred revenues primarily consist of service-type warranty and professional service fees collected prior to performing the related service as well as software licenses. Current deferred revenues are included within *Other current liabilities* on the *Consolidated Balance Sheets*. These services are expected to be performed within one year. Revenue recognized from beginning balances of contract liabilities during the nine months ended May 31, 2025 totaled \$13.2 million.

Non-current deferred revenues primarily consist of long-term service-type warranties, which are typically recognized ratably as revenue between five and ten years from the date of sale, and are included within *Other long-term liabilities* on the *Consolidated Balance Sheets*.

Unsatisfied performance obligations that do not represent contract liabilities are expected to be satisfied within one year from May 31, 2025 and consist primarily of orders for physical goods that have not yet been shipped.

Disaggregated Revenues

Our Acuity Brands Lighting segment's products are sold primarily through independent sales agents who cover specific geographic areas and market channels, by internal sales representatives, through consumer retail channels, directly to large corporate accounts, and through other distribution methods, including directly to OEM customers. Acuity Intelligent Spaces sells predominantly to system integrators. The following table shows revenue from contracts with customers by sales channel and reconciles to our segment information for the periods presented (in millions):

	Three Months Ended		Nine Months Ended	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
Acuity Brands Lighting:				
Independent sales network	\$ 685.3	\$ 637.1	\$ 1,944.4	\$ 1,874.6
Direct sales network	101.5	97.0	306.1	287.4
Retail sales	41.4	45.7	127.3	147.7
Corporate accounts	35.5	60.5	103.8	140.1
OEM and other	59.5	58.2	168.2	168.6
Total Acuity Brands Lighting	923.2	898.5	2,649.8	2,618.4
Acuity Intelligent Spaces	264.1	75.7	509.1	208.0
Eliminations	(8.7)	(6.1)	(22.4)	(17.7)
Total	\$ 1,178.6	\$ 968.1	\$ 3,136.5	\$ 2,808.7

Note 14 — Share-based Payments

We account for share-based payments through the measurement and recognition of compensation expense for share-based payment awards made to employees and directors over the related requisite service period, including restricted stock, performance stock units, and stock options (all part of our equity incentive plan), as well as stock units representing certain deferrals into our director deferred compensation plan or our supplemental deferred savings plan.

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The following table presents share-based payment expense for the periods presented (in millions):

	Three Months Ended		Nine Months Ended	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
Share-based payment expense	\$ 10.5	\$ 11.8	\$ 34.0	\$ 34.9

Further details regarding our share-based payments are included within the *Share-based Payments* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K.

Note 15 — Pension Plans

We have several pension plans, both qualified and non-qualified, covering certain hourly and salaried employees. Benefits paid under these plans are based generally on employees' years of service and/or compensation during the final years of employment. We make at least the minimum annual contributions to the plans to the extent indicated by actuarial valuations and statutory requirements. Plan assets are invested primarily in fixed income securities.

Service cost of net periodic pension cost is allocated between *Cost of products sold* and *Selling, distribution, and administrative expenses* in the *Consolidated Statements of Comprehensive Income* based on the function of the employee's services. All other components of net periodic pension cost are included within *Miscellaneous expense (income), net* in the *Consolidated Statements of Comprehensive Income*. Net periodic pension cost included the following components before tax for the periods presented (in millions):

	Three Months Ended		Nine Months Ended	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
Service cost	\$ 1.4	\$ 1.1	\$ 4.1	\$ 3.4
Interest cost	2.5	2.5	7.3	7.4
Expected return on plan assets	(2.1)	(2.1)	(6.3)	(6.5)
Recognized actuarial loss	0.6	0.8	1.9	2.4
Net periodic pension cost	\$ 2.4	\$ 2.3	\$ 7.0	\$ 6.7

Further details regarding our pension plans are included within the *Pension and Defined Contribution Plans* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K.

Note 16 — Special Charges

During the third fiscal quarter of 2025, we recognized pre-tax special charges of \$29.7 million. We recognized no special charges during the three and nine months ended May 31, 2024. The details of the special charges during the periods presented are summarized as follows (in millions):

	May 31, 2025	
	Three Months Ended	Nine Months Ended
Impairments of long-lived assets	\$ 16.7	\$ 16.7
Severance and employee-related costs	7.2	7.2
Other items	5.8	5.8
Total special charges	\$ 29.7	\$ 29.7

As of May 31, 2025, remaining accruals related to special charges totaled \$1.9 million and are included in *Accrued compensation* in the *Consolidated Balance Sheets*. These amounts related to unpaid severance and employee-related costs from our third quarter fiscal 2025 actions.

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Note 17 — Other Expense

The following table summarizes the components of *Other expense, net* for the periods presented (in millions):

	Three Months Ended		Nine Months Ended	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
Interest expense (income), net:				
Interest expense	\$ 14.6	\$ 6.3	\$ 32.4	\$ 19.2
Interest income	(2.5)	(8.1)	(17.4)	(20.2)
Interest expense (income), net	12.1	(1.8)	15.0	(1.0)
Miscellaneous expense (income), net:				
Non-service components of net periodic pension cost	1.0	1.2	2.9	3.3
Foreign currency transaction (gain) losses	0.4	(1.4)	0.3	(0.6)
Other items	0.9	(0.3)	2.6	(1.5)
Miscellaneous expense (income), net	2.3	(0.5)	5.8	1.2
Other expense (income), net	\$ 14.4	\$ (2.3)	\$ 20.8	\$ 0.2

Note 18 — Earnings Per Share

Basic earnings per share is computed by dividing net earnings available to common stockholders by the weighted average number of common shares outstanding. Diluted earnings per share is computed similarly but reflects the potential dilution that would occur if dilutive options were exercised, unvested share-based payment awards were vested, and other distributions related to deferred stock agreements were incurred. Common stock equivalents are calculated using the treasury stock method. The dilutive effects of share-based payment awards subject to market and/or performance conditions that were not met during the period are excluded from the computation of diluted earnings per share.

The following table calculates basic earnings per common share and diluted earnings per common share for the periods presented (in millions, except per share data):

	Three Months Ended		Nine Months Ended	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
Net income	\$ 98.4	\$ 113.9	\$ 282.6	\$ 303.7
Basic weighted average shares outstanding	30.851	30.829	30.912	30.905
Common stock equivalents	0.714	0.648	0.761	0.515
Diluted weighted average shares outstanding	31.565	31.477	31.673	31.420
Basic earnings per share ⁽¹⁾	\$ 3.19	\$ 3.70	\$ 9.14	\$ 9.83
Diluted earnings per share ⁽¹⁾	\$ 3.12	\$ 3.62	\$ 8.92	\$ 9.67

⁽¹⁾ Earnings per share is calculated using unrounded numbers. Amounts in the table may not recalculate exactly due to rounding.

Stock options, performance stock awards, and restricted stock awards that were excluded from the diluted earnings per share calculation as the effect of inclusion would have been antidilutive were immaterial for the three and nine months ended May 31, 2025 and May 31, 2024.

Further discussion of our share-based payment awards is included within the *Common Stock and Related Matters* and *Share-based Payments* footnotes of the *Notes to Consolidated Financial Statements* within our Form 10-K.

Note 19 — Comprehensive Income

Comprehensive income represents a measure of all changes in equity that result from recognized transactions and other economic events other than transactions with owners in their capacity as owners. Comprehensive income includes our net income as well as other comprehensive (loss) income items, which are comprised of foreign currency translation and pension adjustments.

ACUITY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

The following table presents the changes in each component of accumulated other comprehensive loss net of tax during the periods presented (in millions):

	Foreign Currency Items	Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss Items
Balance at August 31, 2024	\$ (70.9)	\$ (44.0)	\$ (114.9)
Other comprehensive loss before reclassifications	(1.2)	—	(1.2)
Amounts reclassified from accumulated other comprehensive loss ⁽¹⁾	—	1.5	1.5
Net current period other comprehensive (loss) income	(1.2)	1.5	0.3
Balance at May 31, 2025	<u>\$ (72.1)</u>	<u>\$ (42.5)</u>	<u>\$ (114.6)</u>

	Foreign Currency Items	Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss Items
Balance at August 31, 2023	\$ (65.0)	\$ (47.6)	\$ (112.6)
Other comprehensive loss before reclassifications	(1.1)	—	(1.1)
Amounts reclassified from accumulated other comprehensive loss ⁽¹⁾	—	1.8	1.8
Net current period other comprehensive (loss) income	(1.1)	1.8	0.7
Balance at May 31, 2024	<u>\$ (66.1)</u>	<u>\$ (45.8)</u>	<u>\$ (111.9)</u>

⁽¹⁾ The before tax amounts of the defined benefit pension plan items are included in net periodic pension cost. See the *Pension and Defined Contribution Plans* footnote of the *Notes to Consolidated Financial Statements* for additional details.

The following table summarizes the tax expense or benefit allocated to each component of other comprehensive loss for the periods presented (in millions):

	Three Months Ended					
	May 31, 2025			May 31, 2024		
	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
Foreign currency translation adjustments	\$ 27.8	\$ —	\$ 27.8	\$ 0.3	\$ —	\$ 0.3
Actuarial losses on defined benefit pension plans	0.6	(0.1)	0.5	0.8	(0.3)	0.5
Other comprehensive income (loss)	<u>\$ 28.4</u>	<u>\$ (0.1)</u>	<u>\$ 28.3</u>	<u>\$ 1.1</u>	<u>\$ (0.3)</u>	<u>\$ 0.8</u>

	Nine Months Ended					
	May 31, 2025			May 31, 2024		
	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
Foreign currency translation adjustments	\$ (1.2)	\$ —	\$ (1.2)	\$ (1.1)	\$ —	\$ (1.1)
Actuarial losses on defined benefit pension plans	1.9	(0.4)	1.5	2.4	(0.6)	1.8
Other comprehensive income (loss)	<u>\$ 0.7</u>	<u>\$ (0.4)</u>	<u>\$ 0.3</u>	<u>\$ 1.3</u>	<u>\$ (0.6)</u>	<u>\$ 0.7</u>

Note 20 — Segment Information

We report our financial results of operations in two reportable segments, Acuity Brands Lighting and Acuity Intelligent Spaces, consistent with how our chief operating decision maker currently evaluates operating results, assesses performance, and allocates resources within the Company.

The accounting policies of our reportable segments are the same as those described in the *Significant Accounting Policies* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K. Corporate expenses that are primarily administrative in function and benefit the Company on an entity-wide basis are not allocated to segments. These include expenses related to governance, policy setting, compliance, and certain other shared services functions. Additionally, net interest expense, net miscellaneous expense, income tax expense, and acquisition related costs are not allocated to segments.

ACUITY INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

During the third fiscal quarter of 2025, we recorded \$29.7 million in special charges within the ABL segment. We recognized no special charges during the three and nine months ended May 31, 2024

The following table presents financial information by operating segment for the periods presented (in millions):

	Three Months Ended		Nine Months Ended	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
Net sales:				
Acuity Brands Lighting	\$ 923.2	\$ 898.5	\$ 2,649.8	\$ 2,618.4
Acuity Intelligent Spaces	264.1	75.7	509.1	208.0
Eliminations ⁽¹⁾	(8.7)	(6.1)	(22.4)	(17.7)
Total	\$ 1,178.6	\$ 968.1	\$ 3,136.5	\$ 2,808.7
Operating profit:				
Acuity Brands Lighting	\$ 134.0	\$ 151.5	\$ 407.6	\$ 421.3
Acuity Intelligent Spaces	27.4	12.5	48.1	26.9
Unallocated corporate amounts	(21.6)	(18.7)	(72.4)	(51.9)
Total	\$ 139.8	\$ 145.3	\$ 383.3	\$ 396.3

⁽¹⁾ These amounts represent intersegment sales. Profit on these sales eliminates within gross profit on a consolidated basis.

The following table reconciles operating profit by segment to income before income taxes for the periods presented (in millions):

	Three Months Ended		Nine Months Ended	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
Operating profit - Acuity Brands Lighting	\$ 134.0	\$ 151.5	\$ 407.6	\$ 421.3
Operating profit - Acuity Intelligent Spaces	27.4	12.5	48.1	26.9
Unallocated corporate amounts	(21.6)	(18.7)	(72.4)	(51.9)
Operating profit	139.8	145.3	383.3	396.3
Interest expense (income), net	12.1	(1.8)	15.0	(1.0)
Miscellaneous expense (income), net	2.3	(0.5)	5.8	1.2
Income before income taxes	\$ 125.4	\$ 147.6	\$ 362.5	\$ 396.1

Segment assets include accounts receivable and inventory. Total segment assets for AIS were \$194.3 million and \$67.6 million as of May 31, 2025 and August 31, 2024, respectively. This increase was due to the acquisition of QSC. Refer to *Acquisitions* footnote of the *Notes to Consolidated Financial Statements* for additional information.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The purpose of this discussion and analysis is to enhance the understanding and evaluation of the results of operations, financial position, cash flows, indebtedness, and other key financial information of Acuity Inc. (referred to herein as "we," "our," "us," the "Company," or similar references) and its subsidiaries as of May 31, 2025 and for the three and nine months ended May 31, 2025 and May 31, 2024. The following discussion should be read in conjunction with the *Consolidated Financial Statements and Notes to Consolidated Financial Statements* included within this report. Also, please refer to Acuity Inc.'s Annual Report on Form 10-K for the fiscal year ended August 31, 2024, filed with the Securities and Exchange Commission (the "SEC") on October 28, 2024 ("Form 10-K").

Overview

Company

Effective March 26, 2025, we changed our corporate name from Acuity Brands, Inc. to Acuity Inc.

We are a market-leading industrial technology company. We use technology to solve problems in spaces, light, and more things to come. Through our two business segments, Acuity Brands Lighting ("ABL") and Acuity Intelligent Spaces ("AIS"), we design, manufacture, and bring to market products and services that make a valuable difference in people's lives. We achieve growth through the development of innovative new products and services, including lighting, lighting controls, building management solutions, and an audio, video and control platform. We focus on customer outcomes and drive growth and productivity to increase market share and deliver superior returns. We look to aggressively deploy capital to grow the business and to enter attractive new verticals.

Our business exhibits some seasonality, with net sales being affected by weather and seasonal demand on construction and installation programs, particularly during the winter months, as well as the annual budget cycles of major customers. Historically, with certain exceptions, we have experienced our highest sales in the last two quarters of each fiscal year due to these factors.

Financial Condition, Capital Resources, and Liquidity

We have numerous sources of capital, including cash on hand and cash flows generated from operations, as well as various sources of financing. Our ability to generate sufficient cash flows from operations or to access certain capital markets, including banks, is necessary to meet our capital allocation priorities, which are to invest in our current business for growth, to invest in mergers and acquisitions, to pay a dividend, and to make share repurchases. Sufficient cash flow generation is also critical to fund our operations in the short and long term and to maintain compliance with covenants contained in our financing agreements.

Our significant contractual cash requirements primarily include principal and interest on outstanding debt, accounts payable, accrued employee compensation, operating lease liabilities, and certain purchase obligations incurred in the ordinary course of business that are enforceable and legally binding. Our obligations related to these items are described further within *Management's Discussion and Analysis of Financial Condition and Results of Operations* within our Annual Report filed on Form 10-K. Refer to *Financing Arrangements* below for a discussion of significant changes to our contractual obligations for the first nine months of fiscal 2025.

We believe that we will be able to meet our liquidity needs over the next 12 months based on our cash on hand, current projections of cash flows from operations, borrowing availability under financing arrangements, and current access to capital markets. Additionally, we believe that our cash flows from operations and sources of funding, including, but not limited to, future borrowings and borrowing capacity, will sufficiently support our long-term liquidity needs. In the event of a sustained market deterioration, we may need additional capital, which would require us to evaluate available alternatives and take appropriate actions.

Cash

Our cash position at May 31, 2025 was \$371.8 million, a decrease of \$474.0 million from August 31, 2024. Cash generated from operating activities and cash on hand were used during the current year to partially fund the QSC, LLC ("QSC") acquisition and our other capital allocation priorities as discussed below.

We generated \$398.9 million of cash flows from operating activities during the nine months ended May 31, 2025, compared to \$445.1 million in the prior-year period, a decrease of \$46.2 million. Cash flows from operations decreased as increased profitability on higher net sales was offset by payments for nonrecurring items as well as higher interest expense and the timing of collections from customers.

Financing Arrangements

See the *Debt and Lines of Credit* footnote of the *Notes to Consolidated Financial Statements* for discussion of the terms of our various financing arrangements, including the \$500.0 million aggregate principal amount of 2.150% senior unsecured notes due December 15, 2030 (the “Unsecured Notes”), the terms of our \$600.0 million five-year unsecured revolving credit facility (“Revolving Credit Facility”), and the terms of our \$500.0 million unsecured term loan facility (“Term Loan Facility”) due in two years.

At May 31, 2025, our outstanding debt balance was \$1.0 billion, which consisted of our Unsecured Notes and borrowings on our Term Loan Facility, compared to our cash position of \$371.8 million. We were in compliance with all covenants under our financing arrangements as of May 31, 2025.

The Unsecured Notes were issued by Acuity Brands Lighting, Inc., a wholly-owned subsidiary of Acuity Inc. The Unsecured Notes are fully and unconditionally guaranteed on a senior unsecured basis by Acuity Inc. and ABL IP Holding LLC, a wholly-owned subsidiary of Acuity Inc. The following tables present summarized financial information for Acuity Inc., Acuity Brands Lighting, Inc., and ABL IP Holding LLC on a combined basis after the elimination of all intercompany balances and transactions between the combined group as well as any investments in non-guarantors as of the dates and during the period presented (in millions):

Summarized Balance Sheet Information	May 31, 2025	August 31, 2024
Current assets	\$ 1,034.2	\$ 1,517.6
Amounts due from non-guarantor affiliates	329.3	338.0
Non-current assets	1,344.8	1,337.7
Current liabilities	581.9	553.2
Non-current liabilities	1,228.4	746.5

Summarized Income Statement Information	Nine Months Ended May 31, 2025
Net sales	\$ 2,394.6
Gross profit	1,119.5
Net income	271.6

On November 25, 2024, we entered into an amendment to our credit agreement (the “Credit Agreement”) that, among other things, provided for a delayed draw term under the Term Loan Facility of up to \$600.0 million.

In January 2025, we drew the full \$600.0 million on the Term Loan Facility to fund the QSC acquisition. In March 2025, we repaid \$100.0 million of the outstanding obligation. We had \$500.0 million in borrowings outstanding under the Term Loan Facility at May 31, 2025.

We were in compliance with all financial covenants under the Credit Agreement as of the periods presented. At May 31, 2025, we had additional borrowing capacity under the Credit Agreement of \$595.8 million under the most restrictive covenant in effect at the time, which represents the full amount of the Revolving Credit Facility less outstanding letters of credit of \$4.2 million issued under the Revolving Credit Facility, primarily for securing collateral requirements under our casualty insurance premiums. As of May 31, 2025, our cash on hand combined with the additional borrowing capacity under the Revolving Credit Facility totaled \$967.6 million.

Capital Allocation Priorities

Our capital allocation priorities are to invest in our current business for growth, to invest in mergers and acquisitions, to pay a dividend, and to make share repurchases.

Investments in Current Business for Growth

We invested \$43.6 million and \$41.0 million in property, plant, and equipment during the nine months ended May 31, 2025 and May 31, 2024, respectively. We invested primarily in new and enhanced information technology, equipment, tooling, and facility improvements in fiscal 2025 to date.

Strategic Acquisitions, Investments, and Divestitures

We seek opportunities to strategically expand and enhance our portfolio of solutions.

QSC

On January 1, 2025, we acquired all of the equity interests of QSC, a leader in the design, engineering, and manufacturing of audio, video, and control solutions and services, for \$1.2 billion. This acquisition is intended to expand AIS into a cloud-manageable audio, video, and control platform that includes controls, sensors, and software with broad applications across multiple end-markets including education, commercial, hospitality, government, healthcare, and transportation. We funded the transaction using cash on hand and proceeds from our Term Loan Facility. The operating results, assets, liabilities, and cash flows of QSC have been included in our consolidated financial statements since the date of acquisition.

M3 Innovation

On May 1, 2025, we acquired certain assets of M3 Innovation, a sports lighting startup that uses innovative technology to lower the overall cost of the installation and operation of sports lighting solutions. The assets have been included in ABL's financial results since the date of acquisition and did not have a material impact to our consolidated financial condition, results of operations, or cash flows.

Please refer to the *Acquisitions* footnote of the *Notes to Consolidated Financial Statements* for more information.

Dividends

We paid dividends on our common stock of \$15.3 million (\$0.49 per share) and \$13.4 million (\$0.43 per share) during the nine months ended May 31, 2025 and May 31, 2024, respectively. All decisions regarding the declaration and payment of dividends are at the discretion of the Board of Directors (the "Board") and are evaluated regularly in light of our financial condition, earnings, growth prospects, funding requirements, applicable law, and any other factors the Board deems relevant.

Share Repurchases

During the first nine months of fiscal 2025 and 2024, we repurchased approximately 0.3 million shares and 0.5 million shares of our outstanding common stock for \$90.0 million and \$88.3 million, respectively. Total cash outflows for share repurchases during the nine months ended May 31, 2025 and May 31, 2024 were \$91.3 million and \$88.7 million, respectively. We expect to repurchase shares on an opportunistic basis subject to various factors including stock price, Company performance, market conditions, and other possible uses of cash. On January 25, 2024, the Board approved an increase of three million shares to the maximum number of shares that may yet be repurchased under the share repurchase program. As of May 31, 2025, 3.4 million shares remained available within the program to repurchase.

Recent Developments

In recent months, the U.S. government has imposed, and is considering imposing, additional tariffs and trade restrictions on certain goods produced outside of the United States, including steel and aluminum. In response to these actions, certain jurisdictions, including China, Mexico, Canada, and the European Union, have imposed, or are considering imposing, tariffs and restrictions on certain goods produced in the United States. The situation concerning the imposition of additional tariffs and trade restrictions by the U.S. and other jurisdictions and the status of certain trade agreements, including the United States, Mexico, Canada Free Trade Agreement, continues to evolve, and we cannot be certain of the outcome which could adversely impact demand for our products, costs, inflation, customers, suppliers, and the U.S. economy. Although we have taken actions to mitigate the impacts of tariffs and trade restrictions, including pricing actions and efforts to diversify our supply chain, competitive pricing or market pressures may not allow us to pass on the additional cost of these tariffs and may adversely affect our profit margins, results of operations, and/or cash flows.

Recent increased geopolitical instability has created additional uncertainty in the marketplace. While we do not have significant operations in directly affected areas, we are unable to predict the impact of geopolitical factors on the global economy or on our financial condition, results of operations, and cash flows as of the date of these financial statements.

Results of Operations

Third Quarter of Fiscal 2025 Compared with Third Quarter of Fiscal 2024

The following table sets forth information comparing the components of net income for the three months ended May 31, 2025 and May 31, 2024 (in millions except per-share data):

	Three Months Ended		Increase (Decrease)	Percent Change
	May 31, 2025	May 31, 2024		
Net sales	\$ 1,178.6	\$ 968.1	\$ 210.5	21.7 %
Cost of products sold ⁽¹⁾	608.4	515.9	92.5	17.9 %
Gross profit	570.2	452.2	118.0	26.1 %
<i>Percent of net sales</i>	48.4 %	46.7 %	170 bps	
Selling, distribution, and administrative expenses ⁽²⁾	400.7	306.9	93.8	30.6 %
Special charges	29.7	—	29.7	NM
Operating profit	139.8	145.3	(5.5)	(3.8) %
<i>Percent of net sales</i>	11.9 %	15.0 %	(310) bps	
Other expense:				
Interest expense (income), net	12.1	(1.8)	13.9	NM
Miscellaneous expense (income), net	2.3	(0.5)	2.8	NM
Total other expense (income)	14.4	(2.3)	16.7	NM
Income before income taxes	125.4	147.6	(22.2)	(15.0) %
<i>Percent of net sales</i>	10.6 %	15.2 %	(460) bps	
Income tax expense	27.0	33.7	(6.7)	(19.9) %
<i>Effective tax rate</i>	21.5 %	22.8 %		
Net income	\$ 98.4	\$ 113.9	\$ (15.5)	(13.6) %
Diluted earnings per share	\$ 3.12	\$ 3.62	\$ (0.50)	(13.8) %
NM - not meaningful				

⁽¹⁾ Fiscal 2025 includes \$19.2 million in preliminary acquisition date fair value adjustments to inventory for the QSC acquisition.

⁽²⁾ Fiscal 2025 includes \$2.5 million in acquisition-related costs and \$11.6 million in preliminary amortization of intangible assets for the QSC acquisition.

Net Sales

Net sales for the third quarter of fiscal 2025 increased \$210.5 million, or 21.7%, to \$1.2 billion, compared with \$968.1 million in the prior-year period due primarily to an increase in sales in our Acuity Intelligent Spaces segment driven by the acquisition of QSC, which contributed \$172.8 million in sales, as well as higher sales of Atrius and Distech products. Additionally, net sales increased in our Acuity Brands Lighting segment due primarily to higher net sales within the independent sales network, partially offset by lower net sales within the corporate accounts channel.

Gross Profit

Gross profit for the third quarter of fiscal 2025 increased \$118.0 million, or 26.1%, to \$570.2 million, compared with \$452.2 million in the prior-year period, and gross profit margin increased 170 basis points to 48.4%, compared with 46.7% in prior-year period. Our gross profit increased compared with the prior period due primarily to the fall through of higher net sales, including contributions from the QSC acquisition, as well as favorable materials cost. These increases were partially offset by increased production costs, acquisition date fair value adjustments to QSC's inventory, higher costs for Asian-sourced finished goods (including freight, duties, and tariffs), and additional non-Asian tariff costs.

Operating Profit

Selling, distribution, and administrative expenses (“SD&A”) expenses for the third quarter of fiscal 2025 were \$400.7 million, compared with \$306.9 million in the prior-year period, an increase of \$93.8 million, or 30.6%. The increase in SD&A expenses was due primarily to higher employee-related costs, including amounts from the QSC acquisition, higher selling costs associated with higher sales, higher amortization, and acquisition-related costs. Acquisition-related costs were recorded within unallocated corporate amounts.

We recorded special charges totaling \$29.7 million during the third quarter of fiscal 2025, which consisted primarily of impairments of long-lived assets as well as employee severance costs related to productivity initiatives.

Operating profit for the third quarter of fiscal 2025 was \$139.8 million (11.9% of net sales), compared with \$145.3 million (15.0% of net sales) for the prior-year period, a decrease of \$5.5 million, or 3.8%. The decrease in operating profit was due to the recognition of special charges in the current period and higher SD&A expenses, partially offset by higher gross profit.

Interest Expense (Income), net

We reported net interest expense of \$12.1 million and net interest income of \$1.8 million for the third quarter of fiscal 2025 and 2024, respectively. The increase in net interest expense was due primarily to interest incurred on our outstanding Term Loan Facility and lower interest-bearing cash and cash equivalent balances held during the period as a result of our purchase of QSC.

Miscellaneous Expense (Income), net

Miscellaneous expense (income), net consists of non-service components of net periodic pension cost, gains and losses associated with foreign currency-related transactions, and non-operating gains and losses. We reported net miscellaneous expense of \$2.3 million and net miscellaneous income of \$0.5 million for the third quarter of fiscal 2025 and 2024, respectively.

Income Taxes and Net Income

Our effective income tax rate was 21.5% and 22.8% for the third quarter of fiscal 2025 and 2024, respectively. This decline was due primarily to an increase in favorable discrete items recognized in the quarter.

Net income for the third quarter of fiscal 2025 decreased \$15.5 million, or 13.6%, to \$98.4 million, from \$113.9 million reported for the prior-year period. This decrease was due primarily to the recognition of nonrecurring special charges, higher SD&A expenses, and higher net interest expense, partially offset by higher gross profit and lower income tax expense. Diluted earnings per share for the third quarter of fiscal 2025 decreased \$0.50, or 13.8%, to \$3.12 compared with diluted earnings per share of \$3.62 for the prior-year period. This decrease reflects lower net income as well as higher outstanding diluted shares.

Segment Results

The following table sets forth information comparing the operating results of our segments, Acuity Brands Lighting and Acuity Intelligent Spaces, for the three months ended May 31, 2025 and May 31, 2024 (in millions):

	Three Months Ended		Increase (Decrease)	Percent Change
	May 31, 2025	May 31, 2024		
Acuity Brands Lighting:				
Net sales	\$ 923.2	\$ 898.5	\$ 24.7	2.7 %
Operating profit	134.0	151.5	(17.5)	(11.6) %
Operating profit margin	14.5 %	16.9 %	(240) bps	
Acuity Intelligent Spaces:				
Net sales	\$ 264.1	\$ 75.7	\$ 188.4	248.9 %
Operating profit	27.4	12.5	14.9	119.2 %
Operating profit margin	10.4 %	16.5 %	(610) bps	

Acuity Brands Lighting net sales for the third quarter of fiscal 2025 increased \$24.7 million, or 2.7%, to \$923.2 million, compared with \$898.5 million in the prior-year period. This increase was due

primarily to higher net sales within the independent sales network, partially offset by a decline in the corporate accounts channel. The decline in our corporate accounts channel was due primarily to the timing of renovation activities for a large retail customer.

Operating profit for Acuity Brands Lighting was \$134.0 million (14.5% of Acuity Brands Lighting net sales) for the third quarter of fiscal 2025, compared with \$151.5 million (16.9% of Acuity Brands Lighting net sales) in the prior-year period, a decrease of \$17.5 million. The decrease in operating profit was due primarily to the recognition of special charges. Additionally, the fall through of higher net sales and favorable materials cost was partially offset by higher production costs, higher costs for Asian-sourced finished goods (including freight, duties, and tariffs), and additional non-Asian tariff costs.

Acuity Intelligent Spaces net sales for the third quarter of fiscal 2025 increased \$188.4 million, or 248.9%, to \$264.1 million, compared with \$75.7 million in the prior-year period. The increase in sales within the Acuity Intelligent Spaces segment is attributed primarily to the acquisition of QSC, which contributed \$172.8 million in sales. Additionally, sales of Atrius and Distech products increased during the current quarter.

Operating profit for Acuity Intelligent Spaces was \$27.4 million for the third quarter of fiscal 2025, compared with \$12.5 million in the prior-year period, an increase of \$14.9 million. This increase was due primarily to contributions from higher net sales, partially offset by additional costs related to the acquisition of QSC, including preliminary pre-tax nonrecurring acquisition date fair value adjustments to inventory and preliminary amortization of intangible assets.

First Nine Months of Fiscal 2025 Compared with First Nine Months of Fiscal 2024

The following table sets forth information comparing the components of net income for the nine months ended May 31, 2025 and May 31, 2024 (in millions except per share data):

	Nine Months Ended		Increase (Decrease)	Percent Change
	May 31, 2025	May 31, 2024		
Net sales	\$ 3,136.5	\$ 2,808.7	\$ 327.8	11.7 %
Cost of products sold ⁽¹⁾	1,649.0	1,515.7	133.3	8.8 %
Gross profit	1,487.5	1,293.0	194.5	15.0 %
<i>Percent of net sales</i>	47.4 %	46.0 %	140 bps	
Selling, distribution, and administrative expenses ⁽²⁾	1,074.5	896.7	177.8	19.8 %
Special charges	29.7	—	29.7	NM
Operating profit	383.3	396.3	(13.0)	(3.3)%
<i>Percent of net sales</i>	12.2 %	14.1 %	(190) bps	
Other expense:				
Interest expense (income), net	15.0	(1.0)	16.0	NM
Miscellaneous expense, net	5.8	1.2	4.6	NM
Total other expense	20.8	0.2	20.6	NM
Income before income taxes	362.5	396.1	(33.6)	(8.5)%
<i>Percent of net sales</i>	11.6 %	14.1 %	(250) bps	
Income tax expense	79.9	92.4	(12.5)	(13.5)%
<i>Effective tax rate</i>	22.0 %	23.3 %		
Net income	\$ 282.6	\$ 303.7	\$ (21.1)	(6.9)%
Diluted earnings per share	\$ 8.92	\$ 9.67	\$ (0.75)	(7.8)%
NM - not meaningful				

⁽¹⁾ Fiscal 2025 includes \$29.6 million in preliminary pre-tax nonrecurring acquisition date fair value adjustments to inventory related to the acquisition of QSC.

⁽²⁾ Fiscal 2025 includes \$21.2 million in acquisition-related costs and \$19.4 million in preliminary amortization of intangible assets related to the acquisition of QSC.

Net Sales

Net sales for the nine months ended May 31, 2025 increased \$327.8 million, or 11.7%, to \$3.14 billion compared with \$2.81 billion in the prior-year due to increases in sales in both our Acuity Intelligent Spaces and Acuity Brands Lighting segments. The increase in our Acuity Intelligent Spaces segment was driven by the acquisition of QSC, which contributed \$267.9 million in sales, as well higher net sales of our Atrius and Distech products. Additionally, net sales increased in our Acuity Brands Lighting segment due primarily to higher net sales within the independent sales and direct sales networks, partially offset by lower net sales within the corporate accounts and retail channels.

Gross Profit

Gross profit for the nine months ended May 31, 2025 increased \$194.5 million, or 15.0%, to \$1.49 billion compared with \$1.29 billion in the prior-year period. Gross profit margin increased 140 basis points to 47.4% for the nine months ended May 31, 2025 compared with 46.0% in the prior-year period. Our gross profit increased compared with the prior period due primarily to the fall through of higher net sales, including contributions from the QSC acquisition, as well as favorable materials cost. These increases were partially offset by increased production costs, acquisition date fair value adjustments to QSC's inventory, higher costs for Asian-sourced finished goods (including freight, duties, and tariffs), and additional non-Asian tariff costs.

Operating Profit

SD&A expenses for the nine months ended May 31, 2025 were \$1.07 billion compared with \$896.7 million in the prior-year period, an increase of \$177.8 million, or 19.8%. The increase in SD&A expenses was due primarily to higher employee-related costs, including amounts from the QSC acquisition, higher selling costs associated with higher sales, higher amortization, and acquisition-related costs. Acquisition-related costs were recorded within unallocated corporate amounts.

We recorded special charges totaling \$29.7 million during the nine months ended May 31, 2025, which consisted primarily of impairments of long-lived assets as well as employee severance costs related to productivity initiatives.

Operating profit for the nine months ended May 31, 2025 was \$383.3 million (12.2% of net sales) compared with \$396.3 million (14.1% of net sales) for the prior-year period, a decrease of \$13.0 million, or 3.3%. The decrease in operating profit was due to the recognition of special charges in the current period and higher SD&A expenses, partially offset by higher gross profit.

Interest Expense (Income), net

We reported net interest expense of \$15.0 million and net interest income of \$1.0 million for the nine months ended May 31, 2025 and May 31, 2024, respectively. The increase in net interest expense was due primarily to interest incurred on our outstanding Term Loan Facility and lower interest-bearing cash and cash equivalent balances as a result of our purchase of QSC.

Miscellaneous Expense, net

Miscellaneous expense, net consists of non-service components of net periodic pension cost, gains and losses associated with foreign currency-related transactions, and non-operating gains and losses.

We reported net miscellaneous expense of \$5.8 million for the nine months ended May 31, 2025 and \$1.2 million for the nine months ended May 31, 2024. This year-over-year change is due primarily to a non-cash loss in the first quarter of fiscal 2025 on an investment in a privately-held entity over which we do not exercise significant influence or control.

Income Taxes and Net Income

Our effective income tax rate was 22.0% and 23.3% for the nine months ended May 31, 2025 and May 31, 2024, respectively. This decline was due primarily to an increase in favorable discrete items recognized during the period. We recognized excess tax benefits of \$4.8 million and \$1.8 million related to share-based payment awards during the nine months ended May 31, 2025 and May 31, 2024, respectively.

Net income for the first nine months of fiscal 2025 decreased \$21.1 million, or 6.9%, to \$282.6 million from \$303.7 million reported for the prior-year period. This decrease was due primarily to the recognition of nonrecurring special charges, higher SD&A expenses, and higher net interest expense, partially offset by

higher gross profit and lower income tax expense. Diluted earnings per share for the nine months ended May 31, 2025 decreased \$0.75 to \$8.92 compared with diluted earnings per share of \$9.67 for the prior-year period. This decrease reflects lower net income as well as higher outstanding diluted shares.

Segment Results

The following table sets forth information comparing the operating results of our segments, Acuity Brands Lighting and Acuity Intelligent Spaces, for the nine months ended May 31, 2025 and May 31, 2024 (in millions):

	Nine Months Ended		Increase (Decrease)	Percent Change
	May 31, 2025	May 31, 2024		
Acuity Brands Lighting:				
Net sales	\$ 2,649.8	\$ 2,618.4	\$ 31.4	1.2 %
Operating profit	407.6	421.3	(13.7)	(3.3)%
Operating profit margin	15.4 %	16.1 %	(70) bps	
Acuity Intelligent Spaces:				
Net sales	\$ 509.1	\$ 208.0	\$ 301.1	144.8 %
Operating profit	48.1	26.9	21.2	78.8 %
Operating profit margin	9.4 %	12.9 %	(350) bps	

Acuity Brands Lighting net sales for the nine months ended May 31, 2025 increased 1.2% compared with the prior-year period due primarily to higher net sales in our independent and direct sales networks, partially offset by a decline in corporate accounts due primarily to the timing of renovation activities for a large retail customer and a decline in the retail sales channel.

Operating profit for Acuity Brands Lighting was \$407.6 million (15.4% of ABL net sales) for the nine months ended May 31, 2025 compared to \$421.3 million (16.1% of ABL net sales) in the prior-year period, a decrease of \$13.7 million. The decrease in operating profit was due primarily to the recognition of special charges. Additionally, the fall through of higher net sales and favorable materials cost was partially offset by higher production costs, higher costs for Asian-sourced finished goods (including freight, duties, and tariffs), and additional non-Asian tariff costs.

Acuity Intelligent Spaces net sales for the nine months ended May 31, 2025 increased 144.8% compared with the prior-year period. The increase in sales is attributed primarily to the acquisition of QSC, which contributed \$267.9 million in sales, as well as higher net sales of Atrius and Distech products.

Acuity Intelligent Spaces operating profit was \$48.1 million for the nine months ended May 31, 2025 compared with \$26.9 million in the prior-year period, an increase of \$21.2 million. This increase was due primarily to contributions from higher net sales, partially offset by additional costs related to the acquisition of QSC, including preliminary pre-tax nonrecurring acquisition date fair value adjustments to inventory and preliminary amortization of intangible assets.

Critical Accounting Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations addresses the financial condition and results of operations as reflected in our *Consolidated Financial Statements*, which have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). As discussed in the *Description of Business and Basis of Presentation* footnote of the *Notes to Consolidated Financial Statements*, the preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expense during the reporting period. On an ongoing basis, we evaluate our estimates and judgments, including those related to revenue recognition; inventory valuation; goodwill and indefinite-lived intangible assets; and product warranty costs. We base our estimates and judgments on our substantial historical experience and other relevant factors, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates. We discuss the development of critical accounting estimates with the Audit Committee of the Board of Directors on a recurring basis.

There have been no material changes in our critical accounting estimates during the current period. For a detailed discussion of other significant accounting policies that may involve a higher degree of judgment, refer to our Form 10-K.

Cautionary Statement Regarding Forward-Looking Statements and Information

This filing contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the “Act”). Forward-looking statements include, but are not limited to, statements that describe or relate to the Company’s plans, initiatives, projections, vision, goals, targets, commitments, expectations, objectives, prospects, strategies, or financial outlook, and the assumptions underlying or relating thereto. In some cases, we may use words such as “expect,” “believe,” “intend,” “anticipate,” “estimate,” “forecast,” “indicate,” “project,” “predict,” “plan,” “may,” “will,” “could,” “should,” “would,” “potential,” and words of similar meaning, as well as other words or expressions referencing future events, conditions, or circumstances, to identify forward-looking statements. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Act. Forward-looking statements are not guarantees of future performance. Our forward-looking statements are based on our current beliefs, expectations, and assumptions, which may not prove to be accurate, and are subject to known and unknown risks and uncertainties, assumptions, and other important factors, many of which are outside of our control and any of which could cause our actual results to differ materially from those expressed or implied by the forward-looking statements. These risks and uncertainties are discussed in our filings with the U.S. Securities and Exchange Commission, including our most recent annual report on Form 10-K (including, but not limited to, the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”), quarterly reports on Form 10-Q, and current reports on Form 8-K. Any forward-looking statement speaks only as of the date on which it is made. This quarterly report is not comprehensive, and for that reason, should be read in conjunction with such filings. You are cautioned not to place undue reliance on any forward-looking statements. Except as required by law, we undertake no obligation to publicly update or release any revisions to these forward-looking statements to reflect any events or circumstances after the date of this quarterly report or to reflect the occurrence of unanticipated events, whether as a result of new information, future events, or otherwise.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks that may impact our *Consolidated Balance Sheets*, *Consolidated Statements of Comprehensive Income*, and *Consolidated Statements of Cash Flows* due primarily to fluctuations in interest and foreign exchange rates. We do not currently engage in significant commodity hedging transactions for raw materials. There have been no material changes to our exposure from market risks from those disclosed in *Part II, Item 7A. Quantitative and Qualitative Disclosures About Market Risk* of our Form 10-K.

Item 4. Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to reasonably ensure that information required to be disclosed in the reports filed or submitted by us under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission (the “SEC”) rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to reasonably ensure that information required to be disclosed by us in the reports filed under the Exchange Act is accumulated and communicated to management, including the principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

As required by SEC rules, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of May 31, 2025. The scope of our efforts to comply with the SEC rules included all of our operations except for QSC, LLC (“QSC”), which we acquired during the quarter ended February 28, 2025. SEC guidance permits management to omit an assessment of an acquired business’ financial reporting from management’s assessment of disclosure controls and procedures for a period not to exceed one year from the date of the acquisition. This evaluation was carried out under the supervision and with the participation of management, including the principal executive officer and principal financial officer. Based on this evaluation, which as discussed herein excluded the operations of QSC, these officers have concluded that the design and operation of our disclosure controls and procedures are effective at a reasonable assurance level as of May 31, 2025. QSC assets and net assets excluded from our evaluation constituted less than 7% of both total assets and net assets as of May 31, 2025. QSC net sales and pre-tax income excluded from our evaluation constituted less than 10% of both the Company’s net sales and pre-tax income for the three and nine months ended May 31, 2025.

However, because all disclosure procedures must rely to a significant degree on actions or decisions made by employees throughout the organization, such as reporting of material events, the Company and its reporting officers

believe that they cannot provide absolute assurance that all control issues and instances of fraud or errors and omissions, if any, within the Company will be detected. Limitations within any control system, including our control system, include faulty judgments in decision-making or simple errors or mistakes. In addition, controls can be circumvented by an individual, by collusion between two or more people, or by management override of the control. Because of these limitations, misstatements due to error or fraud may occur and may not be detected.

There have been no changes in our internal control over financial reporting that occurred during our most recent completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION**Item 1. Legal Proceedings**

Information regarding reportable legal proceedings is contained in *Part I, Item 3. Legal Proceedings* in our Form 10-K. Information set forth in this report's *Commitments and Contingencies* footnote of the *Notes to Consolidated Financial Statements* describes any legal proceedings that became reportable during the three and nine months ended May 31, 2025, and updates any descriptions of previously reported legal proceedings in which there have been material developments during such period. The discussion of legal proceedings included within the *Commitments and Contingencies* footnote of the *Notes to Consolidated Financial Statements* is incorporated into this Item 1 by reference.

Item 1A. Risk Factors

There have been no material changes in our risk factors from those disclosed in *Part I, Item 1A. Risk Factors* of our Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On January 25, 2024, the Board of Directors (the "Board") authorized the repurchase of up to an additional three million shares of our common stock. Under the current share repurchase authorization, we may repurchase shares of our common stock from time to time at prevailing market prices, depending on market conditions, through open market or privately negotiated transactions. No date has been established for the completion of the share repurchase program, and we are not obligated to repurchase any shares. Subject to applicable corporate securities laws, repurchases may be made at such times and in such amounts as management deems appropriate. Repurchases under the program can be discontinued at any time management feels additional repurchases are not warranted. As of May 31, 2025, the maximum number of shares that may yet be repurchased under the share repurchase program authorized by the Board equaled approximately 3.4 million shares. The following table reflects activity related to equity securities we repurchased during the quarter ended May 31, 2025:

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
3/01/2025 through 3/31/2025	51,161	\$ 268.71	51,161	3,656,574
4/01/2025 through 4/30/2025	151,018	\$ 236.10	151,018	3,505,556
5/01/2025 through 5/31/2025	73,726	\$ 259.01	73,726	3,431,830
Total	275,905	\$ 248.27	275,905	3,431,830

Item 5. Other Information

During the third quarter of fiscal 2025, none of our directors or Section 16 officers adopted or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as each term is defined in Item 408(a) of Regulation S-K).

Item 6. Exhibits

Exhibits are listed on the [Index to Exhibits](#).

INDEX TO EXHIBITS

EXHIBIT 3	(a)	Certificate of Amendment to the Restated Certificate of Incorporation of Acuity Inc., effective as of March 26, 2025.	Reference is made to Exhibit 3.1 of registrant's Form 8-K as filed with the Commission on March 12, 2025, which is incorporated herein by reference.
	(b)	Restated Certificate of Incorporation of Acuity Inc., dated as of January 25, 2024.	Reference is made to Exhibit 3.2 of registrant's Form 8-K as filed with the Commission on January 26, 2024, which is incorporated herein by reference.
	(c)	Amended and Restated Bylaws of Acuity Inc., effective as of March 26, 2025.	Reference is made to Exhibit 3.3 of registrant's Form 8-K as filed with the Commission on March 12, 2025, which is incorporated herein by reference.
EXHIBIT 10	(a)	Acuity Inc. 2005 Supplemental Deferred Savings Plan, as amended and restated effective as of March 26, 2025.	Filed with the Commission as part of this Form 10-Q.
	(b)	Acuity Inc. 2011 Nonemployee Director Deferred Compensation Plan, (Amended and Restated Effective as of March 26, 2025).	Filed with the Commission as part of this Form 10-Q.
	(c)	Acuity Inc. Matching Gift Program.	Filed with the Commission as part of this Form 10-Q.
	(d)	Amended and Restated Acuity Inc. 2012 Omnibus Stock Incentive Compensation Plan.	Filed with the Commission as part of this Form 10-Q.
	(e)	Acuity Inc. Short-Term Incentive Plan, as Amended and Restated Effective as of March 26, 2025.	Filed with the Commission as part of this Form 10-Q.
EXHIBIT 22		List of Guarantors and Subsidiary Issuers of Guaranteed Securities.	Reference is made to Exhibit 22 of registrant's Form 10-Q as filed with the Commission on April 3, 2025, which is incorporated herein by reference.
EXHIBIT 31	(a)	Certification of the Chief Executive Officer of the Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed with the Commission as part of this Form 10-Q.
	(b)	Certification of the Chief Financial Officer of the Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed with the Commission as part of this Form 10-Q.
EXHIBIT 32	(a)	Certification of the Chief Executive Officer of the Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Filed with the Commission as part of this Form 10-Q.
	(b)	Certification of the Chief Financial Officer of the Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Filed with the Commission as part of this Form 10-Q.
EXHIBIT 101	.INS	XBRL Instance Document	The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
	.SCH	XBRL Taxonomy Extension Schema Document.	Filed with the Commission as part of this Form 10-Q.
	.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	Filed with the Commission as part of this Form 10-Q.
	.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	Filed with the Commission as part of this Form 10-Q.
	.LAB	XBRL Taxonomy Extension Label Linkbase Document.	Filed with the Commission as part of this Form 10-Q.
	.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	Filed with the Commission as part of this Form 10-Q.
EXHIBIT 104		Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)	Filed with the Commission as part of this Form 10-Q

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ACUITY INC.

Date: June 26, 2025

By:

/S/ NEIL M. ASHE

NEIL M. ASHE
CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER

Date: June 26, 2025

By:

/S/ KAREN J. HOLCOM

KAREN J. HOLCOM
SENIOR VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER (Principal Financial and
Accounting Officer)

ACUITY INC.
2005 SUPPLEMENTAL DEFERRED SAVINGS PLAN
(As Amended and Restated effective March 26, 2025)

ARTICLE I
INTRODUCTION AND ESTABLISHMENT

Effective as of November 30, 2001, Acuity Inc. (“Company”) established the Acuity Brands, Inc. Supplemental Deferred Savings Plan (“Prior Plan”) for the benefit of eligible management and highly compensated employees of the Company and its Subsidiaries and Business Units. The Plan was designed to assist and encourage eligible employees to accumulate capital and to supplement their retirement income.

Because the law applicable to nonqualified deferred compensation plans was significantly changed effective January 1, 2005, the Company decided to adopt a new deferred compensation plan, the 2005 Supplemental Deferred Savings Plan (the “Plan”) for deferrals and Company contribution credits occurring on or after January 1, 2005, and for unvested amounts credited to participants under the Prior Plan as of December 31, 2004. The vested amounts credited to participants as of December 31, 2004 under the Prior Plan remain credited under the Prior Plan and subject to the terms and conditions of the Prior Plan.

The Plan has been amended several times since its adoption, including to incorporate said prior amendments into this Plan document, and this amendment and restatement is intended to reflect the Company’s corporate name change (the “Name Change”) and accordingly is hereby effective March 26, 2025.

ARTICLE II
DEFINITIONS

When used in this Plan, the following terms shall have the meanings set forth below unless a different meaning is plainly required by the context:

2.1 “Account” means the records maintained by the Plan Administrator to determine the Participant’s deferrals and any Company contribution credits on the Participant’s behalf under this Plan. Such Account may be reflected as an entry in the Company’s (or Employer’s) records, or as a separate account under a trust, or as a combination of both. Each Participant’s Account may consist of the following subaccounts: a Deferral Subaccount to reflect his deferrals of Compensation; a Matching Subaccount for Employer matching contribution credits; a Supplemental Subaccount for any supplemental Employer contribution credits; and a Deferred Restricted Stock Subaccount to reflect any deferrals of Restricted Stock. The Plan Administrator may establish such additional subaccounts as it deems necessary for the proper administration of the Plan. Effective January 1, 2009, a Participant’s Matching Subaccount and Supplemental Subaccount shall for vesting purposes be referred to collectively as the Participant’s “Employer Contribution Account” and shall be divided into a Pre-2009 Employer Contribution Account for Employer contribution credits prior to January 1, 2009, and Post-2008 Employer Contribution Account for Employer contribution credits on or after January 1, 2009.

2.2 “Annual Valuation Date” means December 31 of each year while the Plan is in effect.

2.3 “Beneficiary” means the person or persons last designated in writing by the Participant under the Plan to receive the vested amount in his Account in the event of such Participant's death and, if no such designation has

been made under this Plan, the designation of Beneficiary made by the Participant under the Prior Plan shall be deemed to be the designation under this Plan; if no such designation under either plan shall be in effect at the time of a Participant's death or if all designated Beneficiaries shall have predeceased the Participant, then the Beneficiary shall be the Participant's estate or his personal representative.

2.4 "Business Unit" means any of the operating units or divisions of the Company, or its Subsidiaries, designated as a Business Unit by the Plan Administrator.

2.5 "Change in Capitalization" means any increase or reduction in the number of Shares, or any change (including, but not limited to, a change in value) or exchange of Shares for a different number or kind of shares or other securities of the Company, by reason of a reclassification, recapitalization, merger, consolidation, reorganization, spin-off, split-up, issuance of warrants or rights or debentures, stock dividend, stock split or reverse stock split, cash dividend, property dividend, combination or exchange of shares, repurchase of shares, public offering, private placement, change in corporate structure or otherwise, which in the judgment of the Plan Administrator is material or significant.

2.6 "Change in Control" means any of the following events:

(a) The acquisition (other than from the Company in an acquisition that is approved by the Incumbent Board) by any "Person" (as the term person is used for purposes of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of twenty percent (20%) or more of the combined voting power of the Company's then outstanding voting securities; or

(b) The individuals who, as of January 1, 2005, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least two-thirds of the Board; provided, however, that if the election, or nomination for election by the Company's stockholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall, for purposes of this Plan, be considered as a member of the Incumbent Board; or

(c) Consummation of a merger or consolidation involving the Company if the stockholders of the Company, immediately before such merger or consolidation do not, as a result of such merger or consolidation, own, directly or indirectly, more than seventy percent (70%) (sixty percent (60%), effective as of September 29, 2006) of the combined voting power of the then outstanding voting securities of the corporation resulting from such merger or consolidation in substantially the same proportion as their ownership of the combined voting power of the voting securities of the Company outstanding immediately before such merger or consolidation; or

(d) A complete liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur pursuant to subsection (a) above, solely because twenty percent (20%) or more of the combined voting power of the Company's then outstanding securities is acquired by (i) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained by the Company or any of its subsidiaries, or (ii) any corporation which, immediately prior to such acquisition, is owned directly or indirectly by the stockholders of the Company in the same proportion as their ownership of stock in the Company immediately prior to such acquisition.

2.7 "Code" means the Internal Revenue Code of 1986, as amended.

2.8 "Company" means Acuity Inc., a Delaware corporation, or its successor or successors.

2.9 “Compensation” means the annual cash compensation (salary, plus bonuses whether under a Performance-Based Plan or otherwise, as determined eligible by the Plan Administrator) paid by the Employer to the Participant for the Plan Year, provided that a bonus actually paid during a subsequent Plan Year based upon performance during the preceding Plan Year shall be treated as Compensation for such preceding Plan Year. The Participant’s Compensation shall include amounts deferred by the Participant to this Plan and any other deferred compensation plan of the Employer (whether or not qualified), and any salary reduction amounts contributed to a welfare plan. The term “Compensation” shall not include long-term incentive payments, income from stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards or other stock awards, car allowances, non-cash remuneration, such as health benefits, life insurance, and other fringe benefits, moving expenses, relocation allowances, and payments from this Plan or any other deferred compensation plan.

2.10 “Deferral Subaccount” means the subaccount maintained to reflect the Participant’s deferrals of Compensation, including amounts previously credited to a Participant’s Deferral Subaccount in the Prior Plan that are transferred to this Plan pursuant to Section 4.2, and any earnings thereon.

2.11 “Deferred Restricted Stock Subaccount” means the subaccount maintained to reflect the Participant’s deferrals of Restricted Stock and related dividends, including amounts previously credited to the Participant under the Prior Plan that are transferred to the Plan pursuant to Section 4.2.

2.12 “Effective Date” means the effective date of the amendment and restatement of this Plan, March 26, 2025, except where otherwise noted.

2.13 “Election Form” means the form prescribed by the Plan Administrator on which a Participant may specify the amount of his Compensation that is to be deferred pursuant to the provisions of Article III, and the time and manner of payment of his benefits. The Election Form may be accessed and completed through telephonic or electronic means as determined by the Plan Administrator.

2.14 “Employer” means the Company and any Subsidiary or related employer designated by the Company to participate in the Plan.

2.15 “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

2.16 “Executive” means an officer of the Company, a Subsidiary or one of the Company’s Business Units, and other key employees designated as eligible pursuant to Section 3.1. Any dispute regarding any individual’s classification shall be determined by the Plan Administrator in its sole discretion.

2.17 “Fair Market Value” means the fair market value of the Shares as determined in good faith by the Plan Administrator; provided, however, that (a) if the Shares are admitted to trading on a national securities exchange, Fair Market Value on any date shall be the closing price reported for the Shares on such exchange on such date or, if no sale was reported on such date, on the last date preceding such date on which a sale was reported, (b) if the Shares are admitted to quotation on the National Association of Securities Dealers Automated Quotation System (“NASDAQ”) or other comparable quotation system and have been designated as a National Market System (“NMS”) security, Fair Market Value on any date shall be the last sale price reported for the Shares on such system on such date or on the last day preceding such date on which a sale was reported, or (c) if the Shares are admitted to Quotation on NASDAQ and have not been designated a NMS Security, Fair Market

Value on any date shall be the average of the highest bid and lowest asked prices of the Shares on such system on such date.

2.18 “Financial Hardship” means the occurrence of an “unforeseeable emergency” with respect to the Participant within the meaning of Section 409A.

2.19 “Fiscal Year” means the Company’s fiscal year commencing on September 1 and ending on August 31 of the following calendar year, or such other 12-month period used by the Company for financial reporting purposes.

2.20 “In-Service Account” means an account established by a Participant which will be paid (or commence being paid) on a date selected by the Participant. The Participant may establish Cash In-Service Accounts for his deferrals of Compensation and a Restricted Stock In-Service Account for his Restricted Stock deferrals.

2.21 “Matching Subaccount” means the subaccount maintained to reflect the Employer’s matching contribution credits, including amounts previously credited to a Participant’s Matching Subaccount in the Prior Plan that are transferred to this Plan pursuant to Section 4.2, and any earnings thereon.

2.22 “Participant” means an Eligible Executive as defined in Section 3.1 (or an individual who was an Eligible Executive, including individuals who were participating in the Prior Plan that have amounts transferred to this Plan), a portion of whose Compensation for any Plan Year has been deferred pursuant to the Plan or who has received Employer contribution credits, and whose interest in the Plan has not been wholly distributed.

2.23 “Performance-Based Plan” means a plan (or part of a plan) that pays compensation which qualifies as “Performance-based compensation” within the meaning of Section 409A.

2.24 “Plan” means the Acuity Inc. 2005 Supplemental Deferred Savings Plan, as set forth herein and as it may be amended from time to time.

2.25 “Plan Administrator” means the Company or, if applicable, a committee appointed pursuant to Article VI to administer the Plan.

2.26 “Plan Year” means January 1 through the next following December 31.

2.27 “Prime Rate” means the rate of interest published in the Wall Street Journal (or similar financial publication selected by the Plan Administrator) as the prime rate on a particular date (or the next business day if such date is not a business day), as determined by the Plan Administrator.

2.28 “Prior Plan” means the Acuity Brands, Inc. Supplemental Deferred Savings Plan, which became effective November 30, 2001, as amended.

2.29 “Prior Plan Transfer Account” means the amount credited to a Participant under the Prior Plan that is transferred to this Plan, which shall be managed and distributed in accordance with the provisions of this Plan.

2.30 “Retirement” means termination of the Participant’s employment with all Employers on or after attaining age 60, other than a Termination for Cause.

2.31 “Retirement Account” means the account established for the Participant which will be payable in the manner elected by the Participant if the Participant terminates employment upon death, Total and Permanent Disability, or after attaining age 55. The Retirement Account shall include all Matching Subaccount and Supplemental Subaccount balances and may include certain Deferral Subaccounts when designated by the Participant as such.

2.32 “Section 409A” means Section 409A of the Code, as it may be amended from time to time, and the regulations and rulings thereunder.

2.33 “Shares” means the common stock, par value \$.01 per share, of the Company (including any new, additional or different stock or securities resulting from a Change in Capitalization).

2.34 “Subsidiary” means any corporation in an unbroken chain of corporations, beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. The term “Subsidiary” shall also include a partnership or limited liability company in which the Company or a Subsidiary owns 50% or more of the profits interest or capital interest.

2.35 “Supplemental Subaccount” means the subaccount established to reflect the Employer’s supplemental contribution credits, including amounts previously credited to a Participant’s Supplemental Subaccount in the Prior Plan that are transferred to this Plan pursuant to Section 4.2, and any earnings thereon.

2.36 “Termination for Cause” means the Executive has terminated employment and has been found by the Plan Administrator to be guilty of theft, embezzlement, fraud or misappropriation of the Company’s property or of any action which, if the individual were an officer of the Company, would constitute a breach of fiduciary duty. The final determination of whether a Participant has incurred a Termination for Cause shall be made by the Plan Administrator.

2.37 “Termination of Service” or similar expression means the termination of the Participant’s employment as an employee of the Company and all adopting Employers. A Participant who is granted a temporary leave of absence, whether with or without pay, shall not be deemed to have terminated his service. In the event of a transfer of an Executive to a position in which he would no longer be eligible to actively participate in this Plan, such transfer shall not constitute a Termination of Service.

Whether a Termination of Service takes place is determined based on the facts and circumstances surrounding the termination of the Participant’s employment and whether the Company and the Participant intended for the Participant to provide significant services for the Company following such termination. A change in the Participant’s employment status will not be considered a Termination of Service if:

(a) the Participant continues to provide services as an employee of the Company at an annual rate that is twenty percent (20%) or more of the services rendered, on average, during the immediately preceding three full calendar years of employment (or, if employed less than three years, such lesser period) and the annual remuneration for such services is twenty percent (20%) or more of the average annual remuneration earned during the final three full calendar years of employment (or, if less, such lesser period), or

(b) the Participant continues to provide services to the Company in a capacity other than as an employee of the Company at an annual rate that is fifty percent (50%) or more of the services rendered, on average, during the immediately preceding three full calendar years of employment (or if employed less than three years, such lesser period) and the annual remuneration for such services is fifty percent (50%) or more of the average annual remuneration earned during the final three full calendar years of employment (or if less, such lesser period).

2.38 “Total and Permanent Disability” means the Participant: (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees or directors of the Company. Medical determination of Disability may be made by either the Social Security Administration or by the provider of an accident or health plan covering employees or directors of the Company provided that the definition of “disability” applied under such disability insurance program complies with the requirements of the preceding sentence. Upon the request of the Plan Administrator, the Participant must submit proof to the Plan Administrator of the Social Security Administration’s or the provider’s determination.

2.39 “Valuation Date” means the Annual Valuation Date, and any other date(s) selected by the Plan Administrator as of which the Accounts of Participants are valued.

2.40 “Year of Service” means, subject to such Break in Service rules as the Plan Administrator may establish, each 12-consecutive month period, commencing with the Participants first Hour of Service and ending on the 12-month anniversary date thereof, for which a Participant remains employed with the Employer. A Participant shall only be credited with full Years of Service. No credit is given for partial Years of Service. Hours of Service and Break in Service shall be determined hereunder in accordance with the Company’s general rules for determining such matters under its tax-qualified plans.

ARTICLE III

PARTICIPATION; DEFERRAL ELECTION

3.1 Eligibility to Participate. Prior to, or at the beginning of, each Plan Year, the Company (or its designee) shall specify the Executives who are eligible to make deferral elections under the Plan for the following Plan Year and to receive Matching Subaccount and Supplemental Subaccount credits (an “Eligible Executive”). Such eligibility designation may be made by establishing a minimum compensation level for participation or by the use of such other criteria as the Company (or its designee) deems appropriate from time to time.

3.2 Deferral Election. For any Plan Year in which an Eligible Executive is eligible to participate, such Eligible Executive may elect on an Election Form to have a portion of the Compensation to be received by the Executive for such Plan Year deferred in accordance with the terms and conditions of the Plan. The Plan Administrator may provide for a separate election with respect to salary and annual bonus.

An Executive desiring to exercise such election shall, prior to the beginning of each Plan Year (or within 30 days after the date of the Eligible Executive’s initial eligibility for the Plan as determined by the Plan Administrator, if such eligibility commences other than at the beginning of a Plan Year), complete an Election Form indicating the percentage or amount of his Compensation for such Plan Year that he elects to have deferred, provided that the Plan Administrator may extend the date for electing to defer an annual bonus under a Performance-Based Plan to the extent permitted by Section 409A. If the Eligible Executive’s election would result in a deferral greater than the maximum established by the Plan Administrator, any deferred amount shall be reduced to the maximum limit.

An election to defer Compensation must be filed with the Plan Administrator within the time period prescribed by the Plan Administrator. If a Participant fails to file a properly completed and duly executed Election Form with the Plan Administrator by the prescribed time, he will be deemed to have elected not to defer any Compensation under this Plan for the Plan Year, except to the extent the Plan Administrator in its sole discretion

permits an extension of the election period. An Eligible Executive may not, after the applicable election date change (increase or decrease) the percentage or amount of Compensation he has elected to defer for a Plan Year.

At the time a Participant elects to defer Compensation, the Participant shall elect with respect to such deferral the time and manner in which the amount deferred (and any earnings thereon) will be distributed to the Participant. The Plan Administrator may provide that such election is a continuing election with respect to all amounts credited (and to be credited) to the Participant's Account. The distribution elections, and any changes to such elections, shall be made in accordance with Article V.

The Plan Administrator may establish a minimum and maximum deferral limitation for a Plan Year for each group or class of Eligible Executives (which may be a dollar amount, a percentage of Compensation or some other limit) and may change such limitation from year to year, provided an Eligible Executive shall not be permitted to reduce his Compensation below the amount necessary to make required or elected contributions to employee benefit plans, required federal, state and local tax withholdings, and any other withholdings deemed necessary by the Plan Administrator or required by law.

The Participant may designate on the Election Form (or on a separate form provided by the Plan Administrator) a Beneficiary (or Beneficiaries) to receive payment of amounts in his Account in the event of his death. If a Participant fails to designate a Beneficiary under the Plan, the Beneficiary(ies) under the Prior Plan shall be deemed to be the Beneficiary(ies) designated under this Plan.

3.3 Deferral Subaccount. The Company shall establish a Deferral Subaccount for each Participant under the Plan. The initial amount credited to the Participant's Deferral Subaccount under the Plan shall be the amount credited to the Participant's Deferral Subaccount in the Prior Plan that is transferred to this Plan as provided in Section 4.2 below. Each Participant's Deferral Subaccount shall thereafter be credited with the amounts of Compensation deferred by the Participant under this Plan. The timing and manner in which amounts are credited to a Participant's Deferral Subaccount under this Plan shall be determined by the Plan Administrator in its discretion, but the deferral election shall be applied to each pay period in which the Participant has Compensation during his period of participation in the Plan. The Participant's Deferral Subaccount shall be credited with interest at the Prime Rate, or the earnings under such other investment options that the Plan Administrator may establish, on each Annual Valuation Date based upon the amount credited to such Subaccount as of the preceding Annual Valuation Date, and at such other times, if any, as may be determined by the Plan Administrator.

3.4 Deferred Restricted Stock Subaccount. The Company shall establish a Deferred Restricted Stock Subaccount for each Participant under the Plan who has Deferred Vested Value Subaccount credits in the Prior Plan Transfer Account being transferred from the Prior Plan. The initial amount credited to the Participant's Deferred Restricted Stock Subaccount under the Plan shall be the number of shares credited to the Participant's Deferred Vested Value Subaccount in the Prior Plan that is transferred to this Plan as provided in Section 4.2 below and related dividends. No further deferrals will be allowed to the Deferred Restricted Stock Subaccount by the Participant under this Plan, unless the Plan administrator determines otherwise. The Deferred Restricted Stock Subaccount will be adjusted on each Annual Valuation Date (and at such other dates, if any, as may be determined by the Plan Administrator) as if it were invested in Shares to reflect any distributions, stock dividends, stock splits or similar actions with respect to the Shares since the preceding Annual Valuation Date (or such other date). The Participant's Deferred Restricted Stock Subaccount will be adjusted on each Annual Valuation Date (and at such other dates, if any, as may be determined by the Plan Administrator) to reflect the cash equivalent of any dividends with respect to the Shares since the preceding Annual Valuation Date (or such other date). The amounts credited to a Participant's Deferred Restricted Stock Subaccount shall be distributed and subject to a further deferral election as provided in Section 5.1(g) below.

Effective as of the Spin-off Date (as defined in Section 3.5(c)(ii)), or as soon thereafter as is practical, the Company shall adjust the number of Shares credited to the Participant's Deferred Restricted Stock Subaccount to a number of Shares equal to the product of (i) the number of

Shares credited to the Participant's Deferred Restricted Stock Subaccount as of the date of the distribution of the shares of Zep Inc. common stock to the stockholders of the Company (the "Distribution Date"), and (ii) the closing per share price of the Company common stock (trading with a due bill) on the New York Stock Exchange on the Distribution Date, divided by the closing per share price of the Company's common stock (on a when-issued basis) on the Distribution Date (or such other price as determined by the Plan Administrator to be appropriate and equitable.)

3.5 Transfer of Accounts to Zep Plan.

(a) With respect to Transferring Participants who participated in the Plan prior to the Spin-off Date, and who have made deferral elections under the Plan with respect to compensation which becomes payable on or after the Spin-off Date, the Company hereby transfers to the Zep Plan on the Spin-off Date, all rights with respect to amounts deferred (or to be deferred) pursuant to such deferral elections, and the Zep Plan will assume all obligations with respect to such deferrals. Such deferral elections and the deferred amounts shall be maintained and administered in accordance with the Zep Plan, including the payment rules and deemed investment rules of the Zep Plan.

(b) The Accounts of Transferring Participants in the Plan are hereby transferred to the Zep Plan on the Spin-off Date and the Zep Plan will assume all obligations with respect to the amounts credited to such Accounts. The amounts credited to such Accounts shall be maintained and administered in accordance with the Zep Plan, including the payment rules and deemed investment rules of the Zep Plan.

(c) For purposes of this Section 3.5 and the Plan, the following definitions shall apply:

- i. "Spin-off" means the distribution of the stock of Zep Inc. to the stockholders of the Company.
- ii. "Spin-off Date" means the date the stock of Zep Inc. is distributed to the stockholders of the Company.
- iii. "Transferring Participant" means a Participant in the Plan who is a current or former employee of the Company's specialty products business or a corporate office employee who is being hired by Zep Inc. in connection with the Spin-off.
- iv. "Zep Plan" means the Zep Inc. Supplemental Deferred Savings Plan, effective as of October 31, 2007, and as it may be amended.

ARTICLE IV

EMPLOYER CONTRIBUTION CREDITS; VESTING

4.1 Employer Contribution Credits.

(a) Matching Subaccount. The Company shall establish a Matching Subaccount for each Participant under the Plan. The initial amount credited to the Participant's Matching Subaccount under the Plan shall be the amount credited to the Participant's Matching Subaccount in the Prior Plan that is transferred to this Plan as provided in Section 4.2 below. Thereafter, unless the Board otherwise determines, as of the end of each Plan Year

commencing on or after January 1, 2009 (or as of such other date as the Board may determine), there shall be credited to the Matching Subaccount of each Participant who is employed on the last day of the Plan Year an amount equal to 50% of the amount of the Participant's deferrals for such Plan Year, provided that the maximum amount credited to a Participant's Matching Subaccount for a Plan Year shall not exceed five percent (5%) of the Participant's Compensation for such Plan Year. (For Plan Years prior to January 1, 2009, the matching percentage was 25% in lieu of 50%.) Unless the Company otherwise determines for a designated Eligible Executive (other than an Executive Officer of the Company), an Eligible Executive who is covered by a defined benefit supplemental executive retirement plan maintained by the Employer, other than an Eligible Executive who becomes a participant in the Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan (as such plan may be retitled to reflect the Name Change) (the "SERP") on or after September 1, 2019 and receives the "Modified Accrued Benefit" (as defined in the SERP) under the SERP, shall not be eligible to receive Employer matching contribution credits under the Plan. The amounts credited to the Participant's Matching Subaccount shall automatically be credited to the Participant's Retirement Account.

Unless the Company otherwise determines, the amount credited to a Participant's Matching Subaccount shall be credited with interest at the Prime Rate, or the earnings under such other investment options that the Plan Administrator may establish, on each Annual Valuation Date based upon the amount credited to such subaccount as of the preceding Annual Valuation Date.

(b) Supplemental Subaccount. The Company shall establish a Supplemental Subaccount for each Participant under the Plan. The initial amount credited to the Participant's Supplemental Subaccount under the Plan shall be the amount credited to the Participant's Supplemental Subaccount in the Prior Plan that is transferred to this Plan as provided in Section 4.2 below. Unless the Company determines otherwise for a designated Eligible Executive, an Eligible Executive who is covered by a defined benefit supplemental executive retirement plan maintained by the Employer, other than an Eligible Executive who becomes a participant in the SERP on or after September 1, 2019 and receives the "Modified Accrued Benefit" (as defined in the SERP) under the SERP, shall not be eligible to receive Employer supplemental contribution credits under the Plan. The amounts credited to the Participant's Supplemental Subaccount shall automatically be credited to the Participant's Retirement Account.

Unless the Company otherwise determines, the amount credited to an Eligible Executive's Supplemental Subaccount shall be credited with interest at the Prime Rate, or the earnings under such other investment options that the Plan Administrator may establish, on each Annual Valuation Date based upon the amount credited to such subaccount as of the preceding Annual Valuation Date.

(c) Additional Employer Contribution Credits. Certain Participants are eligible to receive additional Employer contribution credits under the Plan, which additional amounts are described on an Appendix attached hereto and made a part hereof. The amount of any such additional Employer contribution credits shall automatically be credited to the Participant's Retirement Account and shall be payable in accordance with Article V.

(d) Investment Options. The Plan Administrator may in its discretion establish additional investment options in which a Participant's Account is deemed to be invested and provide the Participant the right to elect among such investment options. The investment options may include the right to invest in Shares and, in such event, the Plan Administrator may provide for distributions from the Plan in Shares.

4.2 2005 and 2006 Deferral Elections and Prior Plan Transfer Accounts.

(a) With respect to Eligible Executives who participated in the Prior Plan prior to January 1, 2005, and who have made deferral elections under the Prior Plan for 2005 and 2006 with respect to Compensation which

becomes payable on or after January 1, 2005, the Company hereby transfers all rights with respect to such deferral elections to the Plan and the Plan hereby assumes all obligations with respect to such deferral elections. Such deferral elections shall be maintained and administered in accordance with the Plan, including the payment rules of Article V. The Plan Administrator may permit changes to such deferral elections and payment elections in accordance with Section 409A.

(b) The Accounts (or portion of Accounts) of Participants in the Prior Plan that were not vested as of December 31, 2004 (including any deferrals of unvested Restricted Stock) are hereby transferred to the Plan and the Plan hereby assumes all obligations with respect to the unvested amounts credited to such Accounts. The unvested amounts credited to such accounts shall be maintained and administered in accordance with the Plan, including the vesting schedule of Section 4.3 and the payment rules of Article V. The Plan Administrator may permit changes to such payment elections in accordance with Section 409A.

(c) The Plan Administrator shall provide such additional payment elections to Participants (including Participants who are no longer active employees or otherwise do not actively participate in the Plan) with respect to amounts credited to the Plan pursuant to this Section as are consistent with Section 409A, including the transitional rules.

4.3 Vesting of a Participant's Account.

(a) Deferral Subaccount. Except as provided in the next sentence, a Participant's interest in the amount credited to his Deferral Subaccount shall at all times be 100% vested and nonforfeitable. If a Participant incurs a Termination for Cause, he shall forfeit all earnings credited on all amounts deferred to his Deferral Subaccount that have not yet been fully distributed to him under Article V.

(b) Employer Contribution Accounts.

i. Except in the event of a Termination for Cause (as defined in Section 2.36), a Participant's interest in the amount credited to his Pre-2009 Employer Contribution Account shall become (A) 100% vested and nonforfeitable upon his death, Total and Permanent Disability, Retirement, or completion of 10 or more Years of Service and attainment of age 55 while actively employed, and (B) 50% vested upon completion of 5 Years of Service and attainment of age 55 while actively employed, with such vesting increasing 10% per year for each additional Year of Service up to 10 years.

ii. Except in the event of a Termination for Cause, a Participant's interest in the amount credited to his Post-2008 Employer Contribution Account shall become (A) 100% vested and nonforfeitable upon his death, Total and Permanent Disability, Retirement or completion of 10 or more Years of Service, or (B) 30% vested upon completion of 3 Years of Service, with such vesting increasing 10% per year for each additional Year of Service up to 10 years.

iii. Subject to Article VIII, if the Participant incurs a Termination for Cause (regardless of whether he is otherwise vested) or if the Participant's employment is terminated prior to the time specified for any vesting above, his entire Employer Contribution Accounts shall be forfeited.

(c) Deferred Restricted Stock Subaccount. A Participant's interest in the amount credited to his Deferred Restricted Stock Subaccount shall vest in accordance with the terms of the underlying award agreement for such Restricted Stock.

ARTICLE V
PAYMENT OF ACCOUNTS

5.1 Timing and Form of Payment.

(a) Subject to subsection (h) below, on the Election Form, the Participant shall make an election as to the timing and form of payment for any Participant deferrals for such Plan Year and the form of payment for any Employer contribution credits for such Plan Year pursuant to Section 4.1 (such contributions are automatically credited to the Participant's Retirement Account) from among the options set forth below for the Participant's Retirement Account and for any Cash In-Service Account. Once the Participant elects a form of payment for the Retirement Account, and the time and form of payment for any Cash In-Service Account, those elections may only be changed twice and only in accordance with subsection (e) below.

(b) The Participant will be entitled to payment of his Retirement Account in accordance with his payment election if he terminates employment upon death, Total and Permanent Disability, or after attaining age 55. The Participant may elect that the vested amount of his Retirement Account be distributed in a lump sum, or in annual payments for a period of up to ten (10) years, provided that if the balance of the Participant's Account is less than \$15,000, the Participant's Account will automatically be paid in a lump sum. For example, under the 10-year annual payment method, the first year's payment will equal one tenth (1/10) of the total Account, the second year's will equal one ninth (1/9) of the remaining Account, and so forth. Subject to subsection (h) below, payment of the Participant's Retirement Account shall be made (i) if the payment is in a lump sum, within 90 days after the event entitling the Participant to payment, or (ii) if the payment is in installments, commencing in the January following the event entitling the Participant to payment.

(c) The Participant may elect to have a Cash In-Service Account payable (or commence to be paid) during January of the year selected by the Participant on the Election Form (which initial payment date may not be earlier than two years after the end of the calendar year during which amounts are first credited to such Account), in a lump sum or in annual payments over a period of up to ten (10) years, in the manner provided in (a) above, as applicable; provided, that any subsequent deferrals to such designated Cash In-Service Account must be made no later than the end of the calendar year ending two years prior to such payment date; provided, further, that a Participant may only establish such number of Cash In-Service Accounts for his Account as may be permitted by the Plan Administrator (or his designee) and the Plan Administrator may increase the minimum deferral period for Cash In-Service Accounts. Notwithstanding the Participant's elections under this Section 5.1(c), in the event the Participant becomes entitled to payment of his Account under Section 5.2 below, the remaining balance of the Participant's Account shall be payable in accordance with the provisions for payment under Section 5.2 (whether or not the Cash In-Service Account was in payment status at such time). Further, if a Participant has made an election under this Section 5.1(c) and becomes entitled to payment of his Retirement Account under Section 5.1(b), the payment structure shall continue to be governed by the election made with respect to the Cash In-Service Account whether or not the Cash In-Service Account was in payment status at such time.

(d) The Participant will designate each Plan Year which portion of the Participant's deferrals for such Plan Year shall be credited to the Participant's Retirement Account and any Cash In-Service Accounts he has established. If a Participant's Account is distributed in installments, the Account shall continue to be credited with deemed earnings, gains and losses in accordance with Article IV until the entire amount of the Account is distributed.

(e) A Participant may, not less than twelve (12) months prior to the payment dates of any Cash In-Service Accounts he has established under subsection (c) above, and with the approval of the Plan Administrator, elect to defer the date on which payment of any Cash In-Service Account shall commence and/or change the method of

payment of such Cash In-Service Account, provided that, (i) after the initial election under subsection (c), a Participant may only make two election changes with respect to a particular Cash In-Service Account (after the second such election change, the election shall become irrevocable); (ii) except as otherwise permitted by Section 409A, the first in-service payment with respect to any such changed election must be deferred at least 5 years from the date such payment would otherwise have been made, (iii) except as otherwise permitted by Section 409A, the election shall not become effective for 12 months.

A Participant may, not less than twelve (12) months prior to the event entitling the Participant to payment of his Retirement Account under subsection (b) above, elect to change the method of payment of the Participant's Retirement Account, provided that (i) only two such changes are permitted and after the second such election change, the election is irrevocable; (ii) the payment date for the Participant's Retirement Account will be deferred for 5 years for each election change, and (iii) the election shall not become effective for 12 months.

The change of election shall be made through a method established by the Plan Administrator.

(f) Notwithstanding the Participant's payment elections under this Article V, the entire amount remaining in the Participant's Account will be paid to the Participant in a lump sum in January of the calendar year in which the Participant will attain age 80.

(g) Unless the Participant elected otherwise as provided below, the vested amounts credited to his Deferred Restricted Stock Subaccount were automatically paid in a single payment in January 2008. Participants were allowed to elect on such form as provided by the Plan Administrator to receive payment (i) at the same time as the initial payment of his Retirement Account (assuming the Participant qualifies under subsection (b)), or (ii) during January of the year selected by the Participant for payment of his Restricted Stock In-Service Account. If the Participant terminates employment prior to the payment date of his Restricted Stock In-Service Account or event entitling the Participant to payment under subsection (b), payment of the Participant's Deferred Restricted Stock Subaccount will be made within 90 days after the Participant's termination of employment. All distributions from the Participant's Deferred Restricted Stock Subaccount shall be made in a lump sum. The Participant may elect to change the time (but not form) of payment of his Restricted Stock Account, provided (i) such change in the time of payment shall be made not less than twelve (12) months prior to the event entitling the Participant to payment of his Restricted Stock Account; (ii) only two such changes are permitted and after the second such election change, the election is irrevocable; (iii) the payment date for the Participant's Restricted Stock Account will be deferred for 5 years for each election change, and (iv) the election shall not become effective for 12 months.

The amounts credited to the Participant's Deferred Restricted Stock Subaccount shall be subject to the Financial Hardship distribution rules of Section 5.5. The amounts credited to the Deferred Restricted Stock Subaccount that are treated as invested in Shares shall be paid in Shares.

(h) Notwithstanding the other provisions of this Article V, in the event a Participant who is a "key employee" (as determined by the Plan Administrator in accordance with procedures established by the Committee that are consistent with Section 409A) becomes entitled to payments upon separation from service, payments shall not commence until 6 months after such Participant separates from service and on such date the payments that would have been made during such six- month period shall be made.

5.2 Payment upon Certain Terminations of Service.

Subject to Section 5.1(h) above, the vested amount of the Participant's Account (including any unpaid amounts in the Participant's In-Service Accounts) will be paid in a lump sum as soon as practical after the end of the month following the date on which the Participant has a Termination of Service and the elections under Section 5.1 shall not be recognized, unless the Participant has died, attained age 55 at the time of such

Termination of Service, or the Participant qualifies for Total and Permanent Disability under the terms of this Plan.

5.3 Payment at Death.

(a) **While Actively Employed.** In the event a Participant dies while actively employed, the entire amount of the Participant's Account will become fully vested and will be paid in accordance with the Participant's death election on the Election Form and, in the absence of such election, payment will be made in a lump sum.

(b) **After Termination of Service.** In the event a Participant dies subsequent to Termination of Service, the remaining amount of the Participant's Account, if any, will be distributed to the Participant's designated Beneficiaries in the form and at the time that payments would have been made had the Participant survived.

5.4 Payment at Disability.

In the event of the Participant's Total and Permanent Disability (as defined in Section 2.38), the entire amount of the Participant's Account will become fully vested and payment will be made in accordance with the Participant's election under subsection (b). Once payment has commenced, payments will continue as elected regardless of any future change in the Participant's disability status.

5.5 Financial Hardship Distribution.

Subject to approval by the Plan Administrator, the Participant may apply to withdraw, upon a showing of Financial Hardship, part or all of his vested Account. If the Plan Administrator determines that a distribution should be made on account of Financial Hardship, distribution from the Participant's Account shall be made as soon as administratively practical. Such distribution shall not exceed the dollar amount necessary to satisfy the Financial Hardship plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which the Financial Hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause Financial Hardship).

ARTICLE VI

PLAN ADMINISTRATOR

6.1 **Plan Administrator.** The Plan Administrator shall be the Company or such committee as may be designated by the Company to administer and manage the Plan. Members of any committee shall not be required to be employees of the Company or Participants. Action of the Plan Administrator may be taken with or without a meeting of committee members. If a member of the committee is a Participant in the Plan, he shall not participate in any decision which solely affects his own Account.

6.2 **Right and Duties.** The Plan Administrator shall have the discretionary authority to administer and manage the Plan and shall have all powers necessary to accomplish that purpose, including (but not limited to) the following:

- (a) To construe, interpret, and administer this Plan;
- (b) To make allocations and determinations required by this Plan, and to maintain records relating to Participants' Accounts;

(c) To compute and certify to the Company the amount and kinds of benefits payable to Participants or their beneficiaries, and to determine the time and manner in which such benefits are to be paid;

(d) To authorize all disbursements by the Company pursuant to this Plan;

(e) To maintain (or cause to be maintained) all the necessary records of the administration of this Plan;

(f) To make and publish such rules for the regulation of this Plan as are not inconsistent with the terms hereof;

(g) To delegate to other individuals or entities from time to time the performance of any of its duties or responsibilities hereunder; and

(h) To hire agents, accountants, actuaries, consultants and legal counsel to assist in operating and administering the Plan.

The Plan Administrator shall have the exclusive discretionary authority to construe and to interpret the Plan, to decide all questions of eligibility for benefits and to determine the amount and manner of payment of such benefits, and its decisions on such matters shall be final and conclusive on all parties.

6.3 Compensation, Indemnity and Liability. The Plan Administrator shall serve as such without bond and without compensation for services hereunder. All expenses of the Plan and the Plan Administrator shall be paid by the Company. If the Plan Administrator is a committee, no member of the committee shall be liable for any act or omission of any other member of the committee, nor for any act or omission on his own part, excepting his own willful misconduct. The Company shall indemnify and hold harmless the Plan Administrator and each member of the committee against any and all expenses and liabilities, including reasonable legal fees and expenses, arising out of his membership on the committee, excepting only expenses and liabilities arising out of his own willful misconduct.

6.4 Taxes. If the whole or any part of any Participant's Account shall become liable for the payment of any estate, inheritance, income, or other tax which the Company shall be required to pay or withhold, the Company shall have the full power and authority to withhold and pay such tax out of any monies or other property in its hand for the account of the Participant whose interests hereunder are so liable. The Company shall provide notice of any such withholding. Prior to making any payment, the Company may require such releases or other documents from any lawful taxing authority as it shall deem necessary.

ARTICLE VII

CLAIMS PROCEDURE

7.1 Claims for Benefits. If a Participant or beneficiary (hereafter, "Claimant") does not receive timely payment of any benefits which he believes are due and payable under the Plan, he may make a claim for benefits to the Plan Administrator. The claim for benefits must be in writing and addressed to the Plan Administrator or to the Company. If the claim for benefits is denied, the Plan Administrator shall notify the Claimant in writing within 90 days after the Plan Administrator initially received the benefit claim. However, if special circumstances require an extension of time for processing the claim, the Plan Administrator shall furnish notice of the extension to the Claimant prior to the termination of the initial 90-day period and such extension shall not exceed one additional, consecutive 90-day period. Any notice of a denial of benefits shall advise the Claimant of the basis for the denial, any additional material or information necessary for the Claimant to perfect his claim, and the steps which the Claimant must take to have his claim for benefits reviewed.

7.2 Appeals. Each Claimant whose claim for benefits has been denied may file a written request for a review of his claim by the Plan Administrator. The request for review must be filed by the Claimant within 60 days after he received the written notice denying his claim. The decision of the Plan Administrator will be made within 60 days after receipt of a request for review and shall be communicated in writing to the Claimant. Such written notice shall set forth the basis for the Plan Administrator's decision. If there are special circumstances which require an extension of time for completing the review, the Plan Administrator's decision shall be rendered not later than 120 days after receipt of a request for review.

ARTICLE VIII
AMENDMENT AND TERMINATION; CHANGE IN CONTROL

8.1 Amendments. Subject to Section 8.3, the Company (or its designee) shall have the right in its sole discretion to amend this Plan in any manner at any time; provided, however, that no such amendment shall reduce the Participant's vested interest in his Account under Section 4.3 at that time. Any amendment shall be in writing and executed by a duly authorized officer of the Company. All Participants shall be bound by such amendment.

8.2 Termination of Plan. The Company expects to continue this Plan, but does not obligate itself to do so. Subject to Section 8.3, the Company reserves the right to discontinue and terminate the Plan at any time, in whole or in part, for any reason (including a change, or an impending change, in the tax laws of the United States or any State). If the Plan is terminated, the Plan Administrator shall be notified of such action in a writing executed by a duly authorized officer of the Company, and the Plan shall be terminated at the time therein set forth. The amounts credited to the Participants' Accounts upon such termination shall become fully vested and shall be paid in a lump sum, provided that (i) the Company terminates at the same time any other arrangement that would be aggregated with the Plan under Section 409A; (ii) the Company does not adopt any other arrangement that would be aggregated with the Plan under Section 409A for three years; (iii) the payments upon such termination shall not commence until 12 months after the date of termination and all such payments are completed within 24 months after the date of termination; and (iv) such other requirements as may be imposed by Section 409A are satisfied. The termination of this Plan shall not result in the reduction of the amount credited to the Participant's Account as of the date of such termination.

8.3 Change In Control Provisions.

(a) Amendment or Termination. Notwithstanding anything contained in this Article VIII or the Plan to the contrary, for a period of two (2) years following a Change in Control, this Plan shall not be terminated or amended to reduce, suspend or eliminate any Eligible Executive's or Participant's benefits or participation (or right to participate) provided under this Plan, including, without limitation, the benefits provided in Articles III and IV. Any amendment or termination of this Plan which a Participant reasonably demonstrates (i) was at the request of a third party who has indicated an intention or taken steps reasonably calculated to effect a Change in Control, or (ii) otherwise arose in connection with or in anticipation of a Change in Control, and which was not consented to in writing by the Participant shall be null and void, and shall have no effect whatsoever with respect to the Participant.

(b) Termination of Employment. Notwithstanding anything contained in this Plan to the contrary, if a Participant's employment is terminated by the Company (other than for "Cause" as defined in (c) below) or by the Participant for any reason within two (2) years following a Change in Control, the Participant's Account shall become fully vested and the Company shall, within five (5) days, pay to the Participant a lump sum cash payment of the full amount credited to his Account with earnings determined under Sections 3.3 and 4.1 credited thereto to the date of payment. If a Participant's employment is terminated (i) for Cause (as defined in (c) below) within two (2) years following a Change in Control or (ii) for any reason more than two (2) years after a Change in Control, the provisions of Article IV shall apply to the distribution of the Participant's Account.

(c) Cause. For purposes of Section 8.3(b), a termination for “Cause” is a termination of the Executive evidenced by a resolution adopted in good faith by the Company (or in the case of executive officers of the Company, by two-thirds of the Board of Directors of the Company) that the Participant (i) intentionally and continually failed to substantially perform his duties with the Company (other than a failure resulting from the Participant’s incapacity due to physical or mental illness) which failure continued for a period of at least thirty (30) days after a written notice of demand for substantial performance has been delivered to the Participant specifying the manner in which the Participant has failed to substantially perform, or (ii) intentionally engaged in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise; provided, however, that no termination of the Participant’s employment shall be for Cause as set forth in clause (ii) above until (x) there shall have been delivered to the Participant a copy of a written notice setting forth that the Participant was guilty of the conduct set forth in clause (ii) and specifying the particulars thereof in detail, and (y) the Participant shall have been provided an opportunity to be heard by the Board (with the assistance of the Participant’s counsel if the Participant so desires). No act, nor failure to act, on the Participant’s part, shall be considered “intentional” unless he has acted or failed to act, with an absence of good faith and without a reasonable belief that his action or failure to act was in the best interest of the Company. Notwithstanding anything contained in this Agreement to the contrary, in the case of any Participant who is a party to a Change in Control Agreement, no failure to perform by the Participant after a Notice of Termination (as defined in the Participant’s Change in Control Agreement) is given by the Participant shall constitute Cause for purposes of this Plan.

ARTICLE IX MISCELLANEOUS

9.1 Limitation on Participant’s Rights. Participation in this Plan shall not give any Participant the right to be retained in the Company’s employ or the employ of any Employer, or any right or interest in this Plan or any assets of the Company other than as herein provided. The Company reserves the right to terminate the employment of any Participant without any liability for any claim against the Company under this Plan, except to the extent provided herein.

9.2 Benefits Unfunded. The benefits provided by this Plan shall be unfunded. All amounts payable under this Plan to Participants shall be paid from the general assets of the Company, and nothing contained in this Plan shall require the Company to set aside or hold in trust any amounts or assets for the purpose of paying benefits to Participants. This Plan shall create only a contractual obligation on the part of the Company, and Participants shall have the status of general unsecured creditors of the Company under the Plan with respect to amounts of Compensation they defer hereunder or any other obligation of the Company to pay benefits pursuant hereto. Any funds of the Company available to pay benefits pursuant to the Plan shall be subject to the claims of general creditors of the Company, and may be used for any purpose by the Company.

Notwithstanding the preceding paragraph, the Company may at any time transfer assets, including Shares, to a trust for purposes of paying all or any part of its obligations under this

Plan. However, to the extent provided in the trust only, such transferred amounts shall remain subject to the claims of general creditors of the Company. To the extent that assets are held in a trust when a Participant’s benefits under the Plan become payable, the Plan Administrator shall direct the trustee to pay such benefits to the Participant from the assets of the trust.

9.3 Other Plans. This Plan shall not affect the right of any Executive or Participant to participate in and receive benefits under and in accordance with the provisions of any other employee benefit plans which are now

or hereafter maintained by the Company, unless the terms of such other employee benefit plan or plans specifically provide otherwise.

9.4 Receipt or Release. Any payment to a Participant in accordance with the provisions of this Plan shall, to the extent thereof, be in full satisfaction of all claims against the Plan Administrator, the Company and any Employer, and the Plan Administrator may require such Participant, as a condition precedent to such payment, to execute a receipt and release to such effect.

9.5 Governing Law. This Plan shall be construed, administered, and governed in all respects in accordance with applicable federal law and, to the extent not preempted by federal law, in accordance with the laws of the State of Georgia. If any provisions of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

9.6 Gender, Tense, and Headings. In this Plan, whenever the context so indicates, the singular or plural number and the masculine, feminine, or neuter gender shall be deemed to include the other. Headings and subheadings in this Plan are inserted for convenience of reference only and are not considered in the construction of the provisions hereof.

9.7 Successors and Assigns; Nonalienation of Benefits. This Plan shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns; provided, however, that the amounts credited to the Account of a Participant shall not (except as provided in Section 6.4) be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to any benefits payable hereunder, including, without limitation, any assignment or alienation in connection with a separation, divorce, child support or similar arrangement, shall be null and void and not binding on the Plan or the Company. In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to substantially all of the business or assets of the Company to expressly agree to assume and perform this Agreement in the same manner that the Company would be required to perform it.

9.8 Combination With Other Plan. The Plan may be combined or merged with other deferred compensation plans of the Company and the Plan Administrator shall establish the terms and conditions relating to any such merger.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officers as of the ___ day of June, 2025, to be effective on the Effective Date, except where otherwise noted.

ACUITY INC.

By: /s/ Chanda Kirchner

Title: Vice President, Corporate Secretary

APPENDIX A

PENSION PLAN MAKE-UP CONTRIBUTION CREDIT

(a) In General – Commencing January 1, 2005 (except where such amounts have already been credited under the Prior Plan), the Company shall for each Plan Year during the Make-Up Contribution Period (as defined in subsection (b) below) for each Pension Plan Participant (as defined in subsection (d) below) make a Make-Up Contribution credit (determined in accordance with subsection (b) below) for the benefit of such Pension Plan Participant. The Make-Up Contribution for each Plan Year shall be credited to the Pension Plan Participant's Make-Up Contribution Subaccount. The Make-Up Contribution Subaccount shall become vested in accordance with the following schedule:

Completed Years of Service Vested Percentage Forfeited Percentage

Less than 5 years 0 100%

5 or more years 100% 0%

The Make-Up Contribution Subaccount shall be credited with interest at the Prime Rate on each Annual Valuation Date based upon the amount credited to such Subaccount as of the preceding Annual Valuation Date and at such other times, if any, as may be determined by the Plan Administrator. The vested Make-up Contribution Subaccount shall be credited to the Retirement Account and shall be distributed as provided in Article V. The Make-Up Contribution for each Plan Year shall be credited on the last day of the Plan Year, unless the Employer elects to make such credit on an earlier date. In order to be eligible to receive the Make-Up Contribution credit for the Plan Year, the Pension Plan Participant must be actively employed on the last day of the Plan Year and complete a Year of Service for such year. Any forfeiture of the credits to a Pension Plan Participant's Make-Up Contribution Account shall be used to reduce future make-up contribution credits.

(b) Amount of Make-Up Contribution Credit

i. The Make-Up Contribution credit for a Pension Plan Participant for the Plan Year shall be equal to the Present Value determined as of January 1, 2003 of the Annual Benefit Loss of the Pension Plan Participant divided by the number of years in the Make-Up Contribution Period, adjusted by the Discount Percentage. The Annual Benefit Loss for a Pension Plan Participant is the difference between (A) the aggregate annual retirement benefit (based upon the assumptions in subsection (b)(ii) below) the Pension Plan Participant was projected to receive at age 62 assuming that the Pension Plan and the 401(k) Plan (as defined in subsection (d) below) continued in operation in accordance with their terms as in effect on December 31, 2002, and (B) the aggregate annual retirement benefit (based upon the assumptions in subsection (b)(ii) below) the Pension Plan Participant was projected to receive at age 62 assuming that the Pension Plan is frozen at January 1, 2003 and the 401(k) Plan was amended effective January 1, 2003 to provide for a match of 60% on Elective Deferrals up to 6% of the Participant's Annual Compensation. The Pension Plan Participant's Make-Up Contribution Period is the period commencing January 1, 2003 and ending on the last day of the Plan Year in which the Pension Plan Participant attains age 62. The Present Value of the Annual Benefit Loss shall be determined by taking the amount of the Annual Benefit Loss on the date the Pension Plan Participant attains age 62 and discounting such amount to January 1, 2003 using an interest rate of 5.12% per year and the mortality table prescribed by the IRS in Rev. Rul. 95-6.

ii. The Annual Benefit Loss shall be calculated using the following factors and assumptions:

- A Pension Plan Participant's service and compensation under the Pension Plan are frozen as of December 31, 2002.
- The rate of Matching Contributions under the 401(k) Plan is increased effective January 1, 2003 to 60% on Elective Contributions up to 6% of a Participant's Annual Compensation and the Pension Plan Participant will make sufficient Elective Deferrals to receive the maximum Matching Contributions.
- A Pension Plan Participant's Annual Compensation is his or her Annual Compensation for 2000, with an increase rate of 3% per year.
- Pension Plan Participant's Matching Contribution Account Balance in the 401(k) Plan as of December 31, 2001, will be projected to age 62 with earnings of 6% per year.
- 401(k) Plan compensation limit of \$200,000 applies for 2002 and prior years and will increase by 3% per year.
- Annuity and lump sum conversions are based upon a 5.12% annual interest rate and the mortality table prescribed by the IRS in Rev. Rul. 95-6.
- The annual retirement benefit from the 401(k) Plan is based solely upon the Pension Plan Participant's Matching Contribution Account (adjusted as provided herein) and not the individual's other accounts under Section 4.1 of the 401(k) Plan.

iii. The Make-Up Contribution to be credited to a Pension Plan Participant for a Plan Year shall be increased over the amount credited for the prior Plan Year by the Discount Percentage to account for the passage of a year and the related foregone interest earnings potential.

(c) Change of Eligible Status – If a Pension Plan Participant is treated as a Highly Compensated Employee under the 401(k) Plan for a Plan Year, the Pension Plan Participant shall be eligible to receive a Make-Up Contribution credit for such Plan Year. If the Pension Plan Participant who is a Highly Compensated Employee for a Plan Year ceases to be a Highly Compensated Employee for a subsequent Plan Year, then the Pension Plan Participant shall be ineligible to receive a Make-Up Contribution credit for such later Plan Year. If a Pension Plan Participant ceases to be eligible to participate in the 401(k) Plan for a Plan Year, the Pension Plan Participant shall not be eligible to receive a Make-Up Contribution for such Plan Year.

(d) Definitions – The following definitions shall apply for purposes of this Appendix A (and in the case of subsections (i) and (v) shall refer to such plan as it may be retitled to reflect the Name Change):

- i. Pension Plan – The Acuity Brands, Inc. Pension Plan, as amended through December 31, 2002.
- ii. Pension Plan Participant – A participant in the Pension Plan on December 31, 2002 who (i) is an active Employee of an Employer on December 31, 2002, (ii) will be considered a Highly Compensated Employee of the Employer for 2003 or in a subsequent Plan Year for which he would be eligible for a Make-Up Contribution, and
- iii. is a Participant in the 401(k) Plan for the Plan Year commencing on January 1, 2003 and any subsequent Plan Year for which a Make-Up Contribution credit is to be made.
- iv. Discount Percentage – A percentage rate equal to 5.12% per year.

- v. 401(k) Plan – The Acuity Brands, Inc. 401(k) Plan for Corporate Employees as amended through December 31, 2002.
- (e) Discretion of Company – The Company shall have the discretion to determine the amount of the Make-Up Contribution for Pension Plan Participants each Plan Year and the Company’s determination of the Make-Up Contribution credit shall be final and binding upon all parties.
- (f) Amendment – This Appendix A may be amended by the Company in accordance with the usual rules for amendment of the Plan in Section 8.1.

APPENDIX B

SERP MAKE-UP CONTRIBUTION CREDIT

(a) In General – Commencing January 1, 2005 (except where such amounts have already been credited under the Prior Plan), the Company shall for each Plan Year during the SERP Make-Up Contribution Period (as defined in subsection (b) below) for each SERP Plan Participant (as defined in subsection (d) below) make a SERP Make-Up Contribution credit (determined in accordance with subsection (b) below) for the benefit of such SERP Plan Participant. The SERP Make-Up Contribution for each Plan Year shall be credited to the SERP Plan Participant's SERP Make-Up Contribution Subaccount. The SERP Make-Up Contribution Subaccount shall at all times be fully vested and nonforfeitable. The SERP Make-Up Contribution Subaccount shall be credited with interest at the Prime Rate on each Annual Valuation Date based upon the amount credited to such Subaccount as of the preceding Annual Valuation Date and at such other times, if any, as may be determined by the Plan Administrator. The SERP Make-up Contribution Subaccount shall be credited to the Retirement Account and shall be distributed as provided in Article V. The SERP Make-Up Contribution for each Plan Year shall be credited on the last day of the Plan Year, unless the Employer elects to make such credit on an earlier date. In order to be eligible to receive the SERP Make-Up Contribution credit for the Plan Year, the SERP Plan Participant must be actively employed on the last day of the Plan Year and complete a Year of Service for such year.

(b) Amount of SERP Make-Up Contribution Credit

i. The SERP Make-Up Contribution credit for a SERP Plan Participant for the Plan Year shall be equal to the Present Value determined as of January 1, 2003 of the Annual Benefit Loss of the SERP Plan Participant divided by the number of years in the SERP Make-Up Contribution Period, adjusted by the Discount Percentage. The Annual Benefit Loss for a SERP Plan Participant is the difference between (A) the aggregate annual supplemental retirement benefit (based upon the assumptions in subsection (b)(ii) below) the SERP Plan Participant was projected to receive at age 60 assuming that the Pension Plan, the Current SERP (as defined in subsection (d) below) and the EDCP (as defined in subsection (d) below) continued in operation in accordance with their terms as in effect on August 31, 2002, and (B) the aggregate supplemental annual retirement benefit (based upon the assumptions in subsection (b)(ii) below) the SERP Plan Participant is projected to receive at age 60 from the New SERP. The Pension Plan Participant's SERP Make-Up Contribution Period is the period commencing January 1, 2003 and ending on the last day of the Plan Year in which the SERP Plan Participant attains age 60. The Present Value of the Annual Benefit Loss shall be determined by taking the amount of the Annual Benefit Loss on the date the SERP Plan Participant attains age 60 and discounting such amount to January 1, 2003 using an interest rate of 5.12% per year and the mortality table prescribed by the IRS in Rev. Rul. 95-6.

ii. The Annual Benefit Loss shall be calculated using the following factors and assumptions:

- A SERP Plan Participant's service and compensation under the Pension Plan is frozen as of December 31, 2002.
- A SERP Plan Participant's Annual Compensation is his or her Annual Compensation for 2002, with an increase rate of 3% per year.

iii. The SERP Make-Up Contribution to be credited to a SERP Plan Participant for a Plan Year shall be increased over the amount credited for the prior Plan Year by the Discount Percentage to account for the passage of a year and the related foregone interest earnings potential.

(c) Discretion of Company – The Company shall have the discretion to determine the amount of the SERP Make-Up Contribution for SERP Plan Participants each Plan Year and the Company’s determination of the SERP Make-Up Contribution credit shall be final and binding upon all parties.

(d) Definitions – The following definitions shall apply for purposes of this Appendix B (and in the case of subsections (i), (iv), (v) and (vi) shall refer to such plan as it may be retitled to reflect the Name Change):

- i. Pension Plan – The Acuity Brands, Inc. Pension Plan, as amended through December 31, 2002.
- ii. SERP Plan Participant – Kenyon W. Murphy, Joseph G. Parham, Jr., and Vernon J. Nagel.
- iii. Discount Percentage – A percentage rate equal to 5.12% per year.
- iv. Current SERP – The Acuity Brands, Inc. Supplemental Retirement Plan for Executives as amended through December 31, 2002.
- v. New SERP – The Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan, which will be effective January 1, 2003.
- vi. EDCP – The Acuity Brands, Inc. Executives’ Deferred Compensation Plan as amended through August 31, 2002.

(e) Amendment – This Appendix B may be amended by the Company in accordance with the usual rules for amendment of the Plan in Section 8.1.

ACUITY INC.
2011 NONEMPLOYEE DIRECTOR DEFERRED COMPENSATION PLAN
(Amended and Restated, Effective as of
March 26, 2025)

1. Establishment, History and Purpose.

1.1 Establishment and History of the Plan. Acuity Inc., a Delaware corporation, (the "Corporation") adopted the Acuity Brands, Inc. 2011 Nonemployee Director Deferred Compensation Plan (the "2011 Plan"), which became effective on December 1, 2011, subject to approval of the Company's stockholders. On September 27, 2012, the Committee approved an amendment to the 2011 Plan to provide, among other things, for grants of vested Stock in lieu of mandatory deferral for the non-cash component of the Annual Fee if an Eligible Director's level of Stock ownership exceeds certain Stock ownership requirements. On October 25, 2021, the Board further amended and restated the 2011 Plan as set forth in this document, and as may be further amended from time to time (the "Plan"), to (i) retire from authorization all shares of Stock previously authorized for issuance under the Plan but not subject to Deferred Stock Units previously granted and outstanding hereunder as of the Effective Date (such action, the "Share Reserve Retirement"), (ii) provide that any Deferred Stock Unit, Stock Award or other equity-based award to be granted to an Eligible Director on or after the Effective Date shall be made under the Omnibus Plan and not under the Plan, (iii) eliminate the term previously applicable to the grant of Deferred Stock Units under the Plan, as such Deferred Stock Units shall no longer be granted hereunder, and (iv) make certain other amendments pertaining to the operation of the Plan. The Plan became effective upon the approval of the Corporation's stockholders of the Omnibus Plan at the Company's annual meeting of stockholders in January 2022 (the "Effective Date"), and, any Deferred Stock Units granted to an Eligible Director on or after the Effective Date have been and shall be granted under the Omnibus Plan. The Plan has been further amended and restated as of March 26, 2025 to reflect the Company's corporate name change.

1.2 Purpose of the Plan. The Plan is intended to increase the alignment of the interests of eligible members of the Board with the interests of stockholders of the Corporation and increase their incentive to contribute to the success of the Corporation's business by permitting Eligible Directors to elect to defer their fees for investment into an interest-bearing account or in Deferred Stock Units, as hereinafter defined, on the terms and conditions set forth herein.

2. Definitions. When used in this Plan, unless the context otherwise requires:

2.1 "Account" shall mean the records maintained by the Committee (or its designee) to determine the Eligible Director's deferrals under the Plan. Such Account may be reflected as an entry in the Corporation's records, or as a separate account under a trust or as a combination of both. The Committee may establish such additional subaccounts as it deems necessary for the proper administration of the Plan.

2.2 "Annual Fee" shall mean the annual fee payable each calendar year to an Eligible Director for service on the Board.

- 2.3 "Board" shall mean the Board of Directors of the Corporation.
- 2.4 "Board Meeting Fee" shall mean the fee payable to an Eligible Director for attendance at any meeting of the Board.
- 2.5 "Chair Fee" shall mean the fee, if any, payable to an Eligible Director for service as the Chair of a committee of the Board.
- 2.6 "Committee" shall mean the Compensation and Management Development Committee of the Board or such other committee as may be designated by the Board. In the absence of the appointment of a Committee, the Board shall serve as the Committee.
- 2.7 "Committee Meeting Fee" shall mean the fee payable to an Eligible Director for attendance at any meeting of a committee of the Board.
- 2.8 "Corporation" shall have the meaning provided in Section 1.1 hereof.
- 2.9 "Deferred Stock Unit" shall mean a unit equivalent in value to a share of Stock credited to the Account of an Eligible Director pursuant to Section 5 hereof which, as from the Effective Date, shall be granted under the Omnibus Plan and be subject to such vesting and other terms as are consistent with the Omnibus Plan, as determined by the Committee.
- 2.10 "Eligible Director" shall mean each member of the Board who is not at the time of reference an employee of the Corporation or any Subsidiary.
- 2.12 "Fair Market Value" shall mean the average of the high and low sales prices of a share of Stock as reported on the New York Stock Exchange Composite Tape on the five (5) trading dates immediately preceding the date for which such value is being determined.
- 2.13 "Investment Fund" shall mean an interest-bearing fund providing a rate of interest based upon an index or a rate specified by the Committee or such other deemed investment fund (or funds) as the Committee may establish as the basis for calculating earnings, gain and losses for all or a portion of the Eligible Director's Account.
- 2.14 "Omnibus Plan" shall mean the Acuity Inc. 2012 Omnibus Stock Incentive Compensation Plan, as amended and restated, and as it may be further amended from time to time, and any successor plan thereto.
- 2.15 "Optional Amount" shall mean the amount elected to be deferred by an Eligible Director for any calendar year during the term hereof pursuant to Section 5.2 hereof.
- 2.16 "Plan" shall have the meaning provided in Section 1.1 hereof.
- 2.17 "Restricted Stock" shall mean Restricted Stock as provided for under the Omnibus Plan that is granted to an Eligible Director under the Omnibus Plan and is subject to such vesting and other terms as are consistent with the Omnibus Plan, as determined by the Committee.

2.18 "Section 409A" shall mean Section 409A of the Internal Revenue Code of 1986, as amended ("Code"), and the regulations and rulings thereunder.

2.19 "Share Reserve Retirement" shall have the meaning provided in Section 1.1 hereof.

2.20 "Stock" shall mean the Common Stock of the Corporation.

2.21 "Stock Award" shall mean either a Stock Bonus Award or an award of Restricted Stock, but unless otherwise provided by the Committee, shall mean a Stock Bonus Award, pursuant to Section 5.1(b) hereof.

2.22 "Stock Bonus Award" shall mean a Stock Bonus Award as provided for under the Omnibus Plan that is granted to an Eligible Director under the Omnibus Plan in the form of shares of unrestricted Stock.

2.23 "Stock Ownership Guideline" shall mean, as of a given calendar year, that (i) the sum of the number of shares of Stock held directly by an Eligible Director, plus the number of Deferred Stock Units credited to an Eligible Director's Account, each determined as of November 30 of such calendar year; *multiplied by* (ii) the closing price of the Corporation's Stock on November 30 (or the last trading day of November) of such calendar year, equals or exceeds the Stock ownership guideline or level as may be established by the Board from time to time.

2.24 "Subsidiary" shall mean any corporation more than 50% of whose stock having general voting power is owned by the Corporation or by a Subsidiary of the Corporation.

3. Administration.

3.1 The Plan shall be administered by the Committee.

3.2 The Committee may make such rules and establish such procedures for the administration of the Plan as it deems appropriate to carry out the purpose of the Plan. The interpretation and application of the Plan or of any rule or procedure, and any other matter relating to or necessary to the administration of the Plan, shall be determined by the Committee, and any such determination shall be final and binding on all persons. To the extent not prohibited by applicable laws, the Committee may delegate to other directors, officers or employees, as the Committee determines, such ministerial and discretionary duties with respect to the Plan as it sees fit.

3.3 The Corporation or the Committee may employ such legal counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any advice or opinion received from any such counsel or consultant and any computation received from any such consultant or agent. No member of the Committee shall be liable for any act done or omitted to be done by such member, or by any other member of the Committee, in connection with the Plan, except for such member's own willful misconduct or as otherwise expressly provided by statute.

3.4 The Committee shall have the power to promulgate rules and other guidelines in connection with the performance of its obligations, powers and duties under the Plan, including its duty to administer and construe the Plan and any grants made under the Plan.

4. Stock Available for Issuance; Capital Adjustments.

4.1 As of the Effective Date and after giving effect to the Share Reserve Retirement, the aggregate maximum number of shares of Stock reserved for issuance under the Plan shall be 57,777, which number reflects the number of shares of Stock subject to Deferred Stock Units previously granted and outstanding under the Plan as of the Effective Date, subject to the adjustment provision set forth in Section 4.2 hereof.

4.2 In the event of a reorganization, recapitalization, stock split, reverse stock split, stock dividend, spin-off, split-up, combination of shares, merger, consolidation or a similar corporate transaction, the number, class or kind of shares of Stock or other securities represented by Deferred Stock Units credited and granted hereunder prior to the Effective Date, shall be proportionately adjusted in a manner deemed appropriate by the Committee to reflect any such event or transaction. Deferred Stock Units credited to an Eligible Director's Account on or after the Effective Date shall be granted under and subject to the adjustment provisions of the Omnibus Plan.

5. Deferrals and Stock Awards.

5.1 Non-Cash Component of the Annual Fee.

(a) Mandatory Deferral. The non-cash component of the Annual Fee for a given calendar year shall automatically be credited to the Account of an Eligible Director in the form of Deferred Stock Units on the date such Annual Fee would otherwise have been paid to the Eligible Director, unless the Eligible Director has achieved the Stock Ownership Guideline (determined as of November 30 of the preceding calendar year).

(b) Stock Awards in Lieu of Mandatory Deferral. If the Eligible Director has achieved the Stock Ownership Guideline for a given calendar year, then the non-cash component of the Annual Fee payable for the services to be rendered by the Eligible Director in the calendar year immediately following the calendar year in which the Stock Ownership Guideline has been achieved, shall be paid directly to the Eligible Director in the form of a Stock Award on the date such Annual Fee would otherwise have been paid to the Eligible Director, unless the Eligible Director has elected to defer such non-cash component of such Annual Fee in accordance with Section 5.2 hereof.

5.2 Deferral Election of Optional Amount. Except as provided under Section 5.3 below, each Eligible Director shall be entitled to elect to defer, with respect to each calendar year during the term of this Plan, (i) such portion of the non-cash component of the Annual Fee described in Section 5.1(b), if applicable, (ii) any portion of the cash component of the Annual Fee, and (iii) such portion of any Board Meeting Fee, Committee Meeting Fee, and Chair Fee, if applicable, under the Plan. Such election shall be made and submitted on or before December 31

of the calendar year prior to the calendar year in which the applicable Eligible Director fees are to be earned on such form as shall be determined from time to time by the Committee, which the Committee may provide is a continuing deferral election. The Optional Amount shall automatically be credited to the Account of each Eligible Director on the date such Optional Amount would otherwise have been paid to the Eligible Director and in the manner elected pursuant to Section 5.5 below.

5.3 First Year of Eligibility. Notwithstanding anything to the contrary herein, and unless otherwise determined by the Committee, with respect to Board fees to be paid to an Eligible Director in the same calendar year in which the Eligible Director is first eligible to participate in the Plan, (a) the non-cash component of the Annual Fee for such calendar year shall automatically be credited to the Account of an Eligible Director in the form of Deferred Stock Units on the date such Annual Fee would otherwise have been paid to the Eligible Director, regardless of whether the Eligible Director has achieved the Stock Ownership Guideline; and (b) to the extent permitted under Section 409A and in accordance with the terms of the Plan, the Eligible Director may elect to defer the cash component of the Annual Fee and any applicable Board Meeting Fee, Committee Meeting Fee or Chair Fee, if applicable, that relate to services to be performed after the date of such election, provided that such election is made no later than thirty (30) days after the Eligible Director becomes eligible to participate in the Plan. Unless otherwise determined by the Committee, any election made by an Eligible Director pursuant to this Section 5.3(b) shall be made by the time the Eligible Director commences service with the Company. Further, (i) any Deferred Stock Units so elected by the Eligible Director shall be approved by the Committee, and (ii) in the event that an Eligible Director fails to specify whether or not any cash payable to such Eligible Director should be deferred in accordance with this Section 5.3(b), such cash amounts shall not be deferred and shall be paid to the Eligible Director in accordance with the Company's regular schedule for payment of Board fees.

5.4 Calculation of Number of Shares of Stock or Deferred Stock Units. The calculation of the number of shares of Stock to be issued or Deferred Stock Units to be granted pursuant to Section 5.1, 5.2 and/or 5.3 above, as applicable, shall be determined by dividing the cash or non-cash portion of the Annual Fee, as the case may be, by the Fair Market Value on the date such cash or non-cash portion would otherwise have been paid to the Eligible Director or credited to the Eligible Director's Account), and by rounding up to the nearest whole share of Stock. For purposes of the foregoing and unless otherwise determined by the Committee, any Stock Awards to be issued or Deferred Stock Units to be granted pursuant to Sections 5.1 or 5.2 above shall be granted on the date of the annual meeting of the Corporation's stockholders for the given calendar year and any Deferred Stock Units to be granted pursuant to Section 5.3 shall be granted on the date the Eligible Director commences service on the Board.

5.5 Investment Election of Optional Amounts. The Eligible Director may elect to have Optional Amounts, if any, credited in Deferred Stock Units or deemed to be invested in the Investment Fund, provided that once the Eligible Director makes such investment election for such year's deferrals, the election may not be changed.

5.6 Dividends on Deferred Stock Units. As of each dividend payment date declared with respect to the Stock, the Corporation shall credit to each Account an amount equal to (i) the

product of (x) the dividend per share of Stock payable on such dividend payment date and (y) the number of Deferred Stock Units credited to such Eligible Director's Account as of the applicable dividend record date. All dividends shall be credited to and deemed to be invested in the Investment Fund. All amounts credited to an Eligible Director's Account resulting from the crediting of dividends shall be paid in cash following termination of service as an Eligible Director in accordance with the payment provisions in Section 6 below.

6. Payment of Account.

6.1 Following the termination of service of an Eligible Director, the Eligible Director shall receive payment of his or her Account in the manner provided in this Section 6. The amount credited to the Investment Fund shall be paid in cash and the amount credited as Deferred Stock Units shall be paid in a combination of whole shares of Stock and cash for any fractional Deferred Stock Units held by an Eligible Director, converted using the closing price of a share of Stock on the date of distribution.

6.2 The Account shall be paid in a lump sum or in five substantially equal annual installments following the Eligible Director's termination of service, with payments made or commencing by the thirtieth (30th) day following such termination, in accordance with the Eligible Director's election on a form provided by the Committee at or prior to the time the Eligible Director commences participation in the Plan, or at such other time as may be permitted by Section 409A and the Committee. Notwithstanding the foregoing, if an Eligible Director who elected to have his or her Account paid in five substantially equal annual installments dies prior to receiving all annual installments, the sum of all remaining installments shall automatically be distributed within sixty (60) days following the Eligible Director's date of death or within such longer period as may be permitted under Section 409A. In the event and to the extent that an Eligible Director fails to specify the form of payment of the Account at or prior to such Eligible Director's commencement of service with the Company or at such other time as may be permitted by Section 409A and the Committee, payment of the Account shall be made in a lump sum.

6.3 An Eligible Director may, not less than twelve (12) months prior to termination of service, elect to change the method of payment of the Account, provided that (i) only one such change is permitted and after such election change, the election is irrevocable, (ii) the payment date for the Account will be deferred for five (5) years, and (iii) the election shall not become effective for twelve (12) months. The change of election shall be made on a form provided by the Committee.

6.4 The holder of Deferred Stock Units shall have none of the rights of a stockholder of the Corporation.

7. Term of Plan.

The Plan shall remain in effect until all amounts have been paid under the terms of the Plan, unless earlier terminated by the Board in compliance with Section 409A.

8. Amendment; Termination.

Subject to Section 409A, the Board may at any time and from time to time alter, amend, suspend, or terminate the Plan in whole or in part. The termination or any modification or amendment of the Plan shall not, without the consent of the Eligible Director, affect his or her rights under any Deferred Stock Units granted hereunder or reduce the benefits that have accrued prior to the date of such action.

9. Miscellaneous.

9.1 The Eligible Director's Account and Deferred Stock Units granted or credited hereunder shall not be assignable or transferable by the Eligible Director, except by will or by the laws of descent and distribution, and further shall not be pledged, encumbered or subject in any manner to alienation or anticipation.

9.2 Nothing in the Plan shall be construed as conferring any right upon any Eligible Director to continue as a member of the Board.

9.3 The Plan and all rights hereunder shall be construed in accordance with and governed by the laws of the State of Delaware.

9.4 The Corporation shall have the right to require, prior to any payment hereunder, payment by the recipient of any federal, state, local or other taxes which may be required to be withheld or paid in connection with such payment hereunder.

9.5 An Eligible Director shall be an unsecured creditor of the Corporation with respect to benefits under the Plan. The Corporation's obligations under the Plan, and under the Omnibus Plan, if applicable (i) with respect to Deferred Stock Units shall be an unsecured promise to distribute shares of Stock (and cash, if applicable) at the times described herein, and (ii) with respect to the Investment Fund shall be an unsecured promise to make cash payments at the times described herein.

9.6 An Eligible Director who is a foreign national or resident or employed outside the United States, or both, may participate in the Plan on such terms and conditions different from those applicable to Eligible Directors who are not foreign nationals or residents or who are employed in the United States as may, in the judgment of the Committee, be necessary or desirable in order to recognize differences in local law, regulations or tax policy.

9.7 The Plan is intended to satisfy, or to be excluded from, the requirements of Section 409A and the Committee shall have the discretion to interpret, construe and administer the Plan in a manner consistent with such intent. For purposes of Section 409A, an Eligible Director's right to receive any installment payments shall be treated as a right to receive a series of separate and distinct payments. An Eligible Director shall not be considered to have terminated the Eligible Director's service on the Board until the Eligible Director has incurred a "separation from service" as defined in Section 409A. Notwithstanding any provision in the Plan to the contrary, if at the time of an Eligible Director's separation from service the Eligible Director is a "specified employee" as defined under Section 409A, then any payment under this

Plan that is considered "nonqualified deferred compensation" subject to Section 409A that is payable on account of the Eligible Director's separation from service shall be delayed until the date which is the earlier of (i) the expiration of six (6) months following the date of the Eligible Director's separation from service, and (ii) the date of the Eligible Director's death, at which time all payments delayed pursuant to this paragraph shall be paid to the Eligible Director in a lump sum, and any remaining payments due under this Plan shall be paid or provided in accordance with the normal payment dates specified for them in this Plan or applicable election form.

MATCHING GIFT PROGRAM

A. PURPOSE

Acuity Inc. (the "Corporation") has for many years made contributions to philanthropic organizations. The matching gift program described below has been developed to afford the directors of the Corporation and senior management of Acuity, on a voluntary basis, an opportunity to direct a portion of the Corporation's philanthropic giving to organizations of greatest importance to them.

B. THE PROGRAM

The Corporation will match, on a dollar for dollar basis, cash contributions of at least Fifty Dollars (\$50) by Eligible Contributors to Eligible Recipients up to a total maximum of Two Thousand Five Hundred Dollars (\$2,500) per Eligible Contributor per fiscal year, except that the total maximum for each executive officer and director of the Corporation and president of an operating unit will be Five Thousand Dollars (\$5,000) per fiscal year. Contributions may go to more than one Eligible Recipient. Only contributions (not pledges) will be matched. A contribution by an Eligible Contributor may be designated for a specific use, but the Corporation's matching grants will be unrestricted, except as provided below.

C. ELIGIBLE CONTRIBUTORS

All Board of Directors of the Corporation, Executive Vice Presidents and Senior Vice Presidents as of the commencement of each fiscal year will be eligible to participate in the Program during such fiscal year.

D. ELIGIBLE RECIPIENTS

Subject to the conditions set forth below, the following types of institutions will be eligible to receive matching gifts under the Program:

1. Educational Institutions – Institutions with a regular faculty and curriculum that normally have a regularly enrolled student body attending classes on site. Contributions to such Eligible Recipients must be used for educational purposes.
2. Health and Welfare Organizations – The Red Cross, Cancer and Heart Funds, March of Dimes, and similar health and welfare organizations.
3. Hospitals – Accredited, public hospitals.
4. Youth Groups – YMCA, YWCA, 4-H Clubs, Junior Achievement, Scouting, Big Brother/Sister Organizations, and similar groups.
5. Cultural Organizations – Recognized cultural organizations and institutions available to the general public, such as museums, libraries, botanical or zoological societies, public radio and television stations, performing arts organizations, including symphony orchestras, and opera, ballet, dance, and theater groups.

A. CONDITIONS

To qualify, the Eligible Recipient must:

1. be located in the United States;
2. be a not-for-profit organization and be recognized by the Internal Revenue Service as an organization with respect to which contributions are deductible for Federal Income Tax purposes; and
3. must not be a:
 - (a) political organization or campaign;
 - (b) religious organization with religious purposes (i.e., church, synagogue, mosque, etc.);
 - (c) War Veterans organization; or
 - (d) United Way, Community Chest, or other federated drive (the Corporation already participates in the United Way campaign).

The Corporation will not match any payments for tuition or fees in lieu of tuition, dues, fees, subscriptions, memberships, courtesy advertising, tickets, products, services, fund raising dinners, or any payment which results in personal benefit to the Eligible Contributor.

E. ADMINISTRATION

Eligible Contributors desiring the Corporation to match any qualifying contribution should submit their check made payable to the Eligible Recipient and a completed application in the form attached hereto to the Program Administrator (Lisa Larkins). The Eligible Contributor's contribution and the Corporation's matching contribution will be mailed directly to the Eligible Recipient with an appropriate cover letter. A copy of the cover letter will be sent to the Eligible Contributor for his or her records.

F. TERMINATION OF PROGRAM

This Program may be terminated by the Board of Directors of the Corporation at any regular meeting. Eligible Contributors will be promptly notified of any such termination.

**AMENDED AND RESTATED ACUITY INC.
2012 OMNIBUS STOCK INCENTIVE COMPENSATION PLAN**

ARTICLE I. ESTABLISHMENT; HISTORY; PURPOSES; AND DURATION

1.1. Establishment and History of the Plan. Acuity Inc. (the “Company”) adopted the Acuity Brands, Inc. 2012 Omnibus Stock Incentive Compensation Plan (the “2012 Plan”). It became effective as of January 4, 2013, the stockholder approval date. The 2012 Plan reserved 2,287,692 shares for the issuance of Awards. On October 25, 2017, the Board of Directors of the Company (the “Board”) amended and restated the 2012 Plan, establishing the “Amended and Restated Acuity Brands, Inc. 2012 Omnibus Stock Incentive Compensation Plan” (the “2017 Plan”). In establishing the 2017 Plan, the Board amended and restated the 2012 Plan (i) to increase the number of Shares available for issuance of Awards by 380,000 shares, resulting in a total of 2,667,692 shares being available for grant under the 2017 Plan, and (ii) to extend the expiration date of the 2017 Plan to January 4, 2028. On October 25, 2021, the Board subsequently amended and restated the 2017 Plan as set forth in this document (the “Plan”) including (i) to increase the number of Shares available for issuance of Awards by 750,000 shares, including 186,035 Shares previously authorized for issuance under the Non-Employee Director Plan, resulting in a total of 3,603,727 shares being available for grant under the Plan and (ii) extend the term of the Plan through ten (10) years from the date on which the Plan is approved by the stockholders of the Company (the “Effective Date”), which approval must occur within the period ending twelve (12) months after the date the Plan is adopted by the Board. The Plan shall remain in effect as provided in Section 1.3. The Plan has been further amended and restated as of March 26, 2025 to reflect the Company’s corporate name change.

1.2. Purposes of the Plan. The purposes of the Plan are to provide additional incentives to eligible Employees, officers, Non-Employee Directors, and Consultants of the Company and its Subsidiaries and Affiliates whose substantial contributions are essential to the continued growth and profitability of the Company’s businesses, in order to strengthen their commitment to the Company, to further motivate the Participants to perform their assigned responsibilities diligently and skillfully, and to attract and retain competent and dedicated individuals whose efforts will result in the long term growth and profitability of the Company and, over time, appreciation in the market value of its stock. To accomplish such purposes, the Plan provides that the Committee may grant Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units, Cash-Based Awards and Stock Bonus Awards.

1.3. Duration of the Plan. The Plan shall commence on the Effective Date and shall remain in effect, subject to the right of the Board to amend or terminate the Plan at any time pursuant to Article XV, until all Shares subject to it shall have been delivered, and any restrictions on such Shares have lapsed, pursuant to the Plan’s provisions. However, in no event may an Award be granted under the Plan on or after January 4, 2032.

ARTICLE II. DEFINITIONS

Certain terms used herein have the definitions given to them in the first instance in which they are used. In addition, for purposes of the Plan, the following terms are defined as set forth below:

- 2.1. “Affiliate” means any entity in which the Company has at least a fifty percent (50%) equity interest and is designated as an Affiliate for purposes of the Plan by the Committee.
- 2.2. “Applicable Exchange” means the New York Stock Exchange, or such other securities exchange as may at the applicable time be the principal market for the Common Stock.
- 2.3. “Award” means, individually or collectively, a grant under the Plan of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Units, Performance Shares, Performance Units, Cash-Based Awards, and Stock Bonus Awards. Where the context so requires, including in Section 4.2 and Section 4.3 of the Plan, “Award” includes a grant of any of the foregoing awards under the 2012 Plan and the 2017 Plan.
- 2.4. “Award Agreement” means either: (a) a written agreement (including any amendment or modification thereof) entered into by a Participant and the Company setting forth the terms and provisions applicable to an Award granted under the Plan, or (b) a written or electronic statement (including any amendment or modification thereof) issued by the Company to a Participant describing the terms and provisions of such Award, and which for a Participant who is a Non-Employee Director, may take the form of a compensation plan, arrangement or policy relating to Non-Employee Director compensation. The Committee may provide for the use of electronic, internet or other non-paper Award Agreements, and the use of electronic, internet or other non-paper means for the acceptance thereof and actions thereunder by a Participant.
- 2.5. “Board” or “Board of Directors” means the Board of Directors of the Company.
- 2.6. “Cash-Based Award” means an Award, whose value is determined by the Committee, granted to a Participant, as described in Article IX.
- 2.7. “Cause” means, unless otherwise provided in an Award Agreement, that the Participant has been found by the Committee to be guilty of theft, embezzlement, fraud or misappropriation of the Company’s property or any action which, if the individual were an officer of the Company, would constitute a breach of fiduciary duty; provided that if a Participant has an Employment Agreement, “Cause” shall mean Cause as defined in such Employment Agreement.
- 2.8. “Company” means Acuity Inc., a Delaware corporation, or any successor to the Company.
- 2.9. “Change in Control” means the occurrence of any of the following events:
- (a) The acquisition (other than from the Company) by any “Person” (as the term is used for purposes of Sections 13(d) or 14(d) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of twenty percent (20%) or more of the combined voting power of the Company’s then outstanding voting securities; or
 - (b) The individuals who, as of the Effective Date, are members of the Board (the “Incumbent Board”), cease for any reason to constitute at least two-thirds of the Board; provided, however, that if the election, or nomination for election by the Company’s stockholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall, for purposes of this Agreement, be considered as a member of the Incumbent Board; or

(c) A merger or consolidation involving the Company if the stockholders of the Company, immediately before such merger or consolidation do not, as a result of such merger or consolidation, own, directly or indirectly, more than sixty percent (60%) of the combined voting power of the then outstanding voting securities of the corporation resulting from such merger or consolidation in substantially the same proportion as their ownership of the combined voting power of the voting securities of the Company outstanding immediately before such merger or consolidation; or

(d) A complete liquidation or dissolution of the Company or an agreement for the sale or other disposition of all or substantially all of the assets of the Company.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur pursuant to Section 2.9(a) solely because (1) twenty percent (20%) or more of the combined voting power of the Company's then outstanding securities is acquired by (i) a trustee or other fiduciary holding securities, under one or more employee benefit plans maintained by the Company or any of its Subsidiaries or (ii) any corporation which, immediately prior to such acquisition, is owned directly or indirectly by the stockholders of the Company in the same proportion as their ownership of stock in the Company immediately prior to such acquisition, or (2) a transaction is effected for the purpose of changing the place of incorporation or form of organization of the ultimate parent entity (including where the Company is succeeded by an issuer incorporated under the laws of another state or country, whether or not the Company remains in existence following such transaction) where all or substantially all of the persons or group that beneficially own all or substantially all of the combined voting power of the Company's then outstanding securities immediately prior to the transaction beneficially own all or substantially all of the combined voting power of the Company or the ultimate parent entity in the same proportions of their ownership after the transaction.

2.10. "Change in Control Price" means the price per share offered in respect of the Common Stock in conjunction with any transaction resulting in a Change in Control on a fully-diluted basis (as determined by the Board or the Committee as constituted before the Change in Control, if any part of the offered price is payable other than in cash) or, in the case of a Change in Control occurring solely by reason of a change in the composition of the Board, the highest Fair Market Value of a Share on any of the thirty (30) trading days immediately preceding the date on which such Change in Control occurs.

2.11. "Code" means the U.S. Internal Revenue Code of 1986, as it may be amended from time to time, including rules and regulations promulgated thereunder and successor provisions and rules and regulations thereto.

2.12. "Committee" means a committee consisting of two or more non-employee members of the Board who are appointed by the Board to administer the Plan and to perform the functions set forth herein. The Board or the Committee may designate a subcommittee of members of the Committee to act on certain matters where such designation is necessary or desirable. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the Committee shall be composed solely of two or more "non-employee directors" within the meaning of Rule 16b-3. To the extent necessary to satisfy the rules of the Applicable Exchange, the members of the Committee shall qualify as "independent directors."

2.13. "Common Stock" means the common stock, par value \$0.01 per share, of the Company.

2.14. “Consultant” means any consultant or adviser if: (a) the consultant or adviser renders bona fide services to the Company or any Subsidiary or Affiliate; (b) the services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company’s securities; and (c) the consultant or adviser is a natural person.

2.15. “Deferred Stock Unit” means a Restricted Stock Unit, Performance Share, or other applicable Award the payment or settlement of which is deferred as provided for in Section 19.6.

2.16. “Director” means any individual who is a member of the Board of Directors of the Company.

2.17. “Disability” means (i) “Disability” as defined in the applicable Award Agreement to which the Participant is a party, or (ii) if the Award Agreement does not define “Disability,” a physical or mental incapacity which impairs the Participant’s ability to substantially perform his duties for a period of one hundred eighty (180) consecutive days, as determined by the Committee based upon the information provided to it. Notwithstanding the foregoing, for purposes of Incentive Stock Options, “Disability” means that the Participant is disabled within the meaning of Code Section 22(e)(3) and for purposes of an Award that is subject to Code Section 409A, “Disability” means a “Disability,” within the meaning of Code Section 409A to the extent necessary to comply with Code Section 409A.

2.18. “Disaffiliation” means a Subsidiary’s or Affiliate’s ceasing to be a Subsidiary or Affiliate of the Company for any reason (including as a result of a public offering, or a spin-off or sale by the Company, of the stock of the Subsidiary or Affiliate of the Company) or a sale of a division of the Company or a Subsidiary or Affiliate of the Company.

2.19. “Dividend Equivalents” means the equivalent value (in cash or Shares) of dividends that would otherwise be paid on the Shares subject to an Award but that have not been issued or delivered, as described in Article XI.

2.20. “Effective Date” shall have the meaning ascribed to such term in Section 1.1.

2.21. “Eligible Individual” means any Employee, Non-Employee Director, or Consultant, and any prospective Employee who has accepted an offer of employment from the Company or any Subsidiary or Affiliate (contingent upon such individual’s commencement of employment with the Company or any Subsidiary or Affiliate).

2.22. “Employee” means any person providing services as an employee of the Company, a Subsidiary and/or an Affiliate. An Employee shall not include any individual during any period he or she is classified or treated by the Company, a Subsidiary or an Affiliate as an independent contractor, a Consultant, or an employee of an employment, consulting, temporary agency, or any other entity other than the Company, a Subsidiary and/or an Affiliate without regard to whether such individual is subsequently determined to have been, or is subsequently retroactively reclassified as a common-law employee of the Company, a Subsidiary and/or an Affiliate during such period. For the avoidance of doubt, a Director who would otherwise be an “Employee” within the meaning of this Section 2.22 shall be considered an Employee for purposes of the Plan.

- 2.23. “Employment Agreement” means with respect to a Participant who is an Employee, the written agreement between the Company, a Subsidiary or an Affiliate and the Employee providing for the terms of such Employee’s employment with the Company, Subsidiary or Affiliate, as it may be amended from time to time.
- 2.24. “Exchange Act” means the U.S. Securities Exchange Act of 1934, as it may be amended from time to time, including the rules and regulations promulgated thereunder and successor provisions and rules and regulations thereto.
- 2.25. “Fair Market Value” means, if the Common Stock is listed on a national securities exchange, as of any given date, the closing price for the Common Stock on such date on the Applicable Exchange, or if Shares were not traded on the Applicable Exchange on such measurement date, then on the next preceding date on which Shares are traded, all as reported by such source as the Committee may select. If the Common Stock is not listed on a national securities exchange, Fair Market Value shall be determined by the Committee in its good faith discretion. For the avoidance of doubt, for U.S. and non-U.S. federal, state, and local tax reporting and withholding purposes, the fair market value of a Share may be determined using such other methodology as may be required by applicable laws or as appropriate for administrative reasons.
- 2.26. “Fiscal Year” means the consecutive twelve-month period ending August 31 of each year, or such other consecutive twelve-month period or fiscal year as the Committee may select.
- 2.27. “Grant Date” means (a) the date on which the Committee (or its designee) by resolution, written consent or other appropriate action selects an Eligible Individual to receive a grant of an Award, determines the number of Shares or other amount to be subject to such Award and, if applicable, determines the Option Price or Grant Price of such Award, or (b) such later date as the Committee (or such designee) shall provide in such resolution, consent or action.
- 2.28. “Grant Price” means the price established as of the Grant Date of an SAR pursuant to Article VII used to determine whether there is any payment due upon exercise of the SAR.
- 2.29. “Incentive Stock Option” or “ISO” means a right to purchase Shares under the Plan in accordance with the terms and conditions set forth in Article VI, which is designated as an Incentive Stock Option and which is intended to meet the requirements of Code Section 422.
- 2.30. “Insider” means an individual who is, on the relevant date, an officer, director or ten percent (10%) beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of any class of the Company’s equity securities that is registered pursuant to Section 12 of the Exchange Act, as determined by the Committee in accordance with Section 16 of the Exchange Act.
- 2.31. “New Employer” means, after a Change in Control, a Participant’s employer, or any direct or indirect parent or any direct or indirect majority-owned subsidiary of such employer.
- 2.32. “Non-Employee Director” means a Director who is not an Employee.
- 2.33. “Non-Employee Director Plan” means the Acuity Inc. 2011 Nonemployee Director Deferred Compensation Plan, as amended and restated through the Effective Date and as may be further amended from time to time.

- 2.34. “Nonqualified Stock Option” or “NQSO” means a right to purchase Shares under the Plan in accordance with the terms and conditions set forth in Article VI and which is not intended to meet the requirements of Code Section 422 or otherwise does not meet such requirements.
- 2.35. “Notice” means notice provided by a Participant to the Company in a manner prescribed by the Committee.
- 2.36. “Option” or “Stock Option” means an Incentive Stock Option or a Nonqualified Stock Option, as described in Article VI.
- 2.37. “Option Price” means the price at which a Share may be purchased by a Participant pursuant to an Option.
- 2.38. “Participant” means any Eligible Individual as set forth in Article V who holds one or more outstanding Awards.
- 2.39. “Performance Measure” means any performance criteria or measures as described in Section 9.2 on which performance goals may be based.
- 2.40. “Performance Period” means the period of time during which the performance goals must be met in order to determine the degree of payout and/or vesting with respect to, or the amount or entitlement to, an Award.
- 2.41. “Performance Share” means an Award granted pursuant to Article IX of a unit valued by reference to a designated number of Shares payable, in whole or in part, to the extent applicable performance goals are achieved over a specified period in accordance with Article IX.
- 2.42. “Performance Unit” means a fixed or variable dollar denominated unit granted pursuant to Article IX, the value of which is determined by the Committee, payable, in whole or in part, to the extent applicable performance goals are achieved over a specified period in accordance with Article IX.
- 2.43. “Period of Restriction” means the period during which Shares of Restricted Stock or Restricted Stock Units are subject to a substantial risk of forfeiture, and, in the case of Restricted Stock, the transfer of Shares of Restricted Stock is limited in some way, as provided in Article VIII.
- 2.44. “Restricted Stock” means an Award granted to a Participant, subject to the Period of Restriction, pursuant to Article VIII.
- 2.45. “Restricted Stock Unit” means an Award, whose value is equal to a Share, granted to a Participant, subject to the Period of Restriction, pursuant to Article VIII.
- 2.46. “Retirement” means “Retirement” as defined in the applicable Award Agreement to which the Participant is a party.
- 2.47. “Rule 16b-3” means Rule 16b-3 under the Exchange Act, or any successor rule, as the same may be amended from time to time.
- 2.48. “SEC” means the U.S. Securities and Exchange Commission.

2.49. “Securities Act” means the U.S. Securities Act of 1933, as it may be amended from time to time, including the rules and regulations promulgated thereunder and successor provisions and rules and regulations thereto.

2.50. “Share” means a share of Common Stock (including any new, additional or different stock or securities resulting from any change in corporate capitalization as listed in Section 4.5).

2.51. “Stock Appreciation Right” or “SAR” means an Award granted pursuant to the terms of Article VII.

2.52. “Stock Bonus Award” means an equity-based or equity-related Award described in Section 10.1, granted in accordance with the terms and conditions set forth in Article X.

2.53. “Subsidiary” means any present or future corporation which is or would be a “subsidiary corporation” of the Company as the term is defined in Code Section 424(f).

2.54. “Substitute Awards” means Awards granted or Shares issued by the Company in assumption of, or in substitution or exchange for, options or other awards previously granted, or the right or obligation to grant future options or other awards, by a company acquired by the Company, a Subsidiary and/or an Affiliate or with which the Company, a Subsidiary and/or an Affiliate combines, or otherwise in connection with any merger, consolidation, acquisition of property or stock, or reorganization involving the Company, a Subsidiary or an Affiliate, including a transaction described in Code Section 424(a).

2.55. “Termination” means the termination of the applicable Participant’s employment with, or performance of services for, the Company or any Affiliate or Subsidiary under any circumstances. A Participant employed by, or performing services for, a Subsidiary or Affiliate or a division of the Company or of a Subsidiary or Affiliate shall be deemed to incur a Termination if such Subsidiary, Affiliate or division ceases to be a Subsidiary, Affiliate or division, as the case may be, and the Participant does not immediately thereafter become an employee of, or service provider for, the Company or another Subsidiary or Affiliate.

ARTICLE III. ADMINISTRATION

3.1. General. The Committee shall have exclusive authority to operate, manage and administer the Plan in accordance with its terms and conditions. Notwithstanding the foregoing, in its absolute discretion, the Board may at any time and from time to time exercise any and all rights, duties and responsibilities of the Committee under the Plan, including establishing procedures to be followed by the Committee, but excluding matters which under any applicable law, regulation or rule, including any exemptive rule under Section 16 of the Exchange Act (including Rule 16b-3), are required to be determined in the sole discretion of the Committee. If and to the extent that the Committee does not exist or cannot function, the Board may take any action under the Plan that would otherwise be the responsibility of the Committee, subject to the limitations set forth in the immediately preceding sentence.

3.2. Authority of the Committee. The Committee shall have full discretionary authority to grant, pursuant to the terms of the Plan, Awards to those individuals who are eligible to receive Awards under the Plan. Except as limited by law or by the Certificate of Incorporation or Memorandum and Articles of Association of the Company, and subject to the provisions herein, the Committee shall have full power, in accordance with the other terms and provisions of the Plan, to:

- (a) select Eligible Individuals who may receive Awards under the Plan and become Participants;
- (b) determine eligibility for participation in the Plan and decide all questions concerning eligibility for, and the amount of, Awards under the Plan;
- (c) determine the sizes and types of Awards;
- (d) determine the terms and conditions of Awards, including the Option Prices of Options and the Grant Prices of SARs;
- (e) determine whether, to what extent and under what circumstances Awards may be settled in cash, rather than Shares;
- (f) grant Awards as an alternative to, or as the form of payment for grants or rights earned or payable under, other bonus or compensation plans, arrangements or policies of the Company;
- (g) grant Substitute Awards on such terms and conditions as the Committee may prescribe, notwithstanding limitations on Awards in the Plan, subject to compliance with the ISO rules under Code Section 422 and the nonqualified deferred compensation rules under Code Section 409A, where applicable;
- (h) make all determinations under the Plan concerning Termination of any Participant's employment or service with the Company or a Subsidiary or Affiliate, including whether such Termination occurs by reason of Disability, Retirement or in connection with a Change in Control, and whether a leave constitutes a Termination;
- (i) subject to Section 2.9, determine whether a Change in Control shall have occurred;
- (j) construe and interpret the Plan and any agreement or instrument entered into under the Plan, including any Award Agreement;
- (k) establish and administer any terms, conditions, restrictions, limitations, forfeiture, vesting or exercise schedule, and other provisions of or relating to any Award;
- (l) establish and administer any performance goals in connection with any Awards, and determine the extent to which any performance goals and/or other terms and conditions of an Award are attained or are not attained;
- (m) subject to Section 9.4, make adjustments in the performance goals of an Award;
- (n) construe any ambiguous provisions, correct any defects, supply any omissions and reconcile any inconsistencies in the Plan and/or any Award Agreement or any other instrument relating to any Awards;
- (o) establish, adopt, amend, waive and/or rescind rules, regulations, procedures, guidelines, forms and/or instruments for the Plan's operation or administration;
- (p) make all valuation determinations relating to Awards and the payment or settlement thereof;

(q) grant waivers of terms, conditions, restrictions and limitations under the Plan or applicable to any Award, or accelerate the vesting or exercisability of any Award;

(r) amend or adjust the terms and conditions of any outstanding Award and/or adjust the number and/or class of shares of stock subject to any outstanding Award;

(s) at any time and from time to time after the granting of an Award, specify such additional terms, conditions and restrictions with respect to such Award as may be deemed necessary or appropriate to ensure compliance with any and all applicable laws or rules, including terms, restrictions and conditions for compliance with applicable securities laws or listing rules, methods of withholding or providing for the payment of required taxes and restrictions regarding a Participant's ability to exercise Options through a cashless (broker-assisted) exercise;

(t) establish any "blackout" period that the Committee in its sole discretion deems necessary or advisable;

(u) exercise all such other authorities, take all such other actions and make all such other determinations as it deems necessary or advisable for the proper operation and/or administration of the Plan; and

(v) notwithstanding any provisions in this Plan, no action shall be taken which will prevent Awards hereunder that are intended to comply with the requirements of Code Section 409A from doing so.

3.3. Award Agreements. The Committee shall, subject to applicable laws and rules, determine the date an Award is granted. Each Award shall be evidenced by an Award Agreement; however, two or more Awards granted to a single Participant may be combined in a single Award Agreement. An Award Agreement shall not be a precondition to the granting of an Award; provided, however, that (a) the Committee may, but need not, require as a condition to any Award Agreement's effectiveness, that such Award Agreement be executed on behalf of the Company, a Subsidiary or Affiliate and/or by the Participant to whom the Award evidenced thereby shall have been granted (including by electronic signature or other electronic indication of acceptance), and such executed Award Agreement be delivered to the Company, a Subsidiary or Affiliate and (b) no person shall have any rights under any Award unless and until the Participant to whom such Award shall have been granted has complied with the applicable terms and conditions of the Award. The Committee shall prescribe the form of all Award Agreements, and, subject to the terms and conditions of the Plan, shall determine the content of all Award Agreements. Subject to the other provisions of the Plan, any Award Agreement may be supplemented or amended in writing from time to time as approved by the Committee; provided that the terms and conditions of any such Award Agreement as supplemented or amended are not inconsistent with the provisions of the Plan. In the event of any dispute or discrepancy concerning the terms of an Award, the records of the Committee or its designee shall be determinative.

3.4. Discretionary Authority; Decisions Binding. The Committee shall have full discretionary authority in all matters related to the discharge of its responsibilities and the exercise of its authority under the Plan. All determinations, decisions, actions and interpretations by the Committee with respect to the Plan and any Award Agreement, and all related orders and resolutions of the Committee shall be final, conclusive and binding on all Participants, the Company and its stockholders, and any Subsidiary or Affiliate and all persons

having or claiming to have any right or interest in or under the Plan and/or any Award Agreement. The Committee shall consider such factors as it deems relevant to making or taking such decisions, determinations, actions and interpretations, including the recommendations or advice of any Director or officer or Employee of the Company or the Company, any director, officer or Employee of a Subsidiary or Affiliate and such attorneys, consultants and accountants as the Committee may select.

3.5. Attorneys; Consultants. The Committee may consult with counsel who may be counsel to the Company. The Committee may employ such other attorneys and/or consultants, accountants, appraisers, brokers, agents and other persons, any of whom may be an Eligible Individual, as the Committee deems necessary or appropriate. The Committee, the Company, its Subsidiaries or Affiliates and their respective officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. The Committee shall not incur any liability for any action taken in good faith in reliance upon the advice of such counsel or other persons.

3.6. Delegation of Administration. Except to the extent prohibited by applicable law, including any applicable exemptive rule under Section 16 of the Exchange Act (including Rule 16b-3), or the applicable rules of a stock exchange, or the laws of the jurisdiction in which the Company is incorporated, the Committee may, in its discretion, allocate all or any portion of its responsibilities and powers under this Article III to any one or more of its members and/or delegate all or any part of its responsibilities and powers under this Article III to any person or persons selected by it. Subject to the foregoing, the Committee may delegate to the Chief Executive Officer, or such other officer of the Company as it may select, the authority to grant Awards from a pool of Shares established by the Committee, provided that the Chief Executive Officer or any such delegate shall have no authority to grant Awards to Insiders, or otherwise with respect to Awards granted to Insiders. Any such authority delegated or allocated by the Committee under this Section 3.6 shall be exercised in accordance with the terms and conditions of the Plan and any rules, regulations or administrative guidelines that may from time to time be established by the Committee, and any such allocation or delegation may be revoked by the Committee at any time.

ARTICLE IV. SHARES SUBJECT TO THE PLAN

4.1. Number of Shares Available for Grants. The shares of stock subject to Awards granted under the Plan shall be Shares. Such Shares subject to the Plan may be either authorized and unissued Shares (which will not be subject to preemptive rights) or previously issued Shares acquired by the Company or its Subsidiaries or Affiliates. Subject to adjustment as provided in Section 4.5, the total number of Shares that are reserved and available for issuance under the Plan shall be 1,093,811, which includes 750,000 additional Shares over the number of Shares previously approved by the Company's stockholders and 186,035 Shares previously authorized but not awarded under the Non-Employee Director Plan, and which the Board has authorized for issuance under this Plan, plus 157,776 Shares remaining available pursuant to the 2017 Plan, minus any Shares that were issued pursuant to awards under the 2017 Plan prior to the Effective Date. Shares that are available for issuance under the Plan may be used to grant any type of Award permitted under the Plan, provided that no more than 1,000,000 Shares are available for Incentive Stock Options.

4.2. Shares Returned to the Share Reserve. Subject to, in the case of ISOs, any limitations applicable thereto under the Code, the following Shares subject to an Award (whether granted under the Plan, the 2012 Plan or the 2017 Plan), shall be available for future Awards under the Plan: (a) any Shares that are

subject to an Award or portion thereof which for any reason expires, is terminated, or is canceled without having been fully exercised or satisfied (including, without limitation, as a result of the non-attainment of Performance Measures), or is forfeited or lapses (including any Shares subject to a Participant's Restricted Stock Award that are repurchased by the Company at the Participant's cost), and (b) any Award based on Shares that is settled for cash, expires or otherwise terminates without the issuance of such Shares. Any Shares delivered under the Plan upon exercise or satisfaction of Substitute Awards shall not reduce the Shares available for delivery under the Plan.

4.3. Shares not Returned to the Share Reserve. To the extent that the Option Price of any Option and/or tax withholding obligations relating to any Award (whether granted under the Plan, the 2012 Plan or the 2017 Plan) are satisfied by delivering Shares to the Company (by either actual delivery or by attestation) or by the Company withholding Shares subject to the Award, the number of such Shares so delivered, attested to, or withheld by the Company shall be deemed delivered for purposes of the limits set forth in Section 4.1 and such Shares shall not be available for future Awards. Upon the exercise of a SAR, the total number of Shares subject to such exercise shall reduce the number of Shares available for delivery under the Plan. Shares that are repurchased by the Company with cash proceeds from a Participant's exercise of an Option shall not increase the number of Shares available for delivery under the Plan.

4.4 Award Limits. The following limits shall apply to grants of all Awards under the Plan:

(a) Options and SARs: The maximum aggregate number of Shares that may be subject to Options and SARs granted in any Fiscal Year to any one Participant shall be 500,000 Shares. Any Shares covered by Options granted to one Participant in any Fiscal Year shall reduce this limit on the number of Shares subject to Options and SARs that can be granted to such Participant in such Fiscal Year.

(b) Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units and Stock Bonus Awards: The maximum aggregate number of Shares that may be subject to all Awards of Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units and Stock Bonus Awards granted in any Fiscal Year to any one Participant shall be 150,000 Shares (or cash amounts with respect to Stock Bonus Awards based on the Fair Market Value of such number of Shares on the Grant Date).

(c) Cash-Based Awards: The maximum aggregate amount awarded with respect to Cash-Based Awards made in any Fiscal Year to any one Participant shall not exceed \$6,000,000.

(d) Compensation Limit for Non-Employee Directors: Notwithstanding any provision to the contrary in the Plan or in any policy of the Company regarding compensation payable to a Non-Employee Director, the sum of the grant date fair value (determined in accordance with applicable accounting standards) of all Awards payable in Shares and the maximum cash value of any other Award granted under the Plan or any other plan to an individual as compensation for services as a Non-Employee Director, together with cash compensation paid to such Non-Employee Director in the form of Board or Committee retainer, meeting or similar fees, during any calendar year shall not exceed \$750,000. For avoidance of doubt, compensation will count towards this limit for the calendar

year in which it was granted or earned, and not later when distributed, in the event it is deferred. The foregoing limit may not be increased without the approval of the stockholders of the Company.

4.5 Adjustment Provisions. Awards shall be adjusted in accordance with the following provisions:

(a) In the event of a nonreciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, reverse stock split, stock rights offering, or recapitalization through a large, nonrecurring cash dividend, or similar event that affects the number or kinds of Shares (or other securities of the Company) or the share price of Common Stock (or other securities) and causes a change in the per share value of the Common Stock underlying outstanding Awards (each a “Share Change”), the Committee or the Board shall equitably adjust the number, class and kind of Shares or other securities subject to outstanding Awards and the Option Price, Grant Price or other price thereof to the extent applicable, and/or shall make such substitutions or adjustments as it deems appropriate and equitable to (i) the aggregate number, class and kind of Shares or other securities reserved for issuance and delivery under the Plan, (ii) the Award limits set forth in Section 4.4; and (iii) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance goals or criteria with respect thereto); provided, however, that the number of Shares subject to any Award shall always be a whole number. The adjustments provided under this Section 4.5(a) shall be nondiscretionary and shall be final and binding on the affected Participant and the Company.

(b) In the case of a merger, amalgamation, consolidation, acquisition of property or shares, separation, split-up, spin-off, other distribution of stock or property, reorganization, liquidation, Disaffiliation, or similar event affecting the Company or any subsidiary of the Company other than a Share Change (each, a “Corporate Transaction”), the Committee or the Board shall make such adjustments as, in its discretion, it deems appropriate, which may include, without limitation, (i) the cancellation of outstanding Awards in exchange for payments of cash, property or a combination thereof having an aggregate value equal to the value of such Awards, as determined by the Committee or the Board in its discretion (it being understood that in the case of a Corporate Transaction with respect to which holders of Common Stock receive consideration other than publicly traded equity securities of the ultimate surviving entity, any such determination by the Committee that the value of an Option or Stock Appreciation Right shall for this purpose be deemed to be equal to the excess, if any, of the value of the consideration being paid for each Share pursuant to such Corporate Transaction over the exercise price of such Option or Stock Appreciation Right shall conclusively be deemed valid); (ii) the substitution of other property (including, without limitation, cash or other securities of the Company and securities of entities other than the Company) for the Shares subject to outstanding Awards; (iii) in connection with any Disaffiliation, arranging for the assumption of Awards, or replacement of Awards with new awards based on other property or other securities (including other securities of the Company and securities of entities other than the Company), by the affected subsidiary, affiliate, or division or by the entity that controls such subsidiary, affiliate, or division following such Disaffiliation (as well as any corresponding adjustments to Awards that remain based upon the Company securities); and (iv) any of the adjustments described in Section 4.5(a) above.

(c) All determinations of the Committee as to adjustments, substitutions and changes, if any, under this Section 4.5 shall be conclusive and binding on the Participants.

4.6 No Limitation on Corporate Actions. The existence of the Plan and any Awards granted hereunder shall not affect in any way the right or power of the Company, any Subsidiary or any Affiliate to make or authorize any adjustment, recapitalization, reorganization or other change in its capital structure or business structure, any merger or consolidation, any issuance of debt, preferred or prior preference stock ahead of or affecting the Shares, additional shares of capital stock or other securities or subscription rights thereto, any dissolution or liquidation, any sale or transfer of all or part of its assets or business or any other corporate act or proceeding.

4.7 Minimum Vesting Period. Any Award granted by the Committee under the Plan shall be subject to a minimum vesting period of not less than one year for one hundred percent (100%) vesting; provided, however, that the foregoing restriction shall not apply to Awards covering a number of Shares not to exceed five (5%) of the total number of Shares available under the Plan and nothing in this Section 4.7 shall limit the Company's ability to grant Awards that contain rights to accelerated vesting on a Termination or in other circumstances or to otherwise accelerate vesting, including, without limitation, upon a Change in Control. In addition, the minimum vesting requirement set forth in this Section 4.7 shall not apply to (i) Substitute Awards; (ii) Awards granted to a Non-Employee Director which may vest on the earlier of the one (1) year anniversary of the Grant Date and the next annual meeting of the Company's stockholders which is at least fifty (50) weeks after the immediately preceding year's annual meeting, or (iii) Awards granted to a Non-Employee Director in lieu of the cash portion of such Non-Employee Director's annual fees (including any Board or Committee retainer, meeting fees or similar fees payable in cash) or to any other Participant in lieu of the Participant's salary, cash bonus or other cash compensation. Further, this Section 4.7 shall not limit the capitalization adjustment provisions of Section 4.5 of the Plan.

ARTICLE V. ELIGIBILITY AND PARTICIPATION

5.1. Eligibility. Eligible Individuals shall be eligible to become Participants and receive Awards in accordance with the terms and conditions of the Plan, subject to the limitations on the granting of ISOs set forth in Section 6.9(a).

5.2. Actual Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select Participants from all Eligible Individuals and shall determine the nature and amount of each Award.

ARTICLE VI. STOCK OPTIONS

6.1. Grant of Options. Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number (subject to Article IV), and upon such terms, and at any time and from time to time as shall be determined by the Committee. The Committee may grant an Option or provide for the grant of an Option, either from time to time in the discretion of the Committee or automatically upon the occurrence of specified events, including the achievement of performance goals, the satisfaction of an event or condition within the control of the recipient of the Option or within the control of others.

6.2. Award Agreement. Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the maximum duration of the Option, the number of Shares to which the Option

pertains, the conditions upon which the Option shall become exercisable and such other provisions as the Committee shall determine, which are not inconsistent with the terms of the Plan. The Award Agreement also shall specify whether the Option is intended to be an ISO or an NQSO. To the extent that any Option does not qualify as an ISO (whether because of its provisions or the time or manner of its exercise or otherwise), such Option, or the portion thereof which does not so qualify, shall constitute a separate NQSO.

6.3. Option Price. The Option Price for each Option shall be determined by the Committee and set forth in the Award Agreement; provided that, subject to Section 6.9(c), the Option Price of an Option shall be not less than one hundred percent (100%) of the Fair Market Value of a Share on the Grant Date of such Option; provided further, that Substitute Awards or Awards granted in connection with an adjustment provided for in Section 4.5, in the form of stock options, shall have an Option Price per Share that is intended to maintain the economic value of the Award that was replaced or adjusted, as determined by the Committee.

6.4. Duration of Options. Each Option granted to a Participant shall expire at such time as the Committee shall determine as of the Grant Date and set forth in the Award Agreement; provided, however, that no Stock Option shall be exercisable later than the tenth (10th) anniversary of its Grant Date, except as provided in the last sentence of Section 6.5.

6.5. Exercise of Options. Options shall be exercisable at such times (but not less than one year from the date of grant, subject to the Committee's authority to accelerate the exercisability of any Option at any time) and be subject to such other restrictions and conditions as the Committee shall in each instance determine and set forth in the Award Agreement, which need not be the same for each grant or for each Option or Participant. To the extent permitted by and in accordance with Treasury Regulation Section 1.409A-1(b)(5)(v)(C)(1) (if applicable), an Award Agreement may provide that the period of time over which an Option other than an ISO may be exercised shall be automatically extended if on the scheduled expiration date of such Option the Participant's exercise of such Option would violate an applicable law or the Participant is subject to a "black-out" period; provided, however, that during such extended exercise period the Option may only be exercised to the extent the Option was exercisable in accordance with its terms immediately prior to such scheduled expiration date; provided further, however, that such extended exercise period shall end not later than thirty (30) days after the exercise of such Option would no longer violate such law or be subject to such "black-out" period.

6.6. Payment. Options shall be exercised by the delivery of a written notice of exercise to the Company, in a form specified or accepted by the Committee, or by complying with any alternative exercise procedures that may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for such Shares, which shall include applicable taxes, if any, in accordance with Article XVI. The Option Price upon exercise of any Option shall be payable to the Company in full by certified or bank check or such other instrument as the Committee may accept. If approved by the Committee, and subject to any such terms, conditions and limitations as the Committee may prescribe and to the extent permitted by applicable law, payment of the Option Price, in full or in part, may also be made as follows:

(a) Payment may be made, in whole or in part, in the form of unrestricted and unencumbered Shares (by actual delivery of such Shares or by attestation) already owned by the Participant exercising such Option, or by such Participant and his or her spouse jointly (based on the

Fair Market Value of the Common Stock on the date the Option is exercised); provided, however, that, in the case of an Incentive Stock Option, the right to make a payment in the form of such already owned Shares may be authorized only as of the Grant Date of such Incentive Stock Option.

(b) Payment may be made by delivering a properly executed exercise notice to the Company, together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds necessary to pay the Option Price, and, if requested, the amount of any federal, state, local or non-United States withholding taxes. To facilitate the foregoing, the Company may, to the extent permitted by applicable law, enter into agreements for coordinated procedures with one or more brokerage firms.

(c) Payment may be made by instructing the Committee to withhold a number of Shares otherwise deliverable to the Participant pursuant to the Option having an aggregate Fair Market Value on the date of exercise equal to the product of: (i) Option Price multiplied by (ii) the number of Shares in respect of which the Option shall have been exercised.

(d) Payment may be made by any other method approved or accepted by the Committee in its discretion.

Subject to any governing rules or regulations and Section 19.9, as soon as practicable after receipt of a written notification of exercise and full payment in accordance with the preceding provisions of this Section 6.6 and satisfaction of tax obligations in accordance with Article XVI, the Company shall deliver to the Participant exercising an Option, in the Participant's name, evidence of book entry Shares, in an appropriate amount based upon the number of Shares purchased under the Option. Unless otherwise determined by the Committee, all payments under all of the methods described above shall be paid in United States dollars.

6.7. Rights as a Stockholder. No Participant or other person shall become the beneficial owner of any Shares subject to an Option, nor have any rights to dividends or other rights of a stockholder with respect to any such Shares, until the Participant has actually received such Shares following exercise of his or her Option in accordance with the provisions of the Plan and the applicable Award Agreement.

6.8. Termination of Employment or Service. The Committee may establish and set forth in the applicable Award Agreement the terms and conditions on which an Option shall remain exercisable, if at all, upon a Termination of the Participant. The Committee may waive or modify these provisions at any time. To the extent that a Participant is not entitled to exercise an Option at the date of his or her Termination, or if the Participant (or other person entitled to exercise the Option) does not exercise the Option to the extent so entitled within the time specified in the Award Agreement or below (as applicable), the Option shall terminate and the Shares underlying the unexercised portion of the Option shall revert to the Plan and become available for future Awards. In no event may an Option be exercised after the expiration date of such Option specified in the applicable Award Agreement, except as provided in the last sentence of Section 6.5.

6.9. Limitations on Incentive Stock Options.

(a) General. No ISO shall be granted to any Eligible Individual who is not an Employee of the Company or a Subsidiary on the Grant Date of such Option. Any ISO granted under the Plan shall contain such terms and conditions, consistent with the Plan, as the Committee may determine to be necessary to qualify such Option as an "incentive stock option" under Code Section 422. Any ISO

granted under the Plan may be modified by the Committee to disqualify such Option from treatment as an “incentive stock option” under Code Section 422.

(b) \$100,000 Per Year Limitation. Notwithstanding any intent to grant ISOs, an Option granted under the Plan will not be considered an ISO to the extent that it, together with any other “incentive stock options” (within the meaning of Code Section 422, but without regard to subsection (d) of such Section) under the Plan and any other “incentive stock option” plans of the Company, any Subsidiary and any “parent corporation” of the Company within the meaning of Code Section 424(e), are exercisable for the first time by any Participant during any calendar year with respect to Shares having an aggregate Fair Market Value in excess of \$100,000 (or such other limit as may be required by the Code) as of the Grant Date of the Option with respect to such Shares. The rule set forth in the preceding sentence shall be applied by taking Options into account in the order in which they were granted.

(c) Options Granted to Certain Stockholders. No ISO shall be granted to an individual otherwise eligible to participate in the Plan who owns (within the meaning of Code Section 424(d)), at the Grant Date of such Option, more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or a Subsidiary or any “parent corporation” of the Company within the meaning of Code Section 424(e). This restriction does not apply if at the Grant Date of such ISO the Option Price of the ISO is at least one hundred and ten percent (110%) of the Fair Market Value of a Share on the Grant Date, and the ISO by its terms is not exercisable after the expiration of five (5) years from such Grant Date.

ARTICLE VII. STOCK APPRECIATION RIGHTS

7.1. Grant of SARs. Subject to the terms and conditions of the Plan, SARs may be granted to Participants at any time and from time to time as shall be determined by the Committee. The Committee shall have complete discretion in determining the number of Shares to which a SAR pertains (subject to Article IV) and, consistent with the provisions of the Plan, in determining the terms and conditions pertaining to any SAR.

7.2. Grant Price. The Grant Price for each SAR shall be determined by the Committee and set forth in the Award Agreement, subject to the limitations of this Section 7.2. The Grant Price for each SAR shall be not less than one hundred percent (100%) of the Fair Market Value of a Share on the Grant Date of such SAR, except in the case of Substitute Awards or Awards granted in connection with an adjustment provided for in Section 4.5.

7.3. Exercise of SARs. SARs may be exercised upon whatever terms and conditions the Committee, in its sole discretion, in accordance with the Plan, determines and sets forth in the Award Agreement. An Award Agreement may provide that the period of time over which a SAR may be exercised shall be automatically extended if on the scheduled expiration date of such SAR the Participant’s exercise of such SAR would violate an applicable law; provided, however, that during such extended exercise period the SAR may only be exercised to the extent the SAR was exercisable in accordance with its terms immediately prior to such scheduled expiration date; provided further, however, that such extended exercise period shall end not later than thirty (30) days after the exercise of such SAR first would no longer violate such law.

7.4. Award Agreement. Each SAR grant shall be evidenced by an Award Agreement that shall specify the number of Shares to which the SAR pertains, the Grant Price, the term of the SAR, and such other terms and conditions as the Committee shall determine in accordance with the Plan.

7.5. Term of SARs. The term of a SAR granted under the Plan shall be determined by the Committee, in its sole discretion, provided, however, that no SAR shall be exercisable later than the tenth (10th) anniversary of its Grant Date, except as provided in the last sentence of Section 7.3.

7.6. Payment of SAR Amount. An election to exercise SARs shall be deemed to have been made on the date of Notice of such election to the Company. As soon as practicable following such Notice, the Participant shall be entitled to receive payment from the Company in an amount determined by multiplying (a) the excess of the Fair Market Value of a Share on the date of exercise over the Grant Price of the SAR by (b) the number of Shares with respect to which the SAR is exercised. Notwithstanding the foregoing provisions of this Section 7.6 to the contrary, the Committee may establish and set forth in the applicable Award Agreement a maximum amount per Share that will be payable upon the exercise of a SAR. At the discretion of the Committee, such payment upon exercise of a SAR shall be in cash, in Shares of equivalent Fair Market Value, or in some combination thereof.

7.7. Rights as a Stockholder. A Participant receiving a SAR shall have the rights of a stockholder only as to Shares, if any, actually issued to such Participant upon satisfaction or achievement of the terms and conditions of the Award, and in accordance with the provisions of the Plan and the applicable Award Agreement, and not with respect to Shares to which such Award relates but which are not actually issued to such Participant.

7.8. Termination of Employment or Service. The Committee may establish and set forth in the applicable Award Agreement the terms and conditions under which a SAR shall remain exercisable, if at all, upon a Termination of the Participant. The Committee may waive or modify these provisions at any time. To the extent that a Participant is not entitled to exercise an SAR at the date of his or her Termination, or if the Participant (or other person entitled to exercise the SAR) does not exercise the SAR to the extent so entitled within the time specified in the Award Agreement or below (as applicable), effective as of the date of such Termination, the SAR shall terminate and the Shares underlying the unexercised portion of the SAR shall revert to the Plan and become available for future Awards. In no event may a SAR be exercised after the expiration date of such SAR specified in the applicable Award Agreement, except as provided in the last sentence of Section 7.3.

ARTICLE VIII. RESTRICTED STOCK AND RESTRICTED STOCK UNITS

8.1. Awards of Restricted Stock and Restricted Stock Units. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Shares of Restricted Stock and/or Restricted Stock Units to Participants in such amounts and subject to such terms and conditions as the Committee shall determine. Subject to the terms and conditions of this Article VIII and the Award Agreement, upon creation of a book entry evidencing a Participant's ownership of Shares of Restricted Stock, pursuant to Section 8.6, the Participant shall have all of the rights of a stockholder with respect to such Shares, subject to the terms and restrictions set forth in this Article VIII or the applicable Award Agreement or as determined by the Committee. Restricted Stock Units shall be similar to Restricted Stock, except no

Shares are actually awarded to a Participant who is granted Restricted Stock Units on the Grant Date thereof, and the Participant instead receives the Company's unsecured and unfunded promise that it will issue Shares to the Participant in the future if certain conditions are met; such Participant shall have no rights of a stockholder with respect to such Restricted Stock Units.

8.2. Award Agreement. Each Restricted Stock and/or Restricted Stock Unit Award shall be evidenced by an Award Agreement that shall specify the Period of Restriction, the number of Shares of Restricted Stock or the number of Restricted Stock Units granted, and such other provisions as the Committee shall determine in accordance with the Plan.

8.3. Nontransferability of Restricted Stock. Except as provided in this Article VIII, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, encumbered, alienated, hypothecated or otherwise disposed of until the end of the applicable Period of Restriction established by the Committee and specified in the Restricted Stock Award Agreement.

8.4. Period of Restriction and Other Restrictions. The Period of Restriction shall lapse based on a Participant's continuing service or employment with the Company, a Subsidiary or an Affiliate, the achievement of performance goals, the satisfaction of other conditions or restrictions or upon the occurrence of other events, in each case, as determined by the Committee, at its discretion, and stated in the Award Agreement. Subject to the minimum vesting requirements of Section 4.7, the Committee may grant Restricted Stock Units subject to a Period of Restriction that immediately lapses on the Grant Date.

8.5. Delivery of Shares, Payment of Restricted Stock Units. Subject to Section 19.9, after the last day of the Period of Restriction applicable to a Participant's Shares of Restricted Stock, and after all conditions and restrictions applicable to such Shares of Restricted Stock have been satisfied or lapse (including satisfaction of any applicable withholding tax obligations), pursuant to the applicable Award Agreement, such Shares of Restricted Stock shall become freely transferable by such Participant. After the last day of the Period of Restriction applicable to a Participant's Restricted Stock Units, and after all conditions and restrictions applicable to Restricted Stock Units have been satisfied or lapse (including satisfaction of any applicable withholding tax obligations), such Restricted Stock Units shall be settled by delivery of Shares to the Participant pursuant to the applicable Award Agreement, including any deferral or other payment provisions thereof.

8.6. Form of Restricted Stock Awards. Each Participant who receives an Award of Shares of Restricted Stock shall be issued "book entry" Shares (i.e., a computerized or manual entry) in the records of the Company or its transfer agent in the name of the Participant who has received the Award. Such records of the Company or such agent shall, absent manifest error, be binding on all Participants who receive Restricted Stock Awards. Such records shall also refer to the terms, conditions and restrictions applicable to such Award, substantially in the following form:

"The transferability of the shares of stock represented hereby is subject to the terms and conditions (including forfeiture) of the Acuity Inc. Amended and Restated 2012 Omnibus Stock Incentive Compensation Plan and an Award Agreement, as well as the terms and conditions of applicable law. Copies of such plan and agreement are on file at the offices of Acuity Inc."

The Committee may require a Participant who receives book entry Shares evidencing a Restricted Stock Award to immediately deposit a stock power or other appropriate instrument of transfer, endorsed in blank by the Participant, with signatures guaranteed in accordance with the Exchange Act if required by the Committee, with the Secretary of the Company or an escrow holder as provided in the immediately following sentence. The Secretary of the Company or such escrow holder as the Committee may appoint shall retain custody of the Shares representing a Restricted Stock Award until the Period of Restriction and any other restrictions imposed by the Committee or under the Award Agreement with respect to the Shares evidenced by such certificate expire or shall have been removed. The use of book entries to evidence the ownership of Shares of Restricted Stock, in accordance with this Section 8.6, shall not affect the rights of Participants as owners of the Shares of Restricted Stock awarded to them, nor affect the restrictions applicable to such Shares under the Award Agreement or the Plan, including the Period of Restriction.

8.7. Voting Rights. Unless otherwise determined by the Committee and set forth in a Participant's Award Agreement, to the extent permitted or required by law, as determined by the Committee, Participants holding Shares of Restricted Stock shall be granted the right to exercise full voting rights with respect to those Shares during the Period of Restriction. A Participant shall have no voting rights with respect to any Restricted Stock Units.

8.8. Dividends and Other Distributions. During the Period of Restriction, Participants holding Shares of Restricted Stock shall be credited with any cash dividends paid with respect to such Shares while they are so held, and such dividends shall be paid to the Participants if and when their rights vest at the end of the Period of Restriction. In the event that (a) any adjustment is made as provided in Section 4.5, or (b) any shares or securities are received as a dividend, or an extraordinary dividend is paid in cash, on Shares of Restricted Stock, any new or additional Shares or securities or any extraordinary dividends paid in cash received by a recipient of Restricted Stock shall be subject to the same terms and conditions, including the Period of Restriction, as relate to the original Shares of Restricted Stock. For avoidance of doubt, dividends with respect to any Award of Restricted Stock shall be paid only to the extent the Award is vested.

8.9. Termination of Employment or Service. Except as otherwise provided in this Section 8.9, during the Period of Restriction, any Restricted Stock Units and/or Shares of Restricted Stock held by a Participant shall be forfeited and revert to the Company (or, if Shares of Restricted Stock were sold to the Participant, the Participant shall be required to resell such Shares to the Company at cost) upon the Participant's Termination or the failure to meet or satisfy any applicable performance goals or other terms, conditions and restrictions to the extent set forth in the applicable Award Agreement. Each applicable Award Agreement shall set forth the extent to which, if any, the Participant shall have the right to retain Restricted Stock Units and/or Shares of Restricted Stock, then subject to the Period of Restriction, following such Participant's Termination. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the applicable Award Agreement, need not be uniform among all such Awards issued pursuant to the Plan, and may reflect distinctions based on the reasons for, or circumstances of, such Termination.

ARTICLE IX. PERFORMANCE SHARES, PERFORMANCE UNITS, AND CASH-BASED AWARDS

9.1. Grant of Performance Shares, Performance Units, and Cash-Based Awards. Subject to the terms of the Plan, Performance Shares, Performance Units, and/or Cash-Based Awards may be granted to

Participants in such amounts and upon such terms, and at any time and from time to time, as shall be determined by the Committee, in accordance with the Plan. A Performance Share, Performance Unit, or Cash-Based Award entitles the Participant who receives such Award to receive Shares or cash upon the attainment of applicable performance goals for the applicable Performance Period, and/or satisfaction of other terms and conditions, in each case determined by the Committee, and which may be set forth in the Award Agreement. Such entitlements of a Participant with respect to his or her outstanding Performance Share, Performance Unit, or Cash-Based Award shall be reflected by a bookkeeping entry in the records of the Company, unless otherwise provided by the Award Agreement. The terms and conditions of such Awards shall be consistent with the Plan and set forth in the Award Agreement and need not be uniform among all such Awards or all Participants receiving such Awards.

9.2. Performance Measures. The performance goals upon which the granting, payment and/or vesting of Performance Shares, Performance Units, and/or Cash-Based Awards may be based on any one or more of the Performance Measures listed on Appendix A or on such other performance measures or criteria as selected by the Committee, in its discretion. Without limitation, any Performance Measures or other criteria selected by the Committee may be used to measure the performance of the Company, Subsidiaries and/or any Affiliates or any business unit, division, service or product of the Company, its Affiliates, and/or Subsidiaries or any combination thereof, over such period or periods, as the Committee may deem appropriate, including as compared to the performance of one or more comparator companies, or published or special index, stock market index or indices, growth rates or trends. The Committee may provide in the Award Agreement or otherwise with respect to any such Performance Share, Performance Unit, and/or Cash-Based Award that any evaluation of performance shall include or exclude any of the following events that occur during a Performance Period or it may elect to evaluate performance at the end of a Performance Period by including or excluding the effect of any such events, or in each case, such other events that the Committee deems necessary or appropriate: (a) gains or losses on sales or dispositions, (b) asset write-downs, (c) non-cash expenses such as share-based compensation, depreciation, and amortization, (d) changes in tax law or rate, including the impact on deferred tax liabilities, (e) the cumulative effect of changes in accounting principles or changes in accounting policies, (f) events of an “unusual nature” and/or of a type that indicate “infrequency of occurrence,” each as defined in FASB Accounting Standards Update 2015-01, and appearing in the Company’s financial statements or notes thereto, (g) acquisitions occurring after the start of the Performance Period or unbudgeted costs incurred related to future acquisitions, (h) operations discontinued, divested or restructured, including severance costs, (i) gains or losses on refinancing or extinguishment of debt, (j) special charges for streamlining and restructuring, including severance and employee-related costs, costs associated with the early termination of leases, production transfer expense, net of any savings realized in the period directly from the streamlining and/or restructuring activities, (k) foreign exchange gains and losses, (l) impact of repurchases of the Company’s common stock, (m) restatement of prior period financial results that is not due to the Company’s material noncompliance with any financial reporting requirement under the federal securities laws, (n) any other unusual, nonrecurring gain or loss or other item that is separately identified in the Committee materials approving the grant of such Award, and (o) any similar event or condition specified in such Award Agreement.

9.3. Earned Performance Shares, Performance Units, and Cash-Based Awards. Performance Shares, Performance Units, and Cash-Based Awards shall become earned, in whole or in part, based upon the

attainment of performance goals specified by the Committee and/or the occurrence of any event or events and/or satisfaction of such terms and conditions, including a Change in Control, as the Committee shall determine, either at or after the Grant Date. The Committee shall determine the extent to which any applicable performance goals and/or other terms and conditions of a Performance Unit, Performance Share, or Cash-Based Award are attained or not attained following conclusion of the applicable Performance Period. The Committee may, in its discretion, waive any such performance goals and/or other terms and conditions relating to any such Award.

9.4 Form and Timing of Payment of Performance Units, Performance Shares, and Cash-Based Awards. Payment of earned Performance Units, Performance Shares, and Cash-Based Awards shall be as determined by the Committee and as set forth in the Award Agreement. Subject to the terms of the Plan, the Committee, in its sole discretion, may pay earned Performance Units, Performance Shares, and Cash-Based Awards in the form of cash or in Shares (or in a combination thereof) which have an aggregate Fair Market Value equal to the value of the earned Performance Units, Performance Shares, or Cash-Based Awards following conclusion of the Performance Period and the Committee's determination of attainment of applicable performance goals and/or other terms and conditions in accordance with Section 9.3. Such Shares may be granted subject to any restrictions that may be imposed by the Committee, including a Period of Restriction or mandatory deferral. The determination of the Committee with respect to the form of payment of such Awards shall be set forth in the Award Agreement pertaining to the grant of the Award.

9.5. Rights as a Stockholder. A Participant receiving a Performance Unit, Performance Share, or Cash-Based Award shall have the rights of a stockholder only as to Shares, if any, actually received by the Participant upon satisfaction or achievement of the terms and conditions of such Award and not with respect to Shares subject to the Award but not actually issued to such Participant.

9.6 Termination of Employment or Service. Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Performance Units, Performance Shares, and/or Cash-Based Awards following such Participant's Termination. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the applicable Award Agreement, need not be uniform among all such Awards issued pursuant to the Plan, and may reflect distinctions based on the reasons for, or circumstances of, Termination.

ARTICLE X. STOCK BONUS AWARDS

10.1. Stock Bonus Awards. The Committee may grant types of equity-based or equity-related Awards not otherwise described by the terms of the Plan (including the grant or offer for sale of unrestricted Shares), in such amounts (subject to Article IV) and subject to such terms and conditions, as the Committee shall determine. More specifically, the Committee may, in its sole discretion, allow a Participant to elect to receive an equity-based or equity-related Award in lieu of the Participant's salary, cash bonus or other cash compensation or it may otherwise grant Stock Bonus Awards to Eligible Individuals. Such Stock Bonus Awards may involve the transfer of actual Shares to Participants, or payment in cash or otherwise of amounts based on the value of Shares and may include Awards designed to comply with or take advantage of the applicable local laws of jurisdictions other than the United States.

10.2. Value of Stock Bonus Awards. Each Stock Bonus Award shall be expressed in terms of Shares or units based on Shares, as determined by the Committee. The Committee may establish performance goals in its discretion, and any such performance goals shall be set forth in the applicable Award Agreement. If the Committee exercises its discretion to establish performance goals, the number and/or value of Stock Bonus Awards that will be paid out to the Participant will depend on the extent to which such performance goals are met.

10.3. Payment of Stock Bonus Awards. Payment, if any, with respect to a Stock Bonus Award shall be made in accordance with the terms of the Award, as set forth in the Award Agreement, in cash, Shares or a combination of cash and Shares, as the Committee determines.

10.4. Termination of Employment or Service. The Committee shall determine the extent to which the Participant shall have the right to receive Stock Bonus Awards following the Participant's Termination. Such provisions shall be determined in the sole discretion of the Committee, such provisions may be included in the applicable Award Agreement, but need not be uniform among all Stock Bonus Awards issued pursuant to the Plan, and may reflect distinctions based on the reasons for, or circumstances of, Termination.

ARTICLE XI. DIVIDEND EQUIVALENTS

11.1. Dividend Equivalents. Unless otherwise provided by the Committee, no adjustment shall be made in the Shares issuable or taken into account under Awards on account of cash dividends that may be paid or other rights that may be issued to the holders of Shares prior to issuance of such Shares under such Award. Subject to Section 8.8 (regarding dividends payable with respect to Restricted Shares), the Committee may grant Dividend Equivalents based on the dividends declared on Shares that are subject to any Award, other than an Option or an SAR, including any such Award the payment or settlement of which is deferred pursuant to Section 19.6. Dividend Equivalents may be credited as of the dividend payment dates, during the period between the Grant Date of the Award and the date the Award becomes payable or terminates or expires. Dividend Equivalents may be subject to any limitations and/or restrictions determined by the Committee. Dividend Equivalents shall be converted to cash or additional Shares by such formula and at such time, and shall be paid at such times, as may be determined by the Committee. The crediting of Dividend Equivalents shall be subject to the following additional rules and limitations:

- (a) Any crediting of Dividend Equivalents shall be subject to the same restrictions and conditions as the underlying Award. For avoidance of doubt, Dividend Equivalents with respect to any Award shall only be paid to the extent the Award is vested.
- (b) No Dividend Equivalents may be granted with respect to an Option or an SAR.
- (c) To the extent a Dividend Equivalent is deemed to be subject to Code Section 409A, whether or not the underlying Award is also subject to Code Section 409A, the right to the Dividend Equivalent shall be treated as a separate form of Award, and the time of payment of the Dividend Equivalent shall comply with Code Section 409A.

ARTICLE XII. TRANSFERABILITY OF AWARDS; BENEFICIARY DESIGNATION

12.1. Transferability of Incentive Stock Options. No ISO may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than (a) by will or by the laws of descent and

distribution, (b) to the extent permitted by the Code, by gift or other transfer to any trust or estate in which the original ISO recipient or such recipient's spouse or other immediate relative has a substantial beneficial interest, or to a spouse or other immediate relative, provided that any such transfer is permitted subject to Rule 16b-3 as in effect when such transfer occurs and the Board does not rescind this provision prior to such transfer; or (c) in accordance with Section 12.3. No ISO shall be transferable pursuant to a domestic relations order or similar order. Further, all ISOs granted in connection with ISOs granted to a Participant shall be exercisable during his or her lifetime only by such Participant.

12.2. All Other Awards. Except as otherwise provided in Section 8.5 or Section 12.3 or a Participant's Award Agreement or otherwise determined at any time by the Committee, no Award granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than (a) by will or by the laws of descent and distribution or (b) by gift or other transfer to any trust or estate in which the original Award recipient or such recipient's spouse or other immediate relative has a substantial beneficial interest, or to a spouse or other immediate relative, to the extent that any such transfer is permitted subject to Rule 16b-3 as in effect when such transfer occurs and the Board does not rescind this provision prior to such transfer; provided that (i) the Committee may permit further transferability, on a general or a specific basis, and may impose conditions and limitations on any permitted transferability, subject to Section 12.1 and any applicable Period of Restriction, (ii) no Award may be transferred for value or other consideration without first obtaining approval thereof by the stockholders of the Company and subject to compliance with applicable laws, (iii) no Award shall be transferable pursuant to a domestic relations order or similar order, and (iv) all Awards granted to a Participant under the Plan, and all rights with respect to such Awards, shall be exercisable or available during his or her lifetime only by or to such Participant, except as otherwise provided in a Participant's Award Agreement or otherwise determined at any time by the Committee.

With respect to those Awards, if any, that are permitted to be transferred to another individual, references in the Plan to exercise or payment related to such Awards by or to the Participant shall be deemed to include, as determined by the Committee, the Participant's permitted transferee. In the event any Award is exercised by or otherwise paid to the executors, administrators, heirs or distributees of the estate of a deceased Participant, or such a Participant's beneficiary, or the transferee of an Award, in any such case, pursuant to the terms and conditions of the Plan and the applicable Agreement and in accordance with such terms and conditions as may be specified from time to time by the Committee, the Company shall be under no obligation to issue Shares thereunder unless and until the Company is satisfied, as determined in the discretion of the Committee, that the person or persons exercising such Award, or to receive such payment, are the duly appointed legal representative of the deceased Participant's estate or the proper legatees or distributees thereof or the named beneficiary of such Participant, or the valid transferee of such Award, as applicable. Any purported assignment, transfer or encumbrance of an Award that does not comply with this Section 12.2 shall be void and unenforceable against the Company.

12.3. Beneficiary Designation. To the extent permitted by the Committee and valid under applicable law, each Participant may, from time to time, name any beneficiary or beneficiaries who shall be permitted to exercise his or her Option or SAR or to whom any benefit under the Plan is to be paid in case of the Participant's death before he or she fully exercises his or her Option or SAR or receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant, shall be in a form

prescribed by the Committee, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. In the absence of any such beneficiary designation, a Participant's unexercised Option or SAR, or amounts due but remaining unpaid to such Participant, at the Participant's death, shall be exercised or paid as designated by the Participant by will or by the laws of descent and distribution.

ARTICLE XIII. RIGHTS OF PARTICIPANTS

13.1. Rights or Claims. No person shall have any rights or claims under the Plan except in accordance with the provisions of the Plan and any applicable Award Agreement. The liability of the Company and any Subsidiary or Affiliate under the Plan is limited to the obligations expressly set forth in the Plan, and no term or provision of the Plan may be construed to impose any further or additional duties, obligations, or costs on the Company, any Subsidiary or any Affiliate thereof or the Board or the Committee not expressly set forth in the Plan. The grant of an Award under the Plan shall not confer any rights upon the Participant holding such Award other than such terms, and subject to such conditions, as are specified in the Plan as being applicable to such type of Award, or to all Awards, or as are expressly set forth in the Award Agreement evidencing such Award. Without limiting the generality of the foregoing, neither the existence of the Plan nor anything contained in the Plan or in any Award Agreement shall be deemed to:

- (a) Constitute a contract of employment or service between the Company or any Affiliate or Subsidiary and any Eligible Individual, nor shall it constitute a right to remain in the employ or service of the Company or any Affiliate or Subsidiary;
- (b) Restrict in any way the right of the Company, an Affiliate and/or a Subsidiary to terminate, change or modify any Eligible Individual's employment or service at any time with or without Cause;
- (c) Give any Eligible Individual the right to receive any bonus, whether payable in cash or in Shares, or in any combination thereof, from the Company, an Affiliate and/or a Subsidiary, nor be construed as limiting in any way the right of the Company, an Affiliate and/or a Subsidiary to determine, in its sole discretion, whether or not it shall pay any Eligible Individual bonuses, and, if so paid, the amount thereof and the manner of such payment; or
- (d) Give any Participant any rights whatsoever with respect to an Award except as specifically provided in the Plan and the Award Agreement.

13.2. Adoption of the Plan. The adoption of the Plan shall not be deemed to give any Eligible Individual or any other individual any right to be selected as a Participant or to be granted an Award, or, having been so selected, to be selected to receive a future Award.

13.3. Vesting. Notwithstanding any other provision of the Plan, a Participant's right or entitlement to exercise or otherwise vest in any Award not exercisable or vested at the Grant Date thereof shall only result from continued services as a Non-Employee Director or a Consultant or continued employment, as the case may be, with the Company or any Subsidiary or Affiliate, or satisfaction of any other performance goals or other conditions or restrictions applicable, by its terms, to such Award, except, in each such case, as the Committee may, in its discretion, expressly determine otherwise.

13.4. No Effects on Benefits; No Damages. A Participant shall, by participating in the Plan, waive any and all rights to compensation or damages in consequence of Termination of such Participant for any reason whatsoever, whether lawfully or otherwise, insofar as those rights arise or may arise from such Participant ceasing to have rights under the Plan as a result of such Termination, or from the loss or diminution in value of such rights or entitlements, including by reason of the operation of the terms of the Plan or the provisions of any statute or law relating to taxation. No claim or entitlement to compensation or damages arises from the termination of the Plan or diminution in value of any Award or Shares purchased or otherwise received under the Plan.

13.5. One or More Types of Awards. A particular type of Award may be granted to a Participant either alone or in addition to other Awards under the Plan.

ARTICLE XIV. CHANGE IN CONTROL

14.1. Accelerated Vesting and Payment.

(a) Unless otherwise provided in an Award Agreement, and only if the Awards are not assumed, substituted, or otherwise replaced by the New Employer with substantially similar awards relating to shares that are traded on an established United States securities market, or which will be so traded within sixty (60) days following the Change in Control, then upon a Change in Control:

(i) each outstanding Option shall become fully vested, nonforfeitable and exercisable immediately prior to the Change in Control. The Board or the Committee (as constituted prior the Change in Control) may provide, upon at least ten (10) days' notice to affected Participants, in its discretion (i) that such Options be canceled in exchange for an amount (payable in accordance with Section 14.2) equal to the excess, if any, of the Fair Market Value of the Common Stock on the date of the Change in Control over the Option Price applicable to such Option, provided that if the Option Price of any Option equals or exceeds the price paid for a share of the Common Stock in connection with the Change in Control, the Committee may cancel such Option without the payment of consideration thereof; or (ii) that the Participant must exercise such Options immediately prior to the Change in Control;

(ii) each outstanding Stock Appreciation Right shall become fully vested, nonforfeitable and exercisable immediately prior to the Change in Control. Each outstanding Stock Appreciation Right shall be canceled in exchange for an amount (payable in accordance with Section 14.2) equal to the excess, if any, of the Fair Market Value of the Common Stock on the date of the Change in Control over the Grant Price applicable to such Stock Appreciation Right; provided that if the Grant price of any Stock Appreciation Right equals or exceeds the price paid for a share of the Common Stock in connection with the Change in Control, the Committee may cancel such Stock Appreciation Right without the payment of consideration thereof;

(iii) restrictions on Restricted Stock shall immediately lapse, and such Restricted Stock shall become fully vested and nonforfeitable;

(iv) each outstanding Restricted Stock Unit and each other Award denominated in Shares shall become fully vested and nonforfeitable and shall be canceled in exchange for an

amount (payable in accordance with Section 14.2) equal to the Change in Control Price multiplied by the number of Shares covered by such Award;

(v) each other Award not denominated in Shares, and any Award the payment or settlement of which was deferred under Section 19.6 or otherwise, shall be canceled in exchange for the full amount of such Award (payable in accordance with Section 14.2); and

(vi) with respect to any outstanding Award of Performance Shares, Performance Units, or Cash-Based Awards and other Awards subject to Performance Measures, all incomplete Performance Periods shall end on the date of such Change in Control and the Committee shall determine the extent to which performance goals with respect to each such Performance Period have been met based upon such audited or unaudited financial information then available as it deems relevant, or, if not determinable, by assuming that the applicable “target” levels of performance have been attained, or on such other basis determined by the Committee, in its sole discretion.

(b) The Board or the Committee (as constituted prior the Change in Control) may, in addition to the consequences otherwise set forth in this Section 14.1, make adjustments and/or settlements of outstanding Awards as it deems appropriate and consistent with the Plan’s purposes.

14.2 Payments. Payment of any amounts in accordance with this Section 14.2 shall be made in cash or, if determined by the Board or the Committee (as constituted prior to the Change in Control), in securities of the New Employer that are traded on an established United States securities market, or which will be so traded within sixty (60) days following the Change in Control, having an aggregate fair market value (as determined by such Board or Committee) equal to such amount or in a combination of such securities and cash. All amounts payable hereunder shall be payable in full, as soon as reasonably practicable, but in no event later than ten (10) business days following the Change in Control, except (i) as set forth in Section 16.7(f), (ii) to the extent the terms of the applicable transaction agreement require that amounts payable hereunder be held in escrow and paid on the same schedule and under the same terms and conditions as apply to payments to stockholders generally, and such escrow payment provisions comply with the requirements of Code Section 409A, or (iii) to the extent the amount payable relates to an Award granted to a Non-Employee Director that has been deferred by such Director under the terms of the Non-Employee Director Plan, in which case amounts payable hereunder will be paid in accordance with the terms of the Non-Employee Director Plan and any applicable deferral election thereunder.

14.3 Termination, Amendment, and Modifications of Change in Control Provisions. Notwithstanding any other provision of the Plan (but subject to the limitations of the last sentence of Section 15.1 and Section 15.2) or any Award Agreement provision, the provisions of this Article XIV may not be terminated, amended, or modified on or after the date of a Change in Control to materially impair any Participant’s Award theretofore granted and then outstanding under the Plan without the prior written consent of such Participant.

14.4 Excess Parachute Payments. It is recognized that under certain circumstances payments or benefits provided to a Participant might give rise to an “excess parachute payment” within the meaning of Code Section 280G and it might be beneficial to a Participant to disclaim some portion of the payment or

benefit in order to avoid such “excess parachute payment” and thereby avoid the imposition of an excise tax resulting therefrom. Under such circumstances, it would not be to the disadvantage of the Company or the Participant to permit the Participant to disclaim any such payment or benefit in order to avoid the “excess parachute payment” and the excise tax resulting therefrom. Accordingly, the Participant may, at the Participant’s option, exercisable at any time or from time to time, disclaim any entitlement to any portion of the payment or benefits arising under this Plan which would constitute “excess parachute payments,” and it shall be the Participant’s choice as to which payments or benefits shall be so surrendered, if and to the extent that the Participant exercises such option, so as to avoid “excess parachute payments” provided, however, that Participant must first surrender payments or benefits that are payable in the same calendar year as the event giving rise to such “excess parachute payment” and, if additional payments or benefits are surrendered, must then surrender payments or benefits that are payable in the immediately succeeding calendar year and provided further that no payment or benefit that is surrendered shall affect the amount of payment or benefit payable in a subsequent calendar year.

ARTICLE XV. AMENDMENT, MODIFICATION, AND TERMINATION

15.1. Amendment, Modification, and Termination. The Board may, at any time and with or without prior notice, amend, alter, suspend, or terminate the Plan, and the Committee may, to the extent permitted by the Plan, amend the terms of any Award theretofore granted, including any Award Agreement, in each case, retroactively or prospectively; provided, however, that no such amendment, alteration, suspension, or termination of the Plan shall be made without first obtaining approval of the stockholders of the Company which would:

- (a) except as is provided in Section 4.5, increase the maximum number of Shares which may be sold or awarded under the Plan or increase the maximum limitations set forth in Section 4.3;
- (b) except as is provided in Section 4.5, decrease the minimum Option Price or Grant Price requirements of Sections 6.3 and 7.2, respectively;
- (c) change the class of persons eligible to receive Awards under the Plan;
- (d) extend the duration of the Plan or the maximum period during which Options or SARs may be exercised under Section 6.4 or 7.6, as applicable; or
- (e) otherwise require stockholder approval to comply with any applicable law, regulation or rule (including the applicable regulations and rules of the SEC and any Applicable Exchange requirements).

In addition, no such amendment, alteration, suspension, or termination of the Plan or any Award theretofore granted, including any Award Agreement, shall be made which would materially impair the previously accrued rights of a Participant under any outstanding Award without the written consent of such Participant, provided, however, that the Board may amend or alter the Plan and the Committee may amend or alter any Award, including any Agreement, either retroactively or prospectively, without the consent of the applicable Participant, (1) so as to preserve or come within any exemptions from liability under Section 16(b) of the Exchange Act, pursuant to the rules and releases promulgated by the SEC (including Rule 16b-3), or (2) if the Board or the Committee determines in its discretion that such amendment or alteration either (I) is required or advisable for the Company, the Plan or the Award to satisfy, comply with or meet the

requirements of any law, regulation, rule or accounting standard or (II) is not reasonably likely to significantly diminish the benefits provided under such Award, or that such diminishment has been or will be adequately compensated.

Except in connection with a Share Change or Corporate Transaction or as otherwise provided in Section 4.5, (1) Options or SARs issued under the Plan will not be repriced, replaced, or regranted through cancellation, or by lowering the Option Price of a previously granted Option or the Grant Price of a previously granted SAR, (2) Options or SARs issued under the Plan will not be repurchased or otherwise canceled in exchange for a payment of any form of consideration, if the Option Price or Grant Price is less than the Fair Market Value of the Shares covered by the Option or SAR, and (3) no material amendment of the Plan shall be made if stockholder approval is required by law or Applicable Exchange requirements, without, in each such case, first obtaining approval of the stockholders of the Company of such action.

15.2. Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. The Board or the Committee shall make such adjustments in the terms and conditions of, and the criteria included in, Awards as the Board or the Committee deems appropriate and equitable in recognition of unusual or nonrecurring events (including the events described in Section 4.5) affecting the Company or its Subsidiaries or Affiliates or the financial statements of the Company or its Subsidiaries or Affiliates or of changes in applicable laws, regulations, rules, or accounting principles. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan.

ARTICLE XVI. TAX WITHHOLDING AND OTHER TAX MATTERS

16.1. Tax Withholding. The Company and/or any Subsidiary or Affiliate are authorized to withhold from any Award granted or payment due under the Plan the amount of all U.S. or non-U.S. federal, state, or local taxes due in respect of such Award or payment and take any such other action as may be necessary or appropriate, as determined by the Committee, to satisfy all obligations for the payment of such taxes. No later than the date as of which an amount first becomes includible in the gross income or wages of a Participant for U.S. or non-U.S. federal, state, or local tax purposes with respect to any Award, such Participant shall pay to the Company, or make arrangements satisfactory to the Committee regarding the payment of, any U.S. or non-U.S. federal, state, or local taxes or social security (or similar) contributions of any kind required by law to be withheld with respect to such amount. The obligations of the Company under the Plan shall be conditional on such payment or satisfactory arrangements (as determined by the Committee in its discretion), and the Company and the Subsidiaries and Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to such Participant, whether or not under the Plan.

16.2. Withholding or Tendering Shares. Without limiting the generality of Section 16.1, subject to any applicable laws, the Committee may in its discretion permit or require a Participant to satisfy or arrange to satisfy, in whole or in part, the tax obligations incident to an Award by: (a) the Company's withholding of Shares or other property otherwise deliverable to such Participant pursuant to his or her Award (provided, however, that the amount of any Shares so withheld shall not exceed the amount necessary to satisfy required withholding obligations using rates of up to, but not exceeding, the maximum statutory withholding rates for U.S. or non-U.S. federal, state, or local tax purposes, including payroll taxes, that are applicable to supplemental taxable income in the Participant's particular jurisdiction), (b) tendering to the Company Shares already owned by such Participant (or by such Participant and his or her spouse jointly), based on the fair

market value of the Common Stock on the date prior to the payment date as determined by the Committee and/or (c) any other method of withholding that may be authorized by the Committee or provided for in an Award Agreement. The Committee may establish such procedures as it deems appropriate, including making irrevocable elections, for settlement of withholding obligations with Common Stock.

16.3. Restrictions. The satisfaction of tax obligations pursuant to this Article XVI shall be subject to such restrictions as the Committee may impose, including any restrictions required by applicable law or the rules and regulations of the SEC, and shall be construed consistent with an intent to comply with any such applicable laws, rule and regulations.

16.4. Special ISO Obligations. The Committee may require a Participant to give prompt written notice to the Company concerning any disposition of Shares received upon the exercise of an ISO within: (a) two years from the Grant Date of such ISO to such Participant or (b) one year from the transfer of such Shares to such Participant or (c) such other period as the Committee may from time to time determine. The Committee may direct that a Participant with respect to an ISO undertake in the applicable Award Agreement to give such written notice described in the preceding sentence, at such time and containing such information as the Committee may prescribe, and/or that the book entry Shares acquired by exercise of an ISO refer to such requirement to give such notice.

16.5. Section 83(b) Election. If a Participant makes an election under Code Section 83(b) to be taxed with respect to an Award as of the date of transfer of Shares rather than as of the date or dates upon which the Participant would otherwise be taxable under Code Section 83(a), such Participant shall deliver a copy of such election to the Company upon or prior to the filing such election with the U.S. Internal Revenue Service. Neither the Company nor any Subsidiary or Affiliate shall have any liability or responsibility relating to or arising out of the filing or not filing of any such election or any defects in such filing.

16.6. No Guarantee of Favorable Tax Treatment. Although the Company intends to administer the Plan so that Awards will be exempt from, or will comply with, the requirements of Code Section 409A, the Company does not warrant that any Award under the Plan will qualify for favorable tax treatment under Code Section 409A or any other provision of U.S. or non-U.S. federal, state, or local law. The Company shall not be liable to any Participant for any tax, interest, or penalties the Participant might owe as a result of the grant, holding, vesting, exercise, or payment of any Award under the Plan.

16.7. Nonqualified Deferred Compensation.

(a) It is the intention of the Company that no Award shall be deferred compensation subject to Code Section 409A unless and to the extent that the Committee specifically determines otherwise as provided in paragraph (b) of this Section 16.7, and the Plan and the terms and conditions of all Awards shall be interpreted and administered accordingly.

(b) The terms and conditions governing any Awards that the Committee determines will be subject to Code Section 409A, including any rules for payment, including elective or mandatory deferral of the payment or delivery of cash or Shares pursuant thereto, and any rules regarding treatment of such Awards in the event of a Change in Control, shall be set forth in the applicable Award Agreement (including, as applicable, in the Non-Employee Director Plan), and shall be intended to comply in all respects with Code Section 409A, and the Plan and the terms and conditions

of such Awards shall be interpreted and administered accordingly. Further, no payment that constitutes deferred compensation subject to Code Section 409A that would otherwise be made under the Plan or an Award Agreement upon a Termination of any Participant's employment or service will be made or provided unless and until such termination is also a "separation from service," as determined in accordance with Code Section 409A. Notwithstanding the foregoing or anything elsewhere in the Plan or an Award Agreement to the contrary, if a Participant is a "specified employee" as defined in Code Section 409A at the time of Termination with respect to an Award, then solely to the extent necessary to avoid the imposition of any additional taxes under Code Section 409A, the commencement of any payments or benefits under the Award shall be deferred until the date that is six months following the Participant's Termination (or, if earlier, the date of death of the specified employee) and shall instead be paid (in a manner set forth in the Award Agreement) on the payment date that immediately follows the end of such six-month period (or death) or as soon as administratively practicable within thirty days thereafter, but in no event later than the end of the applicable taxable year.

(c) The Committee shall not extend the period to exercise an Option or Stock Appreciation Right to the extent that such extension would cause the Option or Stock Appreciation Right to become subject to Code Section 409A.

(d) Unless the Committee provides otherwise in an Award Agreement, each Restricted Stock Unit, Performance Unit, Performance Share, Cash-Based Award and/or Stock Bonus Award that is not deferred compensation subject to Code Section 409A shall be paid in full to the Participant no later than the fifteenth day of the third month after the end of the first calendar year in which such Award is no longer subject to a "substantial risk of forfeiture" within the meaning of Code Section 409A. If the Committee provides in an Award Agreement that a Restricted Stock Unit, Performance Unit, Performance Share, Cash-Based Award or Stock Bonus Award is intended to be subject to Code Section 409A, the Award Agreement shall include terms that are intended to comply in all respects with Code Section 409A.

(e) No Dividend Equivalents shall relate to Shares underlying an Option or SAR unless such Dividend Equivalent rights are explicitly set forth as a separate arrangement and do not cause any such Option or SAR to be subject to Code Section 409A.

(f) Notwithstanding any other provision of the Plan or an Award Agreement to the contrary, no event or condition shall constitute a Change in Control with respect to an Award to the extent that, if it were, a twenty percent (20%) additional income tax would be imposed under Code Section 409A on the Participant who holds such Award; provided that, in such a case, the event or condition shall continue to constitute a Change in Control to the maximum extent possible (for example, if applicable, in respect of vesting without an acceleration of payment of such an Award) without causing the imposition of such twenty percent (20%) tax, but payment of such Award will be made pursuant to the Award's original payment schedule or, if earlier, upon the death of Participant, unless otherwise provided in the Award Agreement.

(g) In the event that any (i) provision of the Plan or an Award Agreement, (ii) Award, payment or transaction or (iii) other action or arrangement contemplated by the provisions of the Plan

is determined by the Committee to not comply with the applicable requirements of Code Section 409A, the Committee shall have the authority to take such actions and to make such changes to the Plan or an Award Agreement as the Committee deems necessary to comply with such requirements (including amendments and procedures with retroactive effect), without the consent of the Participant.

ARTICLE XVII. LIMITS OF LIABILITY; INDEMNIFICATION

17.1. Limits of Liability. Any liability of the Company or a Subsidiary or Affiliate to any Participant with respect to any Award shall be based solely upon contractual obligations created by the Plan and the Award Agreement.

(a) None of the Company, any Subsidiary, any Affiliate, any member of the Board or the Committee or any other person participating in any determination of any question under the Plan, or in the interpretation, administration or application of the Plan, shall have any liability, in the absence of bad faith, to any party for any action taken or not taken in connection with the Plan, except as may expressly be provided by statute.

(b) Each member of the Committee, while serving as such, shall be considered to be acting in his or her capacity as a director of the Company. Members of the Board of Directors and members of the Committee acting under the Plan shall be fully protected in relying in good faith upon the advice of counsel and shall incur no liability except for gross negligence or willful misconduct in the performance of their duties.

(c) The Company shall not be liable to a Participant or any other person as to: (i) the non-issuance of Shares as to which the Company has been unable to obtain from any regulatory body having relevant jurisdiction the authority deemed by the Committee or the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, and (ii) any tax consequence expected, but not realized, by any Participant or other person due to the receipt, exercise or settlement of any Option or other Award.

17.2. Indemnification. Subject to the requirements of Delaware law, each individual who is or was a member of the Committee or of the Board, or an officer of the Company or its Subsidiaries and Affiliates to whom authority was delegated in accordance with Article III, shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf, unless such loss, cost, liability, or expense is a result of the individual's own willful misconduct, or except as provided by statute. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such individual may be entitled under the Company's Certificate of Incorporation or By-Laws, as a matter of law, or otherwise, or any power that the Company may have to indemnify or hold harmless such individual.

ARTICLE XVIII. SUCCESSORS

18.1. General. All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on successors, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or purchase of all or substantially all of the business and/or assets of the Company.

ARTICLE XIX. MISCELLANEOUS

19.1. Drafting Context; Captions. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural. The words “Article,” “Section,” and “paragraph” herein shall refer to provisions of the Plan, unless expressly indicated otherwise. The words “include,” “includes,” and “including” herein shall be deemed to be followed by “without limitation” whether or not they are in fact followed by such words or words of similar import, unless the context otherwise requires. The headings and captions appearing herein are inserted only as a matter of convenience. They do not define, limit, construe, or describe the scope or intent of the provisions of the Plan.

19.2. Forfeiture Events. Notwithstanding any provision of the Plan to the contrary, the Committee shall have the authority to determine (and may so provide in any Agreement) that a Participant’s (including his or her estate’s, beneficiary’s or transferee’s) rights (including the right to exercise any Option or SAR), payments and benefits with respect to any Award shall be subject to reduction, cancellation, forfeiture or recoupment (to the extent permitted by applicable law) in the event of the Participant’s Termination for Cause; serious misconduct; violation of the Company’s or a Subsidiary’s or Affiliate’s policies; breach of fiduciary duty; unauthorized disclosure of any trade secret or confidential information of the Company or a Subsidiary or Affiliate; breach of applicable noncompetition, nonsolicitation, confidentiality, or other restrictive covenants; or other conduct or activity that is in competition with the business of the Company or any Subsidiary or Affiliate, or otherwise detrimental to the business, reputation or interests of the Company and/or any Subsidiary or Affiliate; or upon the occurrence of certain events specified in the applicable Award Agreement (in any such case, whether or not the Participant is then an Employee or Non-Employee Director). The determination of whether a Participant’s conduct, activities, or circumstances are described in the immediately preceding sentence shall be made by the Committee in its discretion, and pending any such determination, the Committee shall have the authority to suspend the exercise, payment, delivery, or settlement of all or any portion of such Participant’s outstanding Awards pending an investigation of the matter. In addition, all Awards granted under the Plan will be subject to recoupment in accordance with the Company’s current clawback policy or any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company’s securities are listed or as is otherwise required by applicable law.

19.3. Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

19.4. Transfer, Leave of Absence. For purposes of the Plan, neither (i) a transfer of an Eligible Individual from the Company to an Affiliate or Subsidiary (or, for purposes of determining whether an Option

is entitled to continuing ISO status, only a Subsidiary), or vice versa, or from one Affiliate or Subsidiary to another (or, for purposes of determining whether an Option is entitled to continuing ISO status, only from one Subsidiary to another), nor (ii) a leave of absence, duly authorized in writing by the Company or a Subsidiary or Affiliate, shall be deemed a Termination of the Eligible Individual for purposes of the Plan or with respect to any Award (in the case of ISOs, to the extent permitted by the Code).

19.5. Exercise and Payment of Awards. An Award shall be deemed exercised or claimed when the Participant gives Notice, in a form acceptable to the Committee, to the Secretary of the Company (or any other Company official or other person designated by the Committee for such purpose), pays the applicable Option Price, Grant Price or other purchase price, if any, and complies with the tax withholding provisions of Article XVI, all in accordance with the Plan and such Participant's Award Agreement. An Option that no longer qualifies as an ISO shall be treated as a Nonqualified Stock Option.

19.6. Deferrals. Subject to applicable law, the Committee may from time to time establish procedures pursuant to which a Participant may defer on an elective or mandatory basis receipt of all or a portion of the cash or Shares subject to an Award on such terms and conditions as the Committee shall determine, including those of any deferred compensation plan of the Company or any Subsidiary or Affiliate specified by the Committee for such purpose, including, without limitation, the Non-Employee Director Plan.

19.7. No Effect on Other Plans. Neither the adoption of the Plan nor anything contained herein shall affect any compensation or incentive plans or arrangements of the Company or any Subsidiary or Affiliate, or prevent or limit the right of the Company or any Subsidiary or Affiliate to establish any forms of incentives or compensation for their directors, officers, eligible employees or consultants or grant or assume options or other rights otherwise than under the Plan.

19.8. Section 16 of the Exchange Act. The provisions and operation of the Plan are intended to ensure that no transaction under the Plan is subject to (and not exempt from) the short-swing profit recovery rules of Section 16(b) of the Exchange Act. Unless otherwise stated in the Award Agreement, notwithstanding any other provision of the Plan, any Award granted to an Insider shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16(b) of the Exchange Act (including Rule 16b-3) that are requirements for the application of such exemptive rule, and the Plan and the Award Agreement shall be deemed amended to the extent necessary to conform to such limitations.

19.9. Requirements of Law; Limitations on Awards.

(a) The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(b) If at any time the Committee shall determine, in its discretion, that the listing, registration and/or qualification of Shares upon any securities exchange or under any U.S. or non-U.S. state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the sale or purchase of Shares hereunder, the Company shall have no obligation to allow the grant, exercise or payment of any Award, or to issue or deliver evidence of title for Shares issued under the Plan, in whole or in part, unless and until such listing, registration, qualification, consent and/or approval shall have been

effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Committee.

(c) If at any time counsel to the Company shall be of the opinion that any sale or delivery of Shares pursuant to an Award is or may be in the circumstances unlawful or result in the imposition of excise taxes on the Company or any Subsidiary or Affiliate under the statutes, rules or regulations of any applicable jurisdiction, the Company shall have no obligation to make such sale or delivery, or to make any application or to effect or to maintain any qualification or registration under the Securities Act, or otherwise with respect to Shares or Awards and the right to exercise or payment of any Option or Award shall be suspended until, in the opinion of such counsel, such sale or delivery shall be lawful or will not result in the imposition of excise taxes on the Company or any Subsidiary or Affiliate.

(d) Upon termination of any period of suspension under this Section 19.9, any Award affected by such suspension which shall not then have expired or terminated shall be reinstated as to all Shares available before such suspension and as to the Shares which would otherwise have become available during the period of such suspension, but no suspension shall extend the term of any Award.

(e) The Committee may require each person receiving Shares in connection with any Award under the Plan to represent and agree with the Company in writing that such person is acquiring such Shares for investment without a view to the distribution thereof, and/or provide such other representations and agreements as the Committee may prescribe. The Committee, in its absolute discretion, may impose such restrictions on the ownership and transferability of the Shares purchasable or otherwise receivable by any person under any Award as it deems appropriate. Any such restrictions shall be set forth in the applicable Award Agreement, and the certificates evidencing such Shares may include any legend that the Committee deems appropriate to reflect any such restrictions.

(f) An Award and any Shares received upon the exercise or payment of an Award shall be subject to such other transfer and/or ownership restrictions and/or legending requirements as the Committee may establish in its discretion and may be referred to on the certificates evidencing such Shares, including restrictions under applicable U.S. federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, and under any blue sky or U.S. state securities laws applicable to such Shares.

(g) The inability or impracticability of the Company to obtain or maintain authority from any governmental agency or other regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained, and shall constitute circumstances in which the Committee may determine to amend or cancel Awards pertaining to such Shares, without the consent of the affected Participants, and with or without consideration to such Participants.

19.10. Participants Deemed to Accept Plan. By accepting any benefit under the Plan, each Participant and each person claiming under or through any such Participant shall be conclusively deemed to

have indicated their acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and any action taken under the Plan by the Board, the Committee or the Company, in any case in accordance with the terms and conditions of the Plan.

19.11. Governing Law. The Plan and each Award Agreement shall be governed by the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction. Unless otherwise provided in the Award Agreement, Participants are deemed to submit to the exclusive jurisdiction and venue of the federal or state courts of the State of Delaware, to resolve any and all issues that may arise out of or relate to the Plan or any related Award Agreement.

19.12. Plan Unfunded. The Plan shall be unfunded. Neither the Company nor the Company shall be required to establish any special or separate fund or to make any other segregation of assets to assure the issuance of Shares or the payment of cash upon exercise or payment of any Award. Proceeds from the sale of Shares pursuant to Options or other Awards granted under the Plan shall constitute general funds of the Company.

19.13. Administration Costs. The Company shall bear all costs and expenses incurred in administering the Plan, including expenses of issuing Shares pursuant to any Options or other Awards granted hereunder.

19.14. No Fractional Shares. No fractional Shares shall be issued upon the exercise or payment of an Option or other Award. The Committee may, in its discretion, pay cash in lieu of fractional shares or require that fractional shares be forfeited.

19.15. Subsidiary or Affiliate Eligible Individuals. In the case of a grant of an Award to any Eligible Individual of a Subsidiary or Affiliate, the Company may, if the Committee so directs, issue or transfer the Shares, if any, covered by the Award to such Subsidiary or Affiliate, for such lawful consideration as the Committee may specify, upon the condition or understanding that such Subsidiary or Affiliate will transfer such Shares to such Eligible Individual in accordance with the terms and conditions of such Award and those of the Plan. The Committee may also adopt procedures regarding treatment of any Shares so transferred to a Subsidiary or Affiliate that are subsequently forfeited or canceled.

19.16. Right of Offset. The Company and the Subsidiaries and Affiliates shall have the right to offset against the obligations to make payment, operate withholding, or issue any Shares to any Participant under the Plan, any outstanding amounts (including travel and entertainment advance balances, loans, tax withholding amounts paid by the employer, or amounts repayable to the Company or any Subsidiary or Affiliate pursuant to tax equalization, housing, automobile, or other employee programs) such Participant then owes to the Company or any Subsidiary or Affiliate and any amounts the Committee otherwise deems appropriate pursuant to any tax equalization policy or agreement.

19.17. Participants Based Outside of the United States. The Committee may grant Awards to Eligible Individuals who are non-United States nationals, or who reside outside the United States or who are not compensated from a payroll maintained in the United States or who are otherwise subject to (or could cause the Company to be subject to) legal or regulatory provisions of countries or jurisdictions outside the United States, on such terms and conditions different from those specified in the Plan as may, in the judgment

of the Committee, be necessary or desirable to foster and promote achievement of the purposes of the Plan and comply with such legal or regulatory provisions, and, in furtherance of such purposes, the Committee may make or establish such modifications, amendments, procedures or subplans as may be necessary or advisable to comply with such legal or regulatory requirements (including triggering a public offering or to maximize tax efficiency).

19.18. Outstanding Qualified Performance-Based Awards. All provisions of the 2017 Plan governing Outstanding Qualified Performance-Based Awards that were in effect prior to the Effective Date of the Plan shall continue in effect with respect to Outstanding Qualified Performance-Based Awards, notwithstanding the elimination of such provisions from the Plan as of the Effective Date. Further, the amendment or restatement of the Plan as of the Effective Date shall not affect the terms and conditions of any Outstanding Qualified Performance Based-Award or any other award that the Company intends to qualify for grandfathering under P.L. 115-97, Section 13601(e) (2), to the extent that it would result in a material modification of such award within the meaning of such Section 13601(e)(2). For purposes of this Section 19.18, “Outstanding Qualified Performance-Based Award” means any award granted prior to the Effective Date that is outstanding as of the Effective Date and that is intended to constitute “qualified performance-based compensation” as described in Section 162(m)(4)(C) of the Code, as in effect prior to its amendment by the U.S. Tax Cuts and Jobs Act, P.L. 115-97.

**APPENDIX TO
AMENDED AND RESTATED ACUITY INC.
2012 OMNIBUS STOCK INCENTIVE COMPENSATION PLAN**

The performance targets and the measurement criteria used in determining applicable performance may include one or more of the following Performance Measures which may be adjusted to include or exclude any of the events that occur during a Performance Period as described in Section 9.2:

Performance Measure	General Definition
Capital Expenditures (CAPEX)	Purchases of property, plant, and equipment.
Capitalized Economic Profit	Economic Profit divided by a predetermined rate reflecting the cost of capital.
Capitalized Entity Value	Sum of average invested capital in the business and the Capitalized Economic Profit.
Capitalized Equity Value	Capitalized Entity Value minus total debt.
Cashflow from Operations	Net cash provided by operating activities.
Cashflow Return on Capital	Cashflow divided by average invested capital.
Cashflow Return on Capitalized Entity/Equity Value	Cashflow from Operations divided by Capitalized Entity/Equity Value.
Cashflow Return on Investment (CFROI)	The amount comprised of Profit before Tax plus non-cash share-based compensation expense plus loss on sale of business less gain on sale of business reduced by income taxes at the reported tax rate plus depreciation and amortization expense less CAPEX, divided by the amount comprised of Gross Fixed Assets plus Working Capital excluding cash, investments, and debt.
Change in Capital	CAPEX plus/minus change in operating Working Capital plus net proceeds from asset sales.
Change in Operating Working Capital	GAAP cash flow of accounts receivable (including allowance for doubtful accounts), inventory, and accounts payable.
Change in Price of Shares	Percentage increase in per-share price. This measure may be adjusted for Change in Capitalization (as defined in the Plan).
Change in Working Capital	Increase or decrease in Working Capital.
Days Inventory Outstanding	Inventory divided by the sum of the last three months sales divided by the total calendar days in the last three months.
Days Payables Outstanding	Accounts payable divided by the sum of the last three months' cost of goods sold divided by the total calendar days in the last three months.
Days Sales Outstanding	Accounts receivable divided by the sum of the last three months' sales divided by the total calendar days in the last three months.
Debt	Third-party debt recorded on the balance sheet.
Debt Reduction	Decrease in total debt from one period to another.
Earnings Before Interest and Taxes (EBIT)	Earnings minus interest and taxes.
EBIT Margin	EBIT divided by net sales.

Performance Measure	General Definition
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	Earnings minus interest, taxes, depreciation, and amortization.
EBITDA Margin	EBITDA divided by net sales.
Earnings Per Share	Primary or fully diluted earnings per share.
Economic Profit	Net Income minus a charge for capital.
Free Cash Flow	Cashflow from Operations less CAPEX plus proceeds from the sale of property, plant, and equipment.
Gross Fixed Assets	Total property, plant, and equipment.
Gross Profit	Gross profit.
Gross Profit Margin	Gross profit divided by net sales
Intangible Assets	Goodwill and intangible assets.
Net Income	Net income.
Net Income Return on Capital	Net Income divided by average invested capital.
Net Operating Profit After Tax (NOPAT)	Operating profit minus book income taxes (reported tax rate applied to operating profit).
Net Trade Cycle	Days Sales Outstanding plus Days Inventory Outstanding less Days Payables Outstanding.
Operating Profit	Operating profit.
Operating Profit Margin	Operating profit divided by net sales
Operating Working Capital	Net accounts receivable plus inventory minus accounts payable.
Profit before Tax	Income before provision for income taxes.
Return on Assets (ROA)	Net Income divided by average total assets.
Return on Equity (ROE)	Net Income divided by average stockholders' equity.
Return on Gross Investment	Sum of Net Income plus depreciation divided by sum of average invested capital plus accumulated depreciation.
Return on Invested Capital	Net Income divided by average invested capital.
Return on Net Assets (RONA)	Net Income or income before taxes, divided by average net assets.
Return on Tangible Assets	EBIT divided by total assets less intangible assets.
Sales	Net sales of products and service revenues.
Sales Growth	Percentage change in Sales from year to year.
Total Return of Common Stock	Percentage change in stockholder value (stock price plus reinvested dividends).
Working Capital	Current assets minus current liabilities.

ACUITY INC.
SHORT-TERM INCENTIVE PLAN
As Amended and Restated Effective as of March 26, 2025

1. Establishment and Effective Date of Plan

Acuity Inc. hereby adopts this amendment, restatement, and renaming of the Acuity Inc. Short-Term Incentive Plan (formerly known as the Acuity Brands, Inc. Short-Term Incentive Plan) (the “Plan”). The Plan is intended to provide annual cash Incentive Awards to Executive Officers and certain other executives and key employees of the Corporation, its Subsidiaries and Business Units who are in positions designated as eligible for participation by the Committee or its designee. The Plan initially became effective as of October 25, 2017 and was amended, restated, and renamed as of September 28, 2023. This amendment, restatement, and renaming shall become effective as of March 26, 2025 (the “Effective Date”), the effective date of the Corporation’s name change, as approved by the Board of Directors. The Plan shall remain in effect until amended, suspended, or terminated by the Compensation Committee pursuant to Section 13.

2. Purpose of the Plan

The purpose of the Plan is to further the growth and financial success of the Corporation by offering performance incentives to designated executives and other key employees who have significant responsibility for such success.

3. Definitions

(a) “Base Annual Salary” means the actual base salary paid to a Participant during the applicable Plan Year, increased by the amount of any pre-tax deferrals or other pre-tax payments made by the Participant to the Corporation’s deferred compensation or welfare plans (whether qualified or non-qualified).

(b) “Board of Directors” means the Board of Directors of the Corporation.

(c) “Business Unit” means a separate business operating unit of the Corporation with respect to which separate performance goals are established hereunder.

(d) “Change in Control” means the occurrence of any of the following events:

(i) The acquisition (other than from the Corporation) by any “Person” (as the term person is used for purposes of Sections 13(d) or 14(d) of the U.S. Securities Exchange Act of 1934, as amended (the “1934 Act”)) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of twenty percent (20%) or more of the combined voting power of the Corporation’s then outstanding voting securities; or

(ii) The individuals who, as of the Effective Date, are members of the Board of Directors (the “Incumbent Board”), cease for any reason to constitute at least two-thirds of the Board of Directors; provided, however, that if the election, or nomination for election by the Corporation’s stockholders, of any new director was approved by a vote of at least two-thirds of

the Incumbent Board, such new director shall, for purposes of this Plan, be considered as a member of the Incumbent Board; or

(iii) A merger or consolidation involving the Corporation if the stockholders of the Corporation, immediately before such merger or consolidation do not, as a result of such merger or consolidation, own, directly or indirectly, more than sixty percent (60%) of the combined voting power of the then outstanding voting securities of the corporation resulting from such merger or consolidation in substantially the same proportion as their ownership of the combined voting power of the voting securities of the Corporation outstanding immediately before such merger or consolidation; or

(iv) A complete liquidation or dissolution of the Corporation or an agreement for the sale or other disposition of all or substantially all of the assets of the Corporation.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur pursuant to subsection (i) above, solely (1) because twenty percent (20%) or more of the combined voting power of the Corporation's then outstanding securities is acquired by (i) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained by the Corporation or any of its Subsidiaries, or (ii) any corporation which, immediately prior to such acquisition, is owned directly or indirectly by the stockholders of the Corporation in the same proportion as their ownership of stock in the Corporation immediately prior to such acquisition, or (2) a transaction is effected for the purpose of changing the place of incorporation or form of organization of the ultimate parent entity (including where the Corporation is succeeded by an issuer incorporated under the laws of another state or country, whether or not the Corporation remains in existence following such transaction) where all or substantially all of the persons or group that beneficially own all or substantially all of the combined voting power of the Corporation's then outstanding securities immediately prior to the transaction beneficially own all or substantially all of the combined voting power of the Corporation or the ultimate parent entity in the same proportions of their ownership after the transaction.

(e) "Chief Executive Officer" means the chief executive officer of the Corporation, unless otherwise specified.

(f) "Code" means the U.S. Internal Revenue Code of 1986, as amended.

(g) "Committee" means (i) with respect to the administration of the Plan for Participants who are Executive Officers, the Compensation Committee, and (ii) with respect to the administration of the Plan for Participants who are not Executive Officers, a committee consisting of the Chief Executive Officer and the Corporation's chief human resources officer, or such other officer(s) as the Board of Directors or Compensation Committee may designate from time to time (such committee, the "Management Committee").

(h) "Compensation Committee" means the Compensation and Management Development Committee of the Board of Directors.

- (i) “Corporation” means Acuity Inc. and its successors.
- (j) “Executive Officer” means a Participant who is an officer of the Corporation as defined in Rule 16a-1(f) promulgated under the 1934 Act.
- (k) “Incentive Award” or “Award” means the bonus awarded to a Participant under the terms of the Plan.
- (l) “Incentive Award Agreement” means any written communication from the Corporation in which the terms of an Incentive Award are set forth.
- (m) “Maximum Award” means the maximum percentage of Base Annual Salary which may be paid based upon the Relative Performance during the Plan Year.
- (n) “Participant” means an employee of the Corporation, a Subsidiary or a Business Unit who is designated by the Committee to participate in the Plan.
- (o) “Performance Measures” means the performance measures described on Appendix A attached hereto, as they may be amended from time to time, or such other performance measures determined appropriate by the Compensation Committee.
- (p) “Personal Performance Goals” means the goals established for each Participant each year to improve the effectiveness of the Participant’s area of responsibility as well as the Corporation as a whole.
- (q) “Plan Rules” means the guidelines established annually by the Committee pursuant to Section 4.
- (r) “Plan Year” means the twelve-month period that is the same as the Corporation’s fiscal year, September 1 through the next following August 31.
- (s) “Relative Performance” means the extent to which the Corporation, designated Business Unit or Subsidiary, as applicable, achieves the performance measurement criteria set forth in the Plan Rules.
- (t) “Subsidiary” means any entity in an unbroken chain of entities, beginning with the Corporation, if each of the entities other than the last entity in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other entities in such chain.
- (u) “Target Award” means the percentage (which may vary among Participants and from Plan Year to Plan Year) of Base Annual Salary which will be paid to a Participant as an Incentive Award if the performance measurement criteria applicable to the Participant for the Plan Year is achieved at the targeted level, as reflected in the Plan Rules for such Plan Year.

(v) “Tax-Related Items” means all income tax (including U.S. and non-U.S. federal, state and local tax), social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to a Participant’s participation in the Plan and legally applicable or deemed legally applicable to the Participant.

(w) “Threshold Award” means the percentage of Base Annual Salary which may be paid based on the minimum acceptable Relative Performance during the Plan Year.

4. **Administration of the Plan**

The Plan will be administered by the Committee, subject to any right to delegate responsibility for administration of the Plan pursuant to Section 7. Notwithstanding the foregoing or anything in the Plan to the contrary, the determination of the Compensation Committee with respect to Incentive Awards of the Chief Executive Officer will be subject to the ratification of the independent directors of the Board to the extent set forth in the Compensation Committee's Charter, as it may be amended from time to time (the “Charter”). The Committee will have authority to establish Plan Rules with respect to the following matters:

- (a) the employees who are designated Participants in the Plan;
- (b) the Target Award, Maximum Award and Threshold Award that can be granted to each Participant and the method for determining such award, which may be amended by the Committee from time to time;
- (c) the performance targets and the measurement criteria to be used in determining the Corporation’s or a Business Unit’s or a Subsidiary’s Relative Performance, which will include one or more Performance Measures, as determined by the Compensation Committee each year; and
- (d) the time or times and the conditions subject to which any Incentive Award may become payable.

The Plan Rules will be adopted by the Committee prior to, or as soon as practical after, the commencement of each Plan Year. Subject to the provisions of the Plan and the Committee’s right to delegate its responsibilities, the Committee will also have the discretionary authority to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, and to make all other determinations deemed necessary or advisable in administering the Plan. Subject to applicable laws, the Committee may in its discretion during a Plan Year revise the performance targets and measurement criteria to the extent the Committee deems necessary to achieve the purposes of the Plan to reflect any changed or unexpected or unusual circumstances; provided that only the Compensation Committee may revise the performance targets and measurement criteria that relate to the Corporation’s or a Business Unit’s or a Subsidiary’s Relative Performance.

In addition, all Awards granted under the Plan and any cash payments received pursuant to such Awards will be subject to deduction, recoupment, or forfeiture in accordance with and to the extent otherwise necessary to comply with the Corporation’s Incentive-Based Compensation Recoupment

Policy, as it may be amended from time to time, or any other clawback policy that the Corporation is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Corporation's securities are listed or as is otherwise required by applicable law. Further, Awards granted under the Plan and any cash payments received pursuant to such Awards will be subject to deduction, recoupment, or forfeiture at the discretion of the Committee, in the event that the Committee determines that a Participant's negligence, fraud or other misconduct contributed to the Corporation having to restate all or a portion of its financial statements or in the event that a Participant otherwise engages in misconduct, including any material violation of law or Corporation policy, which causes or might reasonably be expected to cause financial, reputational, or other harm to the Corporation, as determined by the Committee.

5. **Participation**

Eligibility for participation in the Plan is limited to Executive Officers of the Corporation and certain other executives and key employees of the Corporation, Business Units or Subsidiaries. From among those eligible, the Committee will designate by name or position the Participants each Plan Year. Any employee who is a Participant in one Plan Year may be excluded from participation in any other Plan Year. If, during the Plan Year, a Participant changes employment positions to a new position which corresponds to a different award level, the Committee may, in its discretion, adjust the Participant's award level for such Plan Year. The Committee may, in its discretion, designate employees who are hired after the beginning of the Plan Year as Participants for such Plan Year and as eligible to receive full or partial Incentive Awards for such year.

6. **Incentive Awards**

(a) Determination of the Amount of Incentive Awards

At the end of each Plan Year, the Committee shall certify the extent to which the performance targets and measurement criteria established pursuant to Section 4 have been achieved for such Plan Year based upon financial and other information provided by the Corporation. Subject to the right to decrease or cancel an award as described in the next paragraph, the Participant's Incentive Award shall be computed by the Committee based upon the achievement of the established performance targets, measurement criteria and the requirements of the Plan. The Committee may provide in the Incentive Award Agreement or otherwise that any evaluation of performance shall include or exclude any of the following events that occur during a Plan Year: (i) gains or losses on sales or dispositions, (ii) asset write-downs, (iii) non-cash expenses such as share-based compensation, depreciation, and amortization, (iv) changes in tax law or rate, including the impact on deferred tax liabilities, (v) the cumulative effect of changes in accounting principles or changes in accounting policies, (vi) events of an "unusual nature" and/or of a type that indicate "infrequency of occurrence," each as defined in FASB Accounting Standards Update 2015-01, and appearing in the Corporation's financial statements or notes thereto, (vii) acquisitions occurring after the start of the Performance Period or unbudgeted costs incurred related to future acquisitions, (viii) operations discontinued, divested or restructured, including severance costs, (ix) gains or losses on refinancing or extinguishment of debt, (x) special charges for streamlining and restructuring, including severance and employee-related costs, costs associated with the early termination

of leases, production transfer expense, net of any savings realized in the period directly from the streamlining and/or restructuring activities, (xi) foreign exchange gains and losses, (xii) impact of repurchases of the Corporation's common stock, (xiii) restatement of prior period financial results that is not due to the Corporation's material noncompliance with any financial reporting requirement under U.S. federal securities laws, (xiv) any other unusual, nonrecurring gain or loss or other item that is separately identified in the Committee materials approving the grant of such Incentive Award, and (xv) any similar event or condition specified in such Incentive Award Agreement or otherwise by the Committee.

The Committee may, in its discretion, cancel or decrease the amount of a Participant's Incentive Award for a Plan Year based upon such factors as it may determine, including the failure of the Corporation, Business Unit or Subsidiary to meet certain performance goals or of a Participant to meet his or her Personal Performance Goals, subject to applicable laws. The factors to be used in reducing or cancelling an Incentive Award may be established at the beginning of a Plan Year and may vary among Participants.

In the event that the Corporation's, Business Unit's or Subsidiary's performance is below the performance thresholds for the Plan Year and the Incentive Awards are reduced or canceled, the Committee may in its discretion grant Incentive Awards to deserving Participants.

The maximum Incentive Award that may be paid to an individual Participant for a Plan Year shall be \$6 million.

(b) Eligibility for Payment of Incentive Award

No Participant will have any right to receive any Incentive Award until such date as the Committee has made its final determination with respect to the payment of individual Incentive Awards. Unless otherwise required by applicable laws or determined at the discretion of the Committee, no Incentive Award will be paid to any Participant who is not an active employee of the Corporation, a Business Unit or a Subsidiary at the end of the Plan Year to which the Incentive Award relates. The Committee may also provide that to receive an Incentive Award a Participant is required to be an active employee of the Corporation, a Business Unit or a Subsidiary on the date the Incentive Award is payable. At the discretion of the Committee or its designee (subject to applicable laws), partial Incentive Awards may be authorized by the Committee to be paid to Participants (or their beneficiaries) who (i) are on an approved leave of absence (ii) are terminated without cause, (iii) retire, (iv) die or (v) become permanently and totally disabled during the Plan Year. No Participant entitled to receive an Incentive Award shall have any interest in any specific asset of the Corporation, and such Participant's rights shall be equivalent to that of a general unsecured creditor of the Corporation.

(c) Payment of Awards

Payment of the Incentive Awards will be made as soon as practicable after their determination pursuant to subsections (a) and (b) above, subject to the Corporation's right to allow a Participant to defer payment pursuant to an applicable deferred compensation plan of the Corporation, but in no event later than the payment time specified in Section 14. Payment will generally be made in a lump sum in cash, unless the Committee otherwise determines at the beginning of the Plan Year.

7. Delegation of Authority by Committee

The Compensation Committee may not delegate its responsibility for administration of the Plan as it relates to Participants who are Executive Officers. The Management Committee may delegate its authority to administer the Plan to a Participant's direct supervisor or manager or to such other appropriate individual, to the extent not prohibited by applicable laws, and subject to the Management Committee's right to approve the administrative actions of any such delegate. To the extent that authority is delegated pursuant to this Section 7, references to the "Committee" in the Plan shall include any such delegate. Notwithstanding the foregoing and subject to the Charter, the Compensation Committee may at any point assume full administrative authority with respect to any Participant or aspect of the Plan.

8. Change in Control

Upon the occurrence of a Change in Control, unless determined by the Committee in accordance with such rules as it may establish, the Participant's Incentive Award for the Plan Year shall be determined as if the Target Award level of performance has been achieved (without any reductions under Section 6(a)) and shall be deemed to have been fully earned for the Plan Year, provided that the Participant shall only be entitled to a pro rata portion of the Incentive Award based upon the number of days within the Plan Year that had elapsed as of the effective date of the Change in Control. The Incentive Award amount shall be paid only in cash within thirty (30) days of the effective date of the Change in Control. The Incentive Award payable upon a Change in Control to a Participant for the Plan Year during which a Change in Control occurs shall be the greater of the amount provided for under this Section 8 or the amount of the Incentive Award payable to such Participant for the Plan Year under the terms of any employment agreement or severance agreement with the Corporation, its Business Units or Subsidiaries, and the Participant shall not receive a duplicate Incentive Award for the Plan Year (or portion of a Plan Year), under this Plan and any such employment agreement or severance agreement. Notwithstanding the above, the Committee may provide in the Plan Rules for alternative consequences upon a Change in Control, which may apply to some or all Participants and which may vary among Participants.

9. Beneficiary

The Committee may provide for each Participant to designate a person or persons to receive, in the event of death, any Incentive Award to which the Participant would then be entitled under Section 6(b). Such designation will be made in the manner determined by the Committee and may be revoked by the Participant in writing. If the Committee does not provide for such designation or if a Participant fails effectively to designate a beneficiary, then the estate of the Participant will be deemed to be the beneficiary.

10. Withholding Taxes

The Corporation or a Subsidiary shall deduct from each Incentive Award the amount of any Tax-Related Items required to be withheld by any governmental authority.

11. **Employment**

Nothing in the Plan or in any Incentive Award shall confer (or be deemed to confer) upon any Participant the right to continue in the employ of the Corporation, a Business Unit or a Subsidiary, or interfere with or restrict in any way the rights of the Corporation, a Business Unit or a Subsidiary to discharge any Participant at any time for any reason whatsoever, with or without cause.

12. **Successors**

All obligations of the Corporation under the Plan with respect to Incentive Awards granted hereunder shall be binding upon any successor to the Corporation, whether such successor is the result of an acquisition of stock or assets of the Corporation, a merger, a consolidation or otherwise.

13. **Termination and Amendment of the Plan**

The Compensation Committee has the right to suspend or terminate the Plan at any time, or to amend the Plan in any respect provided that no such action will, without the consent of an affected Participant, adversely affect the Participant's rights under an Incentive Award approved under Section 6(b), except as the Compensation Committee determines necessary or advisable to comply with applicable law.

14. **Nonqualified Deferred Compensation.**

It is the intention of the Corporation that no Incentive Award be deferred compensation subject to Code Section 409A unless and to the extent that the Committee specifically determines otherwise, and the Plan and the terms and conditions of all Incentive Awards shall be interpreted and administered accordingly. Unless the Committee provides otherwise in an Incentive Award Agreement, or the Participant elects to defer payment pursuant to Section 6(c) hereof to an applicable deferred compensation plan of the Corporation, each Incentive Award shall be paid in full to the Participant no later than the fifteenth day of the third month after the end of the first calendar year in which such Incentive Award is no longer subject to a "substantial risk of forfeiture" within the meaning of Code Section 409A.

To the extent the Committee determines that any Incentive Award is subject to Code Section 409A, no payment will be made upon the termination of any Participant's employment unless and until such termination is also a "separation from service" (within the meaning of Code Section 409A), and if such Participant is a "specified employee" (within the meaning of Code Section 409A) at the time of the Participant's termination of employment, then solely to the extent necessary to avoid the imposition of any additional taxes under Code Section 409A, the commencement of any payments shall be deferred until the date that is six (6) months following the Participant's termination (or, if earlier, the Participant's death).

Notwithstanding any other provision of the Plan to the contrary, no event or condition shall constitute a Change in Control with respect to an Incentive Award to the extent that, if it were, a twenty percent (20%) additional income tax would be imposed under Code Section 409A on the Participant who holds such Incentive Award; provided that, in such a case, the event or condition shall continue to constitute a Change in Control to the maximum extent possible (for example, if applicable, in respect of

vesting without an acceleration of payment of such Incentive Award) without causing the imposition of such twenty percent (20%) tax, but payment of such Incentive Award will be made pursuant to the Incentive Award's original payment schedule or, if earlier, upon the death of Participant.

In the event that any provision of the Plan or an Incentive Award is determined by the Committee to not comply with the applicable requirements of Code Section 409A, the Compensation Committee shall have the authority to take such actions and to make such changes to the Plan or an Incentive Award Agreement as the Compensation Committee deems necessary to comply with such requirements (including amendments and procedures with retroactive effect), without the consent of the Participant.

15. Governing Law and Venue

The Plan shall be interpreted and construed under the laws of the State of Georgia. Unless otherwise provided in an Incentive Award Agreement, Participants are deemed to submit to the exclusive jurisdiction and venue of the federal or state courts of the U.S. State of Delaware, to resolve any and all issues that may arise out of or relate to the Plan or any related Incentive Award Agreement.

APPENDIX A
to
ACUITY INC.
SHORT-TERM INCENTIVE PLAN

The performance targets and the measurement criteria used in determining the Corporation's or a Business Unit's or a Subsidiary's Relative Performance may include one or more of the following Performance Measures which may be adjusted to include or exclude any of the events that occur during a Plan Year as described in Section 6(a):

Performance Measure	General Definition
Capital Expenditures (CAPEX)	Purchases of property, plant and equipment.
Capitalized Economic Profit	Economic Profit divided by a predetermined rate reflecting the cost of capital.
Capitalized Entity Value	Sum of average invested capital in the business and the Capitalized Economic Profit.
Capitalized Equity Value	Capitalized Entity Value minus total debt.
Cashflow from Operations	Net cash provided by operating activities.
Cashflow Return on Capital	Cashflow divided by average invested capital.
Cashflow Return on Capitalized Entity/Equity Value	Cashflow from Operations divided by Capitalized Entity/Equity Value.
Cashflow Return on Investment (CFROI)	The amount comprised of Profit before Tax plus non-cash share-based compensation expense plus loss on sale of business less gain on sale of business reduced by income taxes at the reported tax rate plus depreciation and amortization expense less CAPEX, divided by the amount comprised of Gross Fixed Assets plus Working Capital excluding cash, investments, and debt.
Change in Capital	CAPEX plus/minus change in operating Working Capital plus net proceeds from asset sales.
Change in Operating Working Capital	GAAP cash flow of accounts receivable (including allowance for doubtful accounts), inventory, and accounts payable.
Change in Price of Shares	Percentage increase in per-share price. This measure may be adjusted for Change in Capitalization (as defined in the Plan).
Change in Working Capital	Increase or decrease in Working Capital.
Days Inventory Outstanding	Inventory divided by the sum of the last three months sales divided by the total calendar days in the last three months.
Days Payables Outstanding	Accounts payable divided by the sum of the last three months' cost of goods sold divided by the total calendar days in the last three months.
Days Sales Outstanding	Accounts receivable divided by the sum of the last three months' sales divided by the total calendar days in the last three months.
Debt	Third-party debt recorded on the balance sheet.
Debt Reduction	Decrease in total debt from one period to another.
Earnings Before Interest and Taxes (EBIT)	Earnings minus interest and taxes.
EBIT Margin	EBIT divided by net sales.
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	Earnings minus interest, taxes, depreciation, and amortization.
EBITDA Margin	EBITDA divided by net sales.
Earnings Per Share	Primary or fully diluted earnings per share.
Economic Profit	Net Income minus a charge for capital.
Environmental, Social, and Governance (ESG)	Performance with respect to environmental, social, and corporate governance values and/or goals.

Performance Measure	General Definition
Free Cash Flow	Cashflow from Operations less CAPEX plus proceeds from the sale of property, plant, and equipment.
Gross Fixed Assets	Total property, plant, and equipment.
Gross Profit	Gross profit.
Gross Profit Margin	Gross profit divided by net sales
Intangible Assets	Goodwill and intangible assets.
Net Income	Net income.
Net Income Return on Capital	Net Income divided by average invested capital.
Net Operating Profit After Tax (NOPAT)	Operating profit minus book income taxes (reported tax rate applied to operating profit).
Net Trade Cycle	Days Sales Outstanding plus Days Inventory Outstanding less Days Payables Outstanding.
Operating Profit	Operating profit.
Operating Profit Margin	Operating profit divided by net sales
Operating Working Capital	Net accounts receivable plus inventory minus accounts payable.
Profit before Tax	Income before provision for income taxes.
Return on Assets (ROA)	Net Income divided by average total assets.
Return on Equity (ROE)	Net Income divided by average stockholders' equity.
Return on Gross Investment	Sum of Net Income plus depreciation divided by sum of average invested capital plus accumulated depreciation.
Return on Invested Capital	Net Income divided by average invested capital.
Return on Net Assets (RONA)	Net Income or income before taxes, divided by average net assets.
Return on Tangible Assets	EBIT divided by total assets less intangible assets.
Sales	Net sales of products and service revenues.
Sales Growth	Percentage change in Sales from year to year.
Total Return of Common Stock	Percentage change in stockholder value (stock price plus reinvested dividends).
Working Capital	Current assets minus current liabilities.

I, Neil M. Ashe, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Acuity Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 26, 2025

/s/ Neil M. Ashe

Neil M. Ashe

Chairman, President and Chief Executive Officer

[A signed original of this written statement required by Section 302 of the Sarbanes-Oxley Act has been provided to Acuity Inc., and will be retained by Acuity Inc., and furnished to the Securities and Exchange Commission or its staff upon request.]

I, Karen J. Holcom, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Acuity Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 26, 2025

/s/ Karen J. Holcom

Karen J. Holcom

Senior Vice President and Chief Financial Officer

[A signed original of this written statement required by Section 302 of the Sarbanes-Oxley Act has been provided to Acuity Inc., and will be retained by Acuity Inc., and furnished to the Securities and Exchange Commission or its staff upon request.]

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002, and in connection with the Quarterly Report on Form 10-Q of Acuity Inc. (the "Corporation") for the quarter ended May 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, the Chairman, President and Chief Executive Officer of the Corporation, certifies that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

/s/ Neil M. Ashe

Neil M. Ashe

Chairman, President and Chief Executive Officer

June 26, 2025

[A signed original of this written statement required by Section 906 has been provided to Acuity Inc., and will be retained by Acuity Inc., and furnished to the Securities and Exchange Commission or its staff upon request.]

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002, and in connection with the Quarterly Report on Form 10-Q of Acuity Inc. (the "Corporation") for the quarter ended May 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, the Senior Vice President and Chief Financial Officer of the Corporation, certifies that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

/s/ Karen J. Holcom

Karen J. Holcom

Senior Vice President and Chief Financial Officer

June 26, 2025

[A signed original of this written statement required by Section 906 has been provided to Acuity Inc., and will be retained by Acuity Inc., and furnished to the Securities and Exchange Commission or its staff upon request.]