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

Form 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended August 31, 2019.

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to .

ACUITY BRANDS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-16583**	**58-2632672**
(State or other jurisdiction of incorporation or organization)	*(Commission File Number)*	*(I.R.S. Employer Identification Number)*

1170 Peachtree Street, N.E., Suite 2300, Atlanta, Georgia 30309-7676
(Address of principal executive offices)

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

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

Title of each class	**Trading symbol**	**Name of each exchange on which registered**
Common stock, $0.01 par value per share	AYI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by checkmark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by checkmark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

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 Act). Yes ☐ No ☑

Based on the closing price of the Registrant's common stock of $130.12 as quoted on the New York Stock Exchange on February 28, 2019, the aggregate market value of the voting stock held by nonaffiliates of the registrant was $4.55 billion.

The number of shares outstanding of the registrant's common stock, $0.01 par value, was 39,643,111 shares as of October 23, 2019.

DOCUMENTS INCORPORATED BY REFERENCE

Location in Form 10-K	**Incorporated Document**
Part II, Item 5; Part III, Items 10, 11, 12, 13, and 14	Proxy Statement for 2019 Annual Meeting of Stockholders

ACUITY BRANDS, INC.

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PART I

Item 1. *Business*

Overview

Acuity Brands, Inc. (“Acuity Brands”) is the parent company of Acuity Brands Lighting, Inc. (“ABL”) and other wholly-owned subsidiaries (Acuity Brands, ABL, and such other subsidiaries are collectively referred to herein as “we,” “our,” “us,” “the Company,” or similar references) and was incorporated in 2001 under the laws of the State of Delaware. We are one of the world’s leading providers of lighting and building management solutions and services for commercial, institutional, industrial, infrastructure, and residential applications throughout North America and select international markets. Our lighting and building management solutions include devices such as luminaires, lighting controls, controls for various building systems, power supplies, prismatic skylights, and drivers, as well as integrated systems designed to optimize energy efficiency and comfort for various indoor and outdoor applications. Additionally, we continue to expand our solutions portfolio, including software and services, to provide a host of other economic benefits resulting from data analytics that enables the Internet of Things (“IoT”), supports the advancement of smart buildings, smart cities, and the smart grid, and allows businesses to develop custom applications to scale their operations. We have one reportable segment serving the North American lighting market and select international markets.

As a results-driven, customer-centric company, management continues to align the unique capabilities and resources of the organization to drive profitable growth by providing comprehensive, differentiated, and integrated lighting and building management solutions and services for customers, driving world-class cost efficiency, and leveraging a culture of operational excellence through continuous improvement.

Lighting and building management solutions vary significantly in terms of functionality and performance and are selected based on a customer's specification, including the aesthetic desires and performance requirements for a given application. Our lighting and building management solutions are marketed under numerous brand names, including but not limited to Lithonia Lighting®, Holophane®, Peerless®, Gotham®, Mark Architectural Lighting™, Winona® Lighting, Juno®, Indy™, Aculux™, Healthcare Lighting®, Hydrel®, American Electric Lighting®, Antique Street Lamps™, Sunoptics®, eldoLED®, Distech Controls®, nLight®, ROAM®, Sensor Switch®, Power Sentry®, IOTA®, and Atrius™. As of August 31, 2019, we manufacture products in 16 facilities in North America and two facilities in Europe and employ approximately 12,000 associates.

Principal customers include electrical distributors, retail home improvement centers, electric utilities, national accounts, system integrators, digital retailers, lighting showrooms, and energy service companies located in North America and select international markets serving new construction, renovation and retrofit, and maintenance and repair applications. Our lighting and building management solutions are sold primarily through independent sales agents who cover specific geographic areas and market channels, by internal sales representatives, through consumer retail channels, and directly to large corporate accounts. Products are delivered directly or through a network of distribution centers, regional warehouses, and commercial warehouses using both common carriers and a company-managed truck fleet. To serve international customers, the sales forces utilize a variety of distribution methods to meet specific individual customer or country requirements. In fiscal 2019, sales originated in North America and the United States accounted for approximately 98% and 89% of net sales, respectively. See the *Supplemental Disaggregated Information* footnote of the *Notes to Consolidated Financial Statements* for more information concerning our domestic and international net sales.

Industry Overview

Based on industry sources and government information, we estimate that in fiscal 2019 the size of the North American lighting and building management solutions market we serve (also referred to herein as “addressable market”) was over $20 billion and similar to the prior year as the addressable market was estimated to be down modestly to flat compared with fiscal 2018. The addressable market includes non-portable luminaires as defined by the National Electrical Manufacturers Association; poles for outdoor lighting; emergency lighting fixtures; daylighting; lighting controls; heating, ventilation, and air conditioning (“HVAC”) controls; and building management controls, software, and systems. This market estimate is based on a combination of external industry data and internal estimates and excludes portable and vehicular lighting fixtures and certain related lighting components, such as non-integrated lighting ballasts and lamps. A source of demand for the lighting and building management industry is attributed to the renovation and retrofit of less efficient lighting and building management systems. While the precise size of the North American market is not known, we estimate the potential size of the installed base of lighting and building management solutions to be over $500 billion.

We operate in a highly competitive industry that is affected by volatility from a number of general business and economic factors, such as, but not limited to, gross domestic product growth, employment levels, credit availability, building costs, building occupancy rates, imports and trade, energy costs, and commodity costs, including tariffs. Our market is based on non-residential and residential construction, both new as well as renovation and retrofit activity, which is sensitive to the volatility of these general economic factors. We are not aware of any data that accurately quantifies the split of the non-residential lighting market between new construction and renovation and retrofit activity; however, recent trends developed from industry sources and our estimates indicate that renovation and retrofit activity represents a growing proportion of the total non-residential lighting market. Construction spending on commercial, institutional, industrial, and infrastructure projects has a material impact on the demand for our lighting and building management solutions. Demand for our lighting and building management solutions sold through certain retail channels is highly dependent on economic drivers, such as consumer spending and discretionary income, along with housing construction and home improvement spending.

Our market is influenced by: the development of new lighting technologies, including solid-state lighting, electronic drivers, embedded lighting controls, and more effective optical designs and lamps; federal, state, and local requirements for updated energy codes; incentives by federal, state, and local municipal authorities, as well as utility companies, for using more energy-efficient lighting and building management solutions; and design strategies and technologies addressing sustainability and facilitating smarter buildings and cities. We are a leading provider of integrated lighting and building management solutions based on these technologies and utilize internally developed, licensed, or acquired intellectual property. Solid-state lighting and digital building management systems provide the opportunity for lighting and building management systems to be integrated in a manner allowing for an optimal platform for enabling the IoT that collects and exchanges data to increase efficiency as well as provide a host of other economic benefits resulting from data analytics and other features. We expect that the industry's addressable market is likely to meaningfully expand due to the benefits and value creation provided by intelligent networked lighting, building management systems, and the IoT. New entrants, including both well-established as well as new software and technology companies, therefore continue to develop capabilities and solutions that are both complementary as well as competitive to those of traditional industry participants.

Products and Solutions

We offer a broad portfolio of indoor and outdoor lighting and building management solutions for commercial, institutional, industrial, infrastructure, and residential applications. The portfolio of lighting solutions includes lighting products utilizing light emitting diode ("LED"), fluorescent, incandescent, high intensity discharge, halogen, and metal halide light sources to illuminate an extensive number of applications as well as standalone and embedded lighting control solutions from simple to sophisticated, wired and wireless. Lighting and controls products and solutions include the following: recessed, surface, and suspended lighting; downlighting; decorative lighting; emergency and exit lighting; track lighting; daylighting; special-use lighting; street and roadway lighting; parking garage lighting; underwater lighting; area pedestrian, flood, and decorative site lighting; landscape lighting; occupancy sensors; photocontrols; relay panels; architectural dimming panels; and integrated lighting controls systems. Building management solutions include products and solutions for controlling HVAC, lighting, shades, and access control that deliver end to end optimization of those building systems. Our lighting and building management solutions are designed to enhance the occupant experience, improve the quality of the visual environment, and provide seamless operational energy efficiency and cost reductions, as well as increased digital functionality due to a unique capability to collect vast amounts of data that can better enable the IoT for building owners. We also sell products to original equipment manufacturers ("OEMs") that include LED drivers, power supplies, modular wiring, sensors, glass, and inverters.

In addition, we provide services across applications that primarily relate to monitoring and controlling lighting and building management systems through network technologies and the commissioning of control systems. We also offer the Atrius™ IoT platform, which delivers connectivity and intelligence to a space via an expansive network of smart LED lighting and controls and a software platform that gathers, unlocks and transforms raw data to enable a broad range of software solutions addressing critical business challenges. Our total solution offerings include recurring services that deliver an array of capabilities, including indoor positioning, asset tracking, space utilization, spatial analytics, and energy management.

Sales of lighting and building management solutions, excluding services, accounted for approximately 99% of our total consolidated net sales in fiscal 2019, 2018, and 2017.

Sales and Marketing

Sales

We sell lighting and building management solutions to customers in the North American market utilizing numerous sales forces, including internal direct salespeople and independent sales agencies, based on the channel and geography served. We also operate separate European sales forces, including independent international sales agencies and system integrators, and an international sales group coordinating export sales outside of North America and Europe.

Marketing

We market our portfolio and service capabilities to customers and/or end users in multiple channels through a broad spectrum of marketing and promotional methods, including direct customer contact, trade shows, on-site training, print and digital advertising in industry publications, product brochures, and other literature, as well as through digital marketing and social media. We operate training and education facilities in several locations throughout North America and Europe designed to enhance the lighting knowledge of customers and industry professionals.

Customers

Our customers include electrical distributors, retail home improvement centers, electric utilities, national accounts, system integrators, utility distributors, value-added resellers, digital retailers, government entities and municipalities, lighting showrooms, developers, OEMs, and energy service companies. In addition, there are a variety of other professionals who can represent a significant influence in the product and solutions specification process for any given project. These generally include building owners, federal, state, and local governments, contractors, engineers, architects, and lighting designers.

Manufacturing and Distribution

We operate 18 manufacturing facilities, including eight facilities in the United States, six facilities in Mexico, two facilities in Europe, and two in Canada. We utilize a blend of internal and outsourced manufacturing processes and capabilities to fulfill a variety of customer needs in the most cost-effective manner. Certain critical processes, such as reflector forming and anodizing, high-end glass production, surface mount circuit board production, and assembly are performed (not exclusively) at company-operated facilities, offering the ability to differentiate products through superior capabilities. Other components, such as LEDs, certain LED drivers, lamps, sockets, and ballasts are purchased primarily from third-party vendors. Our investment in our production facilities is focused primarily on improving capabilities, product quality, and manufacturing efficiency as well as environmental, health, and safety compliance. We also utilize contract manufacturing from U.S., Asian, and European sources for certain products. The following table shows the percentage of finished goods manufactured and purchased in fiscal 2019 by significant geographic region.

	Manufactured	Purchased	Total
United States	19%	7%	26%
Mexico	60%	—%	60%
China	—%	11%	11%
Others	3%	—%	3%
Total	82%	18%	100%

We operate six facilities in Mexico, which are authorized to operate as Maquiladoras by the Ministry of Economy of Mexico. Maquiladora status allows us to import certain items from the United States into Mexico duty-free, provided that such items, after processing, are exported from Mexico within a stipulated time frame. Maquiladora status, which is renewed periodically, is subject to various restrictions and requirements, including compliance with the terms of the Maquiladora program and other local regulations, which have become stricter in recent years.

Lighting and building management solutions are delivered directly from manufacturing facilities or through a network of strategically located distribution centers, regional warehouses, and commercial warehouses in North America using both common carriers and a company-managed truck fleet. For international customers, distribution methods are adapted to meet individual customer or country requirements. During fiscal 2019, net sales initiated outside of the U.S. represented approximately 11% of total net sales. See the *Supplemental Disaggregated Information* footnote of the *Notes to Consolidated Financial Statements* for additional information regarding the geographic distribution of net sales, operating profit, and long-lived assets.

Research and Development

Research and development (“R&D”) is defined as the critical investigation aimed at discovery of new knowledge and the conversion of that knowledge into the design of a new product or significant improvement to an existing product. We invest in the development of new products and solutions as well as the enhancement of existing offerings with a focus on improving the performance-to-cost ratio and energy efficiency. We also develop software applications and capabilities to enhance data analytics offerings. R&D expenses consist of compensation, payroll taxes, employee benefits, materials, supplies, and other administrative costs, but do not include all new product development costs. For fiscal 2019, 2018, and 2017, research and development expense totaled $74.7 million, $63.9 million, and $52.0 million, respectively.

Competition

We experience competition based on numerous factors, including features and benefits, price, brand name recognition, product quality, product and system design, energy efficiency, customer relationships, and service capabilities. The market for lighting and building management solutions and services is competitive and continues to evolve through acquisitions and consolidation of niche manufacturers. Certain global and more diversified manufacturers may provide a broader product offering utilizing electrical, lighting, and building management products as well as pricing benefits from the bundling of various offerings. In addition, there have been a growing number of new competitors, including lower cost Asian imports, small startup companies, and global electronics, technology, and software companies, offering competing solutions, sometimes deploying different technologies. Asian imports have also increased competition within the lighting market.

Environmental Regulation

Our operations are subject to numerous comprehensive laws and regulations relating to the generation, storage, handling, transportation, and disposal of hazardous substances, as well as solid and hazardous wastes, and to the remediation of contaminated sites. In addition, permits and environmental controls are required for certain of our operations to limit air and water pollution, and these permits are subject to modification, renewal, and revocation by issuing authorities. On an ongoing basis, we allocate resources, including investments in capital and operating costs relating to environmental compliance. Environmental laws and regulations have generally become stricter in recent years, and federal, state, and local governments domestically and internationally are considering new laws and regulations, including those governing raw material composition, carbon dioxide and other air emissions, end-of-life product dispositions, and energy efficiency. We are not aware of any pending legislation or proposed regulation related to environmental issues that would have a material adverse effect on us. The cost of responding to future changes, however, may be substantial.

Raw Materials

Our production requires certain raw materials, including certain grades of steel and aluminum, electrical and electronic components, plastics, and other petroleum-based materials and components. In fiscal 2019, we purchased approximately 90,000 tons of steel and aluminum. We estimate that approximately 7% of purchased raw materials are petroleum-based. Additionally, we estimate that approximately six million gallons of diesel fuel were consumed in fiscal 2019 through our distribution activities. We purchase most raw materials and other components on the open market and rely on third parties to provide certain finished goods. While these items are generally available from multiple sources, the cost of products sold may be affected by changes in the market price of materials and tariffs on certain materials, particularly imports from China, as well as disruptions in availability of raw materials, components, and sourced finished goods.

We do not currently engage in or expect to engage in significant commodity hedging transactions for raw materials, though we have and will continue to commit to purchase certain materials for a period of up to 12 months. We monitor and investigate alternative suppliers and materials based on numerous attributes including quality, service, and price. We currently source raw materials and components from a number of suppliers, but our ongoing efforts to improve the cost effectiveness of our products and services may result in a reduction in the number of our suppliers.

Backlog Orders

We produce and stock quantities of inventory at key distribution centers and warehouses throughout North America and to a much lesser degree, certain European markets. The backlog of orders at any given time is affected by various factors, including seasonality, cancellations, sales promotions, production cycle times, and the timing of receipt and shipment of orders, which are usually shipped within a few weeks of order receipt. Accordingly, a comparison of backlog orders from period to period is not necessarily meaningful and may not be indicative of future shipments.

Intellectual Property

We own or have licenses to use various domestic and foreign patents, trademarks, and other intellectual property related to our products, processes, and businesses. These intellectual property rights are important factors for our businesses. We rely on copyright, patent, trade secret, and trademark laws as well as agreements, restrictive covenants, and internal processes and controls to protect these proprietary rights. Despite these protections, unauthorized parties may attempt to infringe on our intellectual property. As of August 31, 2019, we had approximately 1,500 active United States and foreign patents. While patents and patent applications in the aggregate are important to our competitive position, no single patent or patent application is individually material to us.

Seasonality and Cyclicality

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. Because of these seasonal factors, we have experienced, and generally expect to experience, our highest sales in the last two quarters of each fiscal year.

Our lighting and building management solutions are sold to customers in both the new construction as well as renovation and retrofit markets for residential and non-residential applications. The construction market is cyclical in nature and subject to changes in general economic conditions and fiscal policies. Sales volume has a major impact on our profitability. Economic downturns and the potential decline in key construction markets may have a material adverse effect on our net sales and operating income. Additionally, tariffs have caused pull forwards of customer orders to avoid price increases.

Employees

As of August 31, 2019, we employed approximately 12,000 associates, of which approximately 4,200 were employed in the United States, approximately 7,200 in Mexico, and approximately 600 in other international locations, including Europe, Canada, and the Asia/Pacific region. Union recognition and collective bargaining arrangements are in place or in process, covering approximately 8,000 persons (including approximately 1,700 in the United States). Union recognition and collective bargaining arrangements covering approximately 6,800 persons will expire within the next fiscal year, primarily due to annual negotiations of union contracts in Mexico. The remaining arrangements will expire after the next fiscal year and relate to approximately 1,200 persons employed within the United States. We believe that we have a good relationship with both our unionized and non-unionized employees.

Information Concerning Acuity Brands

We make our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K (and all amendments to these reports) and proxy statements, together with all reports filed pursuant to Section 16 of the Securities Exchange Act of 1934 by our officers, directors, and beneficial owners of 10% or more of our common stock, available free of charge through the “SEC Filings” link within the “Investors” section on our website, located at *www.acuitybrands.com*, as soon as reasonably practicable after they are filed with or furnished to the Securities and Exchange Commission. Information included on our website is not incorporated by reference into this Annual Report on Form 10-K. Our reports are also available on the Securities and Exchange Commission’s website at *www.sec.gov*.

Additionally, we have adopted a written Code of Ethics and Business Conduct that applies to all of our directors, officers, and employees, including our principal executive officer and senior financial officers. The Code of Ethics and Business Conduct and our Corporate Governance Guidelines are available free of charge through the “Corporate Governance” link on our website. Any amendments to, or waivers of, the Code of Ethics and Business Conduct for our principal executive officer and senior financial officers will be disclosed on our website promptly following the date of such amendment or waiver. Additionally, the Statement of Responsibilities of Committees of the Board of Directors (the “Board”) and the Statement of Rules and Procedures of Committees of the Board, which contain the charters for our Audit Committee, Compensation Committee, and Governance Committee, and the rules and procedures relating thereto, are available free of charge through the “Corporate Governance” link on our website. Each of the Code of Ethics and Business Conduct, the Corporate Governance Guidelines, the Statement of Responsibilities of Committees of the Board, and the Statement of Rules and Procedures of Committees of the Board is available in print to any of our stockholders that request such document by contacting our Investor Relations department.

Item 1a. ***Risk Factors***

This filing contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. A variety of risks and uncertainties could cause our actual results to differ materially from the anticipated results or other expectations expressed in our forward-looking statements. See "*Cautionary Statement Regarding Forward-Looking Information*" included in *Management's Discussion and Analysis of Financial Condition and Results of Operations*. These risks could adversely impact our financial position, results of operations, and cash flows and could cause the market price of our common stock to decrease. Such risks include, without limitation:

Risks Related to Our Strategy

General business, political, and economic conditions, including the strength of the construction market, political events, or other factors may affect demand for our products and services.

We compete based on numerous factors, including features and benefits, brand name recognition, product quality, product and system design, energy efficiency, customer relationships, service capabilities, and price. Asian imports have also increased competition within the lighting market. In addition, we operate in a highly competitive environment that is influenced by a number of general business and economic factors, such as economic vitality, employment levels, credit availability, interest rates, trends in vacancy rates and rent values, energy costs, and commodity costs. Sales of lighting and building management solutions depend significantly on the level of activity in new construction and renovation/retrofits. Declines in general economic activity, appropriations, and regulations, including tax and trade policy and other political uncertainties, may negatively impact new construction and renovation projects, which in turn may impact demand for our product and service offerings.

Our results may be adversely affected by fluctuations in the cost or availability of raw materials, components, purchased finished goods, or services.

We utilize a variety of raw materials and components in our production process including steel, aluminum, lamps, certain rare earth materials, LEDs, LED drivers, ballasts, wire, electronic components, power supplies, petroleum-based by-products, natural gas, and copper. We also source certain finished goods externally. Future increases in the costs of these items, including import tariffs, could adversely affect profitability, as there can be no assurance that future price increases will be successfully passed through to customers. We generally source these goods from a number of suppliers. However, there are a limited number of suppliers for certain components and certain purchased finished goods, which on a limited basis results in sole-source supplier situations. Disruptions in the supply of those items could negatively impact our performance. Suppliers for certain of those items are our competitors that may, for various strategic reasons, choose to cease selling to us. In addition, our ongoing efforts to improve the cost effectiveness of our products and services may result in a reduction in the number of our suppliers, and in turn, increased risk associated with reliance on a single or limited number of suppliers. Furthermore, volatility in certain commodities, such as oil, impacts all suppliers and, therefore, may cause us to experience significant price increases from time to time regardless of the number and availability of suppliers. Profitability and volume could be negatively impacted by limitations inherent within the supply chain of certain of these component parts, including competitive, governmental, and legal limitations, natural disasters, and other events that could impact both supply and price. Additionally, we are dependent on certain service providers for key operational functions. While there are a number of suppliers of these services, the cost to change service providers and set up new processes could be significant.

Our results may be adversely affected by our inability to maintain pricing.

Aggressive pricing actions by competitors, including Asian importers and those within the technology and services sectors, may affect our ability to achieve desired revenue growth and profitability levels under our current pricing strategies. We may also decide to lower prices to match the competition or exit unprofitable business. Additionally, we may not be able to increase prices to cover rising costs of components and raw materials. Even if we were able to increase prices to cover costs, competitive pricing pressures may not allow us to pass on any more than the cost increases. Alternatively, if component and raw material costs were to decline, the marketplace may not allow us to hold prices at their current levels.

Our inability to effectively introduce new products and solutions could adversely affect our ability to compete.

Continual introductions of new products and solutions, services, and technologies, enhancement of existing products and services, and effective servicing of customers are key to our competitive strategy. The success of new product and solution introductions depends on a number of factors, including, but not limited to, timely and successful product development, product quality, market acceptance, our ability to manage the risks associated with product life cycles, such as additional inventory obsolescence risk as product life cycles begin to shorten, new products and production capabilities, effective management of purchase commitments and inventory levels to support anticipated product manufacturing and demand, availability of products in appropriate quantities and costs to meet anticipated demand, and risk that new products may have quality or other defects in the early stages of introduction. Accordingly, we cannot fully predict the ultimate effect of new product introductions on our business. Additionally, new products and solutions may not achieve the same profit margins as expected and as compared to our historic products and solutions.

We may pursue future growth through acquisitions, alliances, or investments, which may not yield anticipated benefits.

We have strengthened our business through acquisitions, alliances, and investments and may continue to do so as opportunities arise in the future. Such investments have been and may be in start-up or development stage entities. We will benefit from such activity only to the extent that we can effectively leverage and integrate the assets or capabilities of the acquired businesses and alliances, including, but not limited to, personnel, technology, and operating processes. Moreover, unanticipated events, negative revisions to valuation assumptions and estimates, diversion of resources and management's attention from other business concerns, and difficulties in attaining synergies, among other factors, could adversely affect our ability to recover initial and subsequent investments, particularly those related to acquired goodwill and intangible assets or non-controlling interests. In addition, such investment transactions may limit our ability to invest in other activities, which could be more profitable or advantageous.

The inability to effectively execute our business strategies could adversely affect our financial condition and results of operations.

Various uncertainties and risks are associated with the implementation of a number of aspects of our global business strategies, including but not limited to, the development, marketing and selling of new products and solutions, new product development, the development, marketing, and selling of lighting, building management, and software-based solutions, and effective integration of acquisitions. Those uncertainties and risks include, but are not limited to: diversion of management’s attention; difficulty in retaining or attracting employees; negative impact on relationships with distributors and customers; obsolescence of current products and slow new product development; inability to effectively participate in the emerging opportunities of the IoT utilizing our digital lighting and building management systems; additional streamlining efforts; inability to produce certain components with quality, performance, and cost attributes equal to or better than provided by other component manufacturers; and unforeseen difficulties in the implementation of the management operating structure. Problems with strategy execution could offset anticipated benefits, disrupt service to customers, and impact product quality as well as adversely affect our business. With the addition of new products and solutions, we may encounter new and different competitors that may have more experience with respect to such products and solutions.

We may experience difficulties in streamlining activities, which could impact shipments to customers, product quality, and the realization of expected savings from streamlining actions.

We expect to benefit from our programs to streamline operations, including the consolidation of certain facilities and the reduction of overhead costs. Such benefits will only be realized to the extent that we can effectively leverage assets, personnel, and operating processes in the transition of production between manufacturing facilities. Uncertainty is inherent within the facility consolidation process and unforeseen circumstances could offset the anticipated benefits, disrupt service to customers, and impact product quality.

Risks Related to Our Operations

Technological developments and increased competition could affect our operating profit margins and sales volume.

We compete in an industry and markets where technology and innovation play major roles in the competitive landscape. We are highly engaged in the investigation, development, and implementation of new technologies and services. Securing employee talent, key partnerships, and alliances, including having access to technologies, services, and solutions developed by others, as well as obtaining appropriate patents and the right to utilize patents of other parties all play a significant role in protecting our freedom to operate. Additionally, the continual development of new technologies by existing and new source suppliers — including non-traditional competitors with significant resources — looking for either direct market access or partnerships with competing large manufacturers, coupled with significant associated exclusivity and/or patent activity, could adversely affect our ability to sustain operating profit margins and desirable levels of sales volume.

In addition, there have been a growing number of new competitors, from small startup companies to global electronics, Asian, technology, and software companies, which may vertically integrate and begin offering total solution packages that directly compete with our offerings. Certain global and more diversified electrical manufacturers as well as certain global technology and building solution providers may be able to obtain a competitive advantage over us by offering broader and more integrated solutions utilizing electrical, lighting, controls, building automation systems, and data analytics, and small startup companies may offer more localized product sales and support services within individual regions.

We may be unable to sustain significant customer and/or channel partner relationships.

Relationships with customers are directly impacted by our ability to deliver quality products and services. Although no individual customer exceeded 10% of sales during the current fiscal year, the loss of or a substantial decrease in the volume of purchases by certain larger customers could harm our business in a meaningful manner. We have relationships with channel partners such as electrical distributors, home improvement retailers, independent sales agencies, system integrators, and value-added resellers. While we maintain positive, and in many cases long-term, relationships with these channel partners, the sudden or unplanned loss of a number of these channel partners or a substantial decrease in the volume of purchases from a major channel partner or a group of channel partners could adversely affect our business.

We could be adversely affected by disruptions to our operations.

The breakdown of equipment or other events, including, but not limited to, labor disputes, strikes, workplace violence, pandemics, cyber-attacks, civil disruptions, or catastrophic events such as war or natural disasters, leading to production interruptions in our or one or more of our suppliers' facilities could adversely affect us. Approximately 60% of our finished products are manufactured in Mexico, a country that periodically experiences heightened civil unrest or may experience trade disputes with the U.S., both of which could cause a disruption of the supply of products to or from these facilities. Further, because many of our customers are to varying degrees dependent on planned deliveries from our facilities, those customers that have to reschedule their own production or delay opening a facility due to our missed deliveries as a result of these disruptions could pursue financial claims against us. We may incur costs to correct any of these problems in addition to facing claims from customers. Further, our reputation among actual and potential customers may be harmed and result in a loss of business. While we have developed business continuity plans, including alternative capacity, to support responses to such events or disruptions and maintains insurance policies covering, among other things, physical damage and business interruptions, these policies may not cover all losses. We could incur uninsured losses and liabilities arising from such events, including damage to our reputation, loss of customers, and substantial losses in operational capacity.

Company operating systems, information systems, or devices may experience a failure, a compromise of security, or a violation of data privacy laws or regulations, which could adversely impact our operations as well as the effectiveness of internal controls over operations and financial reporting.

We are highly dependent on various software and automated systems to record and process operational and financial transactions. We could experience a failure of one or more of these software and automated systems or could fail to complete all necessary data reconciliation or other conversion controls when implementing a new software system. We could also experience a compromise of our security due to many reasons, including technical system flaws, clerical, data input or record-keeping errors, or tampering or manipulation of our systems by employees or unauthorized third parties, including viruses, malware, or phishing. Information security risks also exist with respect to the use of portable

electronic devices, such as laptops and smartphones, which are particularly vulnerable to loss and theft. We may also be subject to disruptions of any of these systems arising from events that are wholly or partially beyond our control (for example, natural disasters, acts of terrorism, cyber attacks, epidemics, computer viruses, and electrical/telecommunications outages). All of these risks are also applicable where we rely on outside vendors to provide services, which may operate in a cloud environment. We are dependent on third-party vendors to operate secure and reliable systems which may include data transfers over the internet.

We also provide and maintain technology to enable lighting controls systems, building management systems, and business intelligence systems, in many cases though the internet of things (IoT) in certain of our customer offerings. In addition to the risks noted above, there are other risks associated with these customer offerings. For example, a customer may depend on integral information from, or functionality of, our technology to support that customer's other systems, such that a failure of our technology could impact those systems, including by loss or destruction of data. Likewise, a customer's failure to properly configure, update, or upgrade its own network and integrations with our technology are outside of our control and could result in a failure in functionality or security of our technology.

Certain of our third-party vendors and we may receive and store personal information in connection with human resources operations, customer offerings, and other aspects of the business. A material network breach in the security of these systems could include the theft of intellectual property, trade secrets, the unauthorized release, gathering, monitoring, misuse, loss, change, or destruction of our or our clients' confidential, proprietary and other information (including personal identifying information of individuals), or otherwise disrupt our or our clients' or other third parties' business operations. To the extent that any disruption or security breach results in a loss or damage to our data, or an inappropriate disclosure of confidential or customer or employee information, it could cause significant damage to our reputation, affect relationships with our customers, employees, and other counterparties, lead to claims against us, which may result in the payment of fines, penalties, and costs, and ultimately harm our business. In addition, we may be required to incur significant costs, or regulatory fines, penalties, or intervention, to protect against damage caused by these disruptions or security breaches in the future.

We are also subject to an increasing number of data privacy and security laws and regulations that impose requirements on us and our technology prior to certain use or transfer, storing, use, processing, disclosure, and protection of data and prior to sale or use of certain technologies. Failure to comply with such laws and regulations could result in the imposition of fines, penalties and other costs. The legal and regulatory data privacy framework is evolving and uncertain. For example, the European Court of Justice's decision in October 2015 to invalidate the Safe Harbor data privacy program between the United States and the European Union, the European Union's implementation of the General Data Protection Regulation in 2018, the European Union's pending ePrivacy Regulation, and California's implementation of its Consumer Privacy Act of 2018 and Connected Device Privacy Act of 2018 (f.k.a. SB-327) all could disrupt our ability to use or transfer data or sell products and solutions because such activities may not be in compliance with applicable law in certain jurisdictions.

System failures, ineffective system implementation or disruptions, failure to comply with data privacy and security laws or regulations, or the compromise of security with respect to internal or external systems or portable electronic devices could damage our systems or infrastructure, subject us to liability claims, or regulatory fines, penalties, or intervention, harm our reputation, interrupt our operations, disrupt customer operations, and adversely affect our internal control over financial reporting, business, financial condition, results of operations, or cash flows.

Changes in our relationship with employees, changes in U.S. or international employment regulations, an inability to attract and retain talented employees, or a loss of key employees could adversely impact the effectiveness of our operations.

We employed approximately 12,000 people as of August 31, 2019, approximately 7,800 of whom are employed in international locations. As such, we have significant exposure to changes in domestic and foreign laws governing relationships with employees, including wage and hour laws and regulations, fair labor standards, minimum wage requirements, overtime pay, unemployment tax rates, workers' compensation rates, citizenship requirements, and payroll taxes, which likely would have a direct impact on our operating costs. Union recognition and collective bargaining agreements are in place or in process covering approximately 67% of our workforce, primarily due to annual negotiations with unions in Mexico. Collective bargaining agreements representing approximately 57% of our workforce will expire within one year. While we believe that we have good relationships with both our unionized and non-unionized employees, we may become vulnerable to a strike, work stoppage, or other labor action by these employees.

We rely upon the knowledge and experience of employees involved in functions throughout the organization that require technical expertise and knowledge of the industry. An inability to attract and retain such employees could adversely impact our ability to execute key operational functions.

There are inherent risks in our solutions and services businesses.

Risks inherent in the sale of solutions and services include assuming greater responsibility for successfully delivering projects that meet a particular customer specification, including: defining and controlling contract scope and timing, efficiently executing projects, and managing the performance and quality of subcontractors and suppliers. As we expand our service offerings, reliance on the technical infrastructure to provide services to customers will increase. If we fail to appropriately manage and secure the technical infrastructure required, customers could experience service outages or delays in implementation of services. If we are unable to manage and mitigate these risks, we could incur liabilities and other losses.

We may be subject to risk in connection with third-party relationships necessary to operate our business.

We utilize strategic partners and third-party relationships in order to operate and grow our business. For instance, we utilize third parties to contract manufacture certain products, subcontract installation and commissioning, as well as perform certain selling, distribution, and administrative functions. We cannot control the actions or performance, including product quality, of these third parties and therefore, cannot be certain that we or our end-users will be satisfied. Any future actions of or any failure to act by any third party on which our business relies could cause us to incur losses or interruptions in our operations.

We are subject to risks related to operations and suppliers outside the United States.

We have substantial activities outside of the United States, including sourcing of products, materials, components, and contract manufactured finished goods, as well as manufacturing and distribution activities. Our operations, as well as those of key vendors, are therefore subject to regulatory, economic, political, military, and other events in countries where these operations are located. In addition to the risks that are common to both our domestic and international operations, we face risks specifically related to our foreign operations and sourcing activities, including but not limited to: foreign currency fluctuations; unstable political, social, regulatory, economic, financial, and market conditions; laws that prohibit shipments to certain countries or restricted parties and that prohibit improper payments to government officials such as the Foreign Corrupt Practices Act and the U.K. Bribery Act; potential for privatization and other confiscatory actions; trade restrictions and disruption; criminal activities; increases in tariffs and taxes; corruption; and other changes in regulation in international jurisdictions that could result in substantial additional legal or compliance obligations for us.

We source certain components and approximately 11% of our finished goods from China, which are subject to the recently enacted import tariffs. These tariffs could increase in future periods resulting in higher costs and/or lower demand. We are seeking to mitigate the impact of the tariffs on our profitability, including a variety of activities such as engaging alternative suppliers that produce products and components whose origin is in countries other than China, insourcing the production of certain products, and raising selling prices. We could be adversely affected to the extent we are unable to mitigate the impacts of the tariffs.

We operate six manufacturing facilities in Mexico, which are authorized to operate as Maquiladoras by the Ministry of Economy of Mexico. Maquiladora status allows us to import certain items from the United States into Mexico duty-free, provided that such items, after processing, are exported from Mexico within a stipulated time frame. Maquiladora status, which is renewed periodically, is subject to various restrictions and requirements, including compliance with the terms of the Maquiladora program and other local regulations, which have become stricter in recent years. In addition, if our Mexican facilities cease to qualify for Maquiladora status or if the Mexican government adopts additional adverse changes to the program, our manufacturing costs in Mexico would increase.

We are also subject to certain other laws and regulations affecting our international operations, including laws and regulations such as the North American Free Trade Agreement (“NAFTA”) which, among other things, provide certain beneficial duties and tariffs for qualifying imports and exports, subject to compliance with the applicable classification and other requirements. A majority of our sales are subject to NAFTA. The U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries, including NAFTA. In addition, the US government has initiated or is considering imposing tariffs on certain foreign goods, including steel and aluminum. Related to this action, certain foreign governments, including China, have instituted or are considering imposing tariffs on certain U.S. goods. We source certain components and approximately 11% of our finished goods from China, which are subject to recently enacted tariffs. It remains unclear what the U.S. Administration or foreign governments will or will not do with respect to tariffs, NAFTA, or other international trade agreements and policies. A trade war or other governmental action related to tariffs or international trade agreements or policies has the potential to adversely impact demand for our products, costs, customers, suppliers, and/or the US economy or certain sectors thereof and, thus, to adversely impact our business.

The evolution of our products, complexity of our supply chain, and reliance on third-party vendors such as customs brokers and freight vendors, which may not have effective processes and controls to enable us to fully and accurately comply with such requirements, could subject us to liabilities for past, present, or future periods. Such liabilities could adversely impact our business.

In June 2016, the United Kingdom ("U.K.") held a referendum in which voters approved an exit from the European Union ("E.U.") commonly referred to as "Brexit." As a result of the referendum, the British government has been negotiating the terms of the U.K.'s future relationship with the E.U. Although it is unknown what those terms will be, it is possible that there will be greater restrictions on imports and exports between the U.K. and E.U. countries and increased regulatory complexities. These changes could cause disruptions to and create uncertainty surrounding our business and the business of existing and future customers and suppliers as well as have an impact on our employees based in Europe, which could adversely impact our business. The actual effects of Brexit will depend on any agreements the U.K. makes to retain access to E.U. markets either during a transitional period or more permanently.

We continue to monitor conditions affecting our international locations, including potential changes in income from a strengthening or weakening in foreign exchange rates in relation to the U.S. dollar. Some of these risks, including but not limited to foreign exchange rates, violations of laws, and higher costs associated with changes in regulation, could adversely impact our business.

Risks Related to Legal and Regulatory Matters

Failure to comply with the broad range of standards, laws and regulations in the jurisdictions in which we operate may result in exposure to substantial disruptions, costs and liabilities.

The laws and regulations impacting us impose increasingly complex, stringent and costly compliance activities, including but not limited to environmental, health, and safety protection standards and permitting, labeling and other requirements regarding, among other things, electronic and wireless communications, air emissions, wastewater discharges, the use, handling, and disposal of hazardous or toxic materials, remediation of environmental contamination, and working conditions for and compensation of our employees. Some environmental laws, such as Superfund, the Clean Water Act, and comparable laws in U.S. states and other jurisdictions world-wide, impose joint and several liability for the cost of environmental remediation, natural resource damages, third-party claims, and other expenses, without regard to the fault or the legality of the original conduct, on those persons who contributed to the release of a hazardous substance into the environment. We may also be affected by future standards, laws or regulations, including those imposed in response to energy, climate change, product functionality, geopolitical, corporate social responsibility, or similar concerns. These standards, laws, or regulations may impact our costs of operation, the sourcing of raw materials, and the manufacture and distribution of our products and place restrictions and other requirements or impediments on the products and solutions we can sell in certain geographical locations or on the willingness of certain investors to own our shares.

We may develop unexpected legal contingencies or matters that exceed insurance coverage.

We are subject to and in the future may be subject to various claims, including legal claims arising in the normal course of business. Such claims may include without limitation employment claims, product recall, personal injury, network security, data privacy, or property damage claims resulting from the use of our products, services, or solutions, as well as exposure to hazardous materials, contract disputes, or intellectual property disputes. We are insured up to specified limits for certain types of losses with a self-insurance retention per occurrence, including product or professional liability, and cyber liability, including network security and data privacy claims, and are fully self-insured for certain other types of losses, including environmental, product recall, warranties, commercial disputes, and patent infringement. We establish reserves for legal claims when the costs associated with the claims become probable and can be reasonably estimated. The actual costs of resolving legal claims may be substantially higher or lower than the level of insurance coverage we hold and/or the amounts reserved for such claims. In the event of unexpected future developments, it is possible that the ultimate resolutions of such matters could be unfavorable. Our insurance coverage is negotiated on an annual basis, and insurance policies in the future may have coverage exclusions that could cause claim-related costs to rise.

If our products are improperly designed, manufactured, packaged, or labeled, or are otherwise alleged to cause harm or injury, we may need to recall those items, may have increased warranty costs, and could be the target of product liability claims.

We may need to recall products if they are improperly designed, manufactured, packaged, or labeled, and we do not maintain insurance for such recall events. Many of our products and solutions have become more complex in recent

years and include more sophisticated and sensitive electronic components. A problem or issue relating to any individual component could have the effect of creating a compounded problem for an integrated solution, which could result in significant costs and losses. We have increasingly manufactured certain of those components and products in our own facilities. We have previously initiated product recalls as a result of potentially faulty components, assembly, installation, design, and packaging of our products. Widespread product recalls could result in significant losses due to the costs of a recall, the destruction of product inventory, penalties, and lost sales due to the unavailability of a product for a period of time. In addition, products we developed that incorporate new technologies, such as LED technology, generally provide for more extensive warranty protection which may result in higher costs if warranty claims on these products are higher than historical amounts. We may also be liable if the use of any of our products cause harm, whether from fire, shock, harmful materials or components, alleged adverse health impacts from exposure to light emitted by our products, or any other personal injury or property damage, and we could suffer losses from a significant product liability judgment against us in excess of our insurance limits. We may not be able to obtain indemnity or reimbursement from our suppliers or other third parties for the warranty costs or liabilities associated with our products. A significant product recall, warranty claim, or product liability case could also result in adverse publicity, damage to our reputation, and a loss of consumer confidence in our products.

We may not be able to adequately protect our intellectual property and could be the target of intellectual property claims.

We own certain patents, trademarks, copyrights, trade secrets, and other intellectual property. In addition, we continue to file patent applications, when appropriate. We cannot be certain that others have not and will not infringe on our intellectual property rights; however, we seek to establish and protect those rights, which could result in significant legal expenses and adversely affect our financial condition and results of operations.

Over the last several years, we and others in the industry have received an increased number of allegations of patent infringement from competitors and from non-practicing entity patent holders, often coupled with offers to license such patents for our use. Such offers typically relate to various technologies including electronics, power systems, controls, and software, as well as the use of visible light to communicate data, the use of certain wireless networking methods, and the design of specific products. We believe that we do not need or will be able to invalidate or access such patents through licensing, cross-licensing, or other mutually beneficial arrangements, although to the extent we are required but unable to enter into such arrangements on acceptable economic terms, it could adversely impact us.

Risks Related to Financial Matters

The market price and trading volume of our shares may be volatile.

The market price of our common shares could fluctuate significantly for many reasons, including reasons unrelated to our specific performance, such as reports by industry analysts, investor perceptions, or negative announcements by customers, competitors, or suppliers regarding their own performance, as well as general global economic, industry, and political conditions. Since management does not provide guidance, our performance could be different than analyst expectations causing a decline in our stock price. To the extent that other large companies within our industry experience declines in share price, our share price may decline as well. In addition, when the market price of a company's shares drops significantly, shareholders could institute securities class action lawsuits against us or otherwise engage in activism, which could cause us to incur substantial costs and could divert the time and attention of our management and other resources.

Changes to LIBOR may adversely impact the interest rate paid on some of our loans and consequently, our earnings and cash flows.

The borrowing facilities under our Credit Agreement, including under the Term Loan Facility, currently allow us to incur variable debt that is indexed to the London Inter-Bank Offered Rate ("LIBOR"). Upon maturity in December 2019, we intend to refinance in full our $350 million of Senior Notes outstanding with borrowings under our Term Loan Facility. We expect that interest on those borrowings, as well as on certain other borrowings under our Credit Agreement, would be based on LIBOR, plus an applicable margin. On July 27, 2017, the U.K. Financial Conduct Authority, which regulates LIBOR, announced that it will no longer persuade or compel banks to submit rates for the calculation of LIBOR to the LIBOR administrator after 2021. The announcement also indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. Consequently, at this time, it is not possible to predict whether and to what extent banks will continue to provide LIBOR submissions to the LIBOR administrator or whether any additional reforms to LIBOR may be enacted in the United Kingdom or elsewhere. Similarly, it is not possible to predict whether LIBOR will continue to be viewed as an acceptable benchmark for certain securities, loans, and liabilities, what rate or rates may become accepted alternatives to LIBOR or the effect of any such changes in views or alternatives on the value of securities whose interest rates are tied to LIBOR. Recent proposals for LIBOR reforms may result in the

establishment of new methods of calculating LIBOR or the establishment of one or more alternative benchmark rates. Although our Credit Agreement provides for application of successor base rates, the successor base rates may be related to LIBOR, and the consequences of any potential cessation, modification or other reform of LIBOR cannot be predicted at this time. As a result, our interest expense may increase, our ability to refinance some or all of our existing indebtedness may be impacted and our available cash flow may be adversely affected.

Risks related to our defined benefit retirement plans may adversely impact results of operations and cash flows.

Significant changes in actual investment returns on defined benefit plan assets, discount rates, and other factors could adversely affect our results of operations and the amount of contributions we are required to make to the defined benefit plans in future periods. As our defined benefit plan assets and liabilities are marked-to-market on an annual basis, large non-cash gains or losses could be recorded in the fourth quarter of each fiscal year. In accordance with United States generally accepted accounting principles, the income or expense for the plans is calculated using actuarial valuations. These valuations reflect assumptions about financial markets and interest rates, which may change based on economic conditions. Funding requirements for the defined benefit plans are dependent upon, among other things, interest rates, underlying asset returns, and the impact of legislative or regulatory changes related to defined benefit funding obligations. Unfavorable changes in these factors could adversely affect our results.

Item 1b. *Unresolved Staff Comments*

None.

Item 2. *Properties*

Our general corporate offices are located in Atlanta, Georgia. Because of the diverse nature of operations and the large number of individual locations, it is neither practical nor meaningful to describe each of our operating facilities owned or leased. The following listing summarizes the significant facility categories as of August 31, 2019:

Nature of Facilities	Owned	Leased
Manufacturing facilities	13	5
Warehouses	1	3
Distribution centers*	2	7
Offices	5	17

* The majority of the distribution centers also have certain manufacturing and assembly capabilities.

The following table provides additional geographic information related to our manufacturing facilities as of August 31, 2019:

	United States	Mexico	Europe	Canada	Total
Owned	6	4	2	1	13
Leased	2	2	—	1	5
Total	8	6	2	2	18

We believe that our properties are well maintained and in good operating condition and that our properties are suitable and adequate for our present needs. Initiatives related to enhancing global operations may result in the future consolidation of certain facilities.

Item 3. *Legal Proceedings*

General

We are subject to various legal claims arising in the normal course of business, including, but not limited to, patent infringement, product liability claims, and employment matters. We are self-insured up to specified limits for certain types of claims, including product liability, and we are fully self-insured for certain other types of claims, including environmental, product recall, and patent infringement. Based on information currently available, it is the opinion of management that the ultimate resolution of any such 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 reserves for legal claims when the costs associated with the claims become probable and can be reasonably estimated. The actual costs of resolving legal claims may be substantially higher than the amounts reserved 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 amounts reserved.

Lighting Science Group Patent Litigation

On April 30, 2019 and May 1, 2019, Lighting Science Group Corp. ("LSG") filed complaints in the International Trade Commission and United States District Court for the District of Delaware, respectively, alleging infringement of eight patents by the Company. On May 17, 2019, LSG amended both of its complaints and dropped its claims regarding one of the patents. For the remaining seven patents, LSG's infringement allegations relate to certain of our LED luminaires and related systems. LSG seeks orders from the International Trade Commission to preclude the importation and sale of the accused products. LSG seeks unspecified monetary damages, costs, and attorneys' fees in the District of Delaware action. We dispute and have numerous defenses to the allegations, and we intend to vigorously defend against LSG's claims. Estimating an amount or range of possible losses resulting from litigation proceedings is inherently difficult, particularly where the matters involve indeterminate claims for monetary damages and a request for an exclusion order and are in the stages of the proceedings where key factual and legal issues have not been resolved. For these reasons, we currently are unable to predict the ultimate timing or outcome of or reasonably estimate the possible losses or a range of possible losses resulting from these matters.

Securities Class Action

On January 3, 2018, a shareholder filed a class action complaint in the United States District Court for the District of Delaware against us and certain of our officers on behalf of all persons who purchased or otherwise acquired our stock between June 29, 2016 and April 3, 2017. On February 20, 2018, a different shareholder filed a second class action complaint in the same venue against the same parties on behalf of all persons who purchased or otherwise acquired our stock between October 15, 2015 and April 3, 2017. The cases were transferred on April 30, 2018, to the United States District Court for the Northern District of Georgia and subsequently were consolidated as *In re Acuity Brands, Inc. Securities Litigation*, Civil Action No. 1:18-cv-02140-MHC (N.D. Ga.). On October 5, 2018, the court-appointed lead plaintiff filed a consolidated amended class action complaint (the "Consolidated Complaint"), which supersedes the initial complaints. The Consolidated Complaint is brought on behalf of all persons who purchased our common stock between October 7, 2015 and April 3, 2017 and alleges that we and certain of our current officers and one former executive violated the federal securities laws by making false or misleading statements and/or omitting to disclose material adverse facts that (i) concealed known trends negatively impacting sales of our products and (ii) overstated our ability to achieve profitable sales growth. The plaintiffs seek class certification, unspecified monetary damages, costs, and attorneys' fees. We dispute the allegations in the complaints and intend to move to dismiss the Consolidated Complaint and to vigorously defend against the claims. We filed a motion to dismiss the Consolidated Complaint. On August 12, 2019, the court entered an order granting our motion to dismiss in part and dismissing all claims based on 42 of the 47 statements challenged in the Consolidated Complaint but also denying the motion in part and allowing claims based on 5 challenged statements to proceed to discovery. Estimating an amount or range of possible losses resulting from litigation proceedings is inherently difficult, particularly where the matters involve indeterminate claims for monetary damages and are in the stages of the proceedings where key factual and legal issues have not been resolved. For these reasons, we are currently unable to predict the ultimate timing or outcome of or reasonably estimate the possible losses or a range of possible losses resulting from the matters described above. We are insured, in excess of a self-retention, for Directors and Officers liability.

Environmental Matters

Our operations are subject to numerous comprehensive laws and regulations relating to the generation, storage, handling, transportation, and disposal of hazardous substances, as well as solid and hazardous wastes, and to the remediation of contaminated sites. In addition, permits and environmental controls are required for certain operations to limit air and water pollution, and these permits are subject to modification, renewal, and revocation by issuing authorities. On an ongoing basis, we invest capital and incur operating costs related to environmental compliance. Environmental laws and regulations have generally become stricter in recent years. The cost of responding to future changes may be substantial. We establish reserves for known environmental claims when the costs associated with the claims become probable and can be reasonably estimated. The actual cost of environmental issues may be substantially higher than that reserved due to difficulty in estimating such costs.

Item 4. ***Mine Safety Disclosures***

Not applicable.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities***

Our common stock is listed on the New York Stock Exchange under the symbol "AYI." At October 23, 2019, there were 2,004 stockholders of record. The information required by this item with respect to equity compensation plans is included under the caption *Equity Compensation Plans* in our proxy statement for the annual meeting of stockholders to be held January 8, 2020, which we will file with the Securities and Exchange Commission pursuant to Regulation 14A. The proxy statement is incorporated herein by reference.

Issuer Purchases of Equity Securities

In March 2018, the Board authorized the repurchase of up to six million shares of our common stock. As of August 31, 2019, 1.45 million shares had been purchased under this authorization. The maximum number of shares that may yet be purchased under the program equals 4.55 million shares.

The following table summarizes share repurchase activity by month for the quarter ended August 31, 2019:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Maximum Number of Shares that May Yet Be Purchased Under the Plans
6/1/2019 through 6/30/2019	—	$ —	—	4,800,000
7/1/2019 through 7/31/2019	250,000	$ 131.58	250,000	4,550,000
8/1/2019 through 8/31/2019	—	$ —	—	4,550,000
Total	250,000	$ 131.58	250,000	4,550,000

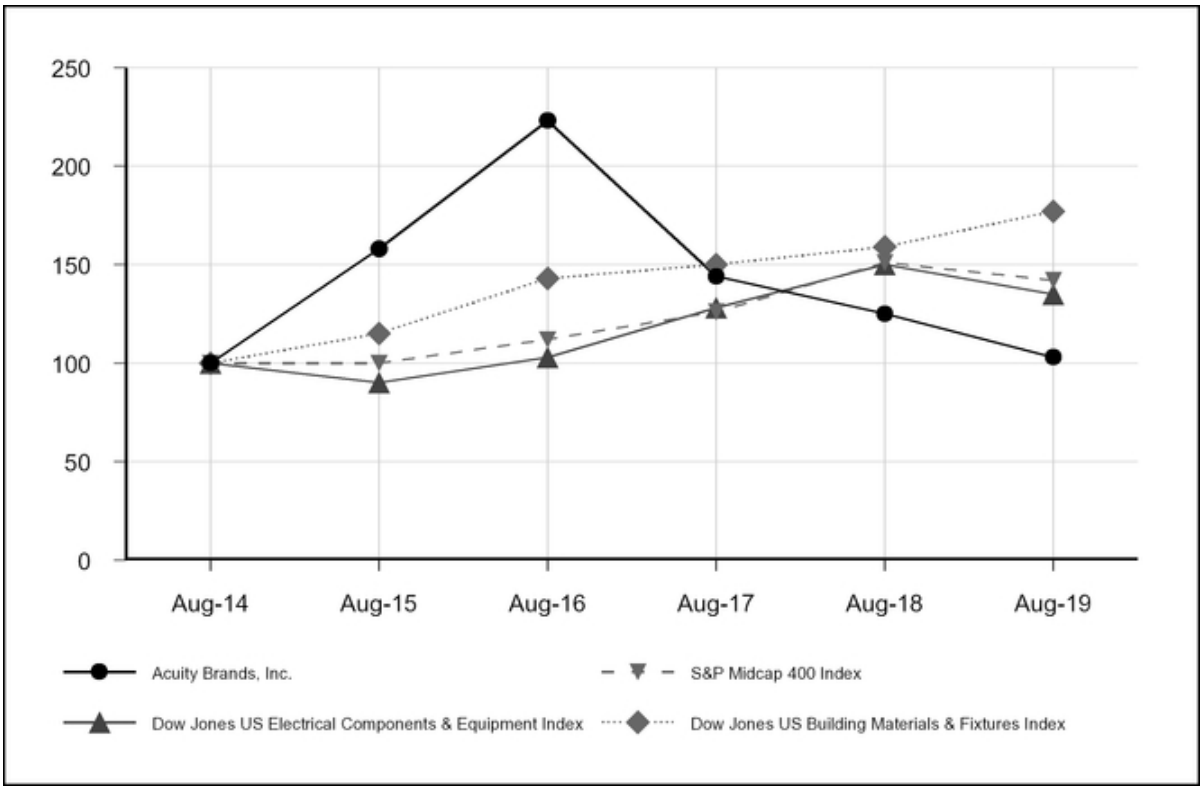
We may repurchase shares of our common stock from time to time at prevailing market prices, depending on market conditions, through open market or privately negotiated transactions. No date has been established for the completion of the share repurchase program, and we are not obligated to repurchase 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.

Company Stock Performance

The *following information in this Annual Report on Form 10-K is not deemed to be "soliciting material" or to be "filed" with the Securities and Exchange Commission or subject to Regulation 14A or 14C under the Exchange Act or to the liabilities of Section 18 of the Exchange Act, and it will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent specifically incorporated by reference into such filing.*

The following graph compares the cumulative total return to shareholders on our outstanding stock during the five years ended August 31, 2019, with the cumulative total returns of the Standard & Poor's ("S&P") Midcap 400 Index, the Dow Jones U.S. Electrical Components & Equipment Index, and the Dow Jones U.S. Building Materials & Fixtures Index. We are a component of both the S&P Midcap 400 Index and the Dow Jones U.S. Building Materials & Fixtures Index. The Dow Jones U.S. Electrical Components & Equipment Index is included in the following graph as the parent companies of several major lighting companies are included in the index.

COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN*
Among Acuity Brands, Inc., the S&P Midcap 400 Index,
the Dow Jones US Electrical Components & Equipment Index,
and the Dow Jones US Building Materials & Fixtures Index



*Assumes $100 invested on August 31, 2014 in stock or index, including reinvestment of dividends.

	Aug-14	Aug-15	Aug-16	Aug-17	Aug-18	Aug-19
Acuity Brands, Inc.	$ 100	$ 158	$ 223	$ 144	$ 125	$ 103
S&P Midcap 400 Index	$ 100	$ 100	$ 112	$ 126	$ 151	$ 142
Dow Jones US Electrical Components & Equipment Index	$ 100	$ 90	$ 103	$ 128	$ 150	$ 135
Dow Jones US Building Materials & Fixtures Index	$ 100	$ 115	$ 143	$ 150	$ 159	$ 177

Item 6. ***Selected Financial Data***

The following table sets forth certain selected consolidated financial data, which has been derived from the *Consolidated Financial Statements* for each of the five years in the period ended August 31, 2019. This historical information may not be indicative of our future performance. The information set forth below should be read in conjunction with *Management's Discussion and Analysis of Financial Condition and Results of Operations* and the *Consolidated Financial Statements* and the notes thereto.

	Year Ended August 31,				
	2019[1]	2018[2]	2017[3]	2016[4]	2015[5]
	(In millions, except per-share data)				
Net sales	$ 3,672.7	$ 3,680.1	$ 3,505.1	$ 3,291.3	$ 2,706.7
Net income	330.4	349.6	321.7	290.8	222.1
Basic earnings per share	8.32	8.54	7.46	6.67	5.13
Diluted earnings per share	8.29	8.52	7.43	6.63	5.09
Cash and cash equivalents	461.0	129.1	311.1	413.2	756.8
Total assets	3,172.4	2,988.8	2,899.6	2,948.0	2,407.0
Long-term debt	347.5	356.4	356.5	355.0	352.4
Total debt	356.6	356.8	356.9	355.2	352.4
Stockholders' equity	1,918.9	1,716.8	1,665.6	1,659.8	1,360.0
Cash dividends declared per common share	0.52	0.52	0.52	0.52	0.52

(1) Net Income, Basic Earnings per Share, and Diluted Earnings per Share for fiscal 2019 include a) pre-tax special charges of $1.8 million related to streamlining initiatives, b) pre-tax amortization of acquired intangible assets of $30.8 million, c) pre-tax share-based payment expense of $29.2 million, d) pre-tax acquisition-related items of $2.5 million, and e) certain manufacturing inefficiencies related to the closure of a facility of $0.9 million, totaling $1.28 per share.

(2) Net Income, Basic Earnings per Share, and Diluted Earnings per Share for fiscal 2018 include a) pre-tax special charges of $5.6 million related to streamlining initiatives, b) pre-tax amortization of acquired intangible assets of $28.5 million, c) pre-tax share-based payment expense of $32.3 million, d) pre-tax acquisition-related items of $3.8 million, e) excess inventory related to the closure of a facility of $3.1 million, f) gain on sale of a business of $5.4 million, and g) discrete income tax benefits of the U.S. Tax Cuts and Jobs Act of $34.6 million, totaling $0.32 per share.

(3) Net Income, Basic Earnings per Share, and Diluted Earnings per Share for fiscal 2017 include a) pre-tax special charges of $11.3 million related to streamlining initiatives, b) pre-tax amortization of acquired intangible assets of $28.0 million, c) pre-tax share-based payment expense of $32.0 million, d) gain on sale of investment in unconsolidated affiliate of $7.2 million, and e) manufacturing related inefficiencies directly related to the closure of a facility of $1.6 million, totaling $1.02 per share.

(4) Net Income, Basic Earnings per Share, and Diluted Earnings per Share for fiscal 2016 include a) pre-tax special charges of $15.0 million related to streamlining initiatives, b) pre-tax amortization of acquired intangible assets of $21.4 million, c) pre-tax share-based payment expense of $27.7 million, d) pre-tax acquisition-related items of $10.8 million, and e) pre-tax impairment of intangible asset of $5.1 million, totaling $1.21 per share.

(5) Net Income, Basic Earnings per Share, and Diluted Earnings per Share for fiscal 2015 include a) pre-tax special charges of $12.4 million related to streamlining initiatives, b) pre-tax amortization of acquired intangible assets of $11.0 million, c) pre-tax share-based payment expense of $18.2 million, d) non tax-deductible professional fees of $3.2 million related to acquisitions, and e) pre-tax net loss on financial instruments of $2.6 million, totaling $0.74 per share.

Item 7. *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 Brands, Inc. ("Acuity Brands") and its subsidiaries for the years ended August 31, 2019, 2018, and 2017. The following discussion should be read in conjunction with the *Consolidated Financial Statements* and *Notes to Consolidated Financial Statements* included within this report.

Overview

Company

Acuity Brands is the parent company of Acuity Brands Lighting, Inc. ("ABL") and other wholly-owned subsidiaries (Acuity Brands, ABL, and such other subsidiaries are collectively referred to herein as "we," "our," "us," "the Company," or similar references). Our principal office is located in Atlanta, Georgia.

We are one of the world's leading providers of lighting and building management solutions and services for commercial, institutional, industrial, infrastructure, and residential applications throughout North America and select international markets. Our lighting and building management solutions include devices such as luminaires, lighting controls, controls for various building systems, power supplies, prismatic skylights, and drivers, as well as integrated systems designed to optimize energy efficiency and comfort for various indoor and outdoor applications. Additionally, we continue to expand our solutions portfolio, including software and services, to provide a host of other economic benefits resulting from data analytics that enables the Internet of Things ("IoT"), supports the advancement of smart buildings, smart cities, and the smart grid, and allows businesses to develop custom applications to scale their operations. As of August 31, 2019, we employed approximately 12,000 associates and operated 18 manufacturing facilities, nine distribution facilities, and four warehouses to serve our extensive customer base.

We do not consider acquisitions a critical element of our strategy but seek opportunities to expand and enhance our portfolio of solutions, including the following transactions:

On September 17, 2019, using cash on hand and borrowings under available existing credit arrangements, we acquired all of the equity interests of The Luminaires Group ("TLG"), a leading provider of specification-grade luminaires for commercial, institutional, hospitality, and municipal markets, all of which complements our current and dynamic lighting portfolio. TLG's indoor and outdoor lighting fixtures are marketed to architects, landscape architects, interior designers and engineers through five niche lighting brands: A-light, Cyclone, Eureka, Luminaire LED and Luminis.

On June 20, 2019, using cash on hand we acquired all of the equity interests of WhiteOptics, LLC ("WhiteOptics"). WhiteOptics is headquartered in New Castle, Delaware and manufactures advanced optical components used to reflect, diffuse, and control light for LED lighting used in commercial and institutional applications.

On May 1, 2018, using cash on hand and borrowings available under existing credit arrangements, we acquired IOTA Engineering, LLC ("IOTA"). IOTA is headquartered in Tucson, Arizona and manufactures highly engineered emergency lighting products and power equipment for commercial and institutional applications both in the U.S. and internationally.

On February 12, 2018, using cash on hand, we acquired Lucid Design Group, Inc ("Lucid"). Lucid is headquartered in Oakland, California and provides a data and analytics platform to make data-driven decisions to improve building efficiency and drive energy conservation and savings.

No acquisitions were completed during fiscal 2017.

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

Strategy

Our strategy is to extend our leadership position in the North American market and certain international markets by delivering superior lighting and building management solutions. Additionally, we plan to continue to expand our software solution offerings, including IoT enabled solutions. As a results-oriented, customer-centric company, management plans to align the unique capabilities and resources of the organization to drive profitable growth through a keen focus on providing comprehensive and differentiated lighting and building management solutions for our customers, driving world-class cost efficiency, and leveraging a culture of operational excellence through continuous improvement.

Throughout fiscal 2019, we believe we made progress towards achieving our strategic objectives, including expanding our access to the market, expanding our addressable market, introducing new lighting and building management

solutions, and enhancing our operations to create a stronger, more effective organization. Our strategic objectives were developed in order to meet or exceed the following financial goals during an entire business cycle:

- Operating profit margin in the mid-teens or higher;
- Diluted earnings per share growth in excess of 15% per annum;
- Return on stockholders' equity of 20% or better per annum;
- Cash flow from operations, less capital expenditures, that is in excess of net income; and
- Return on invested capital in excess of our weighted average cost of capital.

To enhance our probability of achieving these financial goals, management will continue to implement programs to enhance our capabilities at providing unparalleled customer service; creating a globally competitive cost structure; improving productivity; and introducing innovative solutions and services more rapidly and cost effectively. In addition, we have invested considerable resources to teach and train associates to utilize tools and techniques that accelerate success in these key areas, as well as to create a culture that demands excellence through continuous improvement. Additionally, we promote a "pay-for-performance" culture that rewards associates for achieving various levels of year-over-year improvement, while closely monitoring appropriate risk-taking. The expected outcome of these activities will be to better position ourselves to deliver on our full potential, to provide a platform for future growth opportunities, and to achieve our long-term financial goals. See the *Outlook* section below for additional information.

Liquidity and Capital Resources

Our principal sources of liquidity are operating cash flows generated primarily from our business operations, cash on hand, and various sources of borrowings. Our ability to generate sufficient cash flow from operations or to access certain capital markets, including banks, is necessary to fund our operations and capital expenditures, pay dividends, repurchase shares, meet obligations as they become due, and maintain compliance with covenants contained in our financing agreements.

In fiscal 2019, we invested $53.0 million in property, plant, and equipment, primarily for new and enhanced information technology capabilities, equipment, tooling, and facility enhancements. We expect to invest approximately 1.7% of net sales in capital expenditures during fiscal 2020.

In March 2018, the Board authorized the repurchase of up to six million shares of our common stock. As of August 31, 2019, 1.45 million shares had been purchased under this authorization, of which 0.7 million were repurchased in fiscal 2019. We expect to repurchase the remaining shares available for repurchase on an opportunistic basis subject to various factors including stock price, Company performance, market conditions and other possible uses of cash.

Our short-term cash needs are expected to include funding operations as currently planned; making capital investments as currently anticipated; paying quarterly stockholder dividends as currently anticipated; paying principal and interest on debt as currently scheduled, including our senior unsecured notes maturing in December 2019, which we expect to repay with borrowings available under existing credit arrangements, subject to satisfying the applicable conditions precedent; making required contributions to our employee benefit plans; funding possible acquisitions; and potentially repurchasing shares of our outstanding common stock. 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 flow from operations, and borrowing availability under financing arrangements. Additionally, we believe that our cash flows from operations and sources of funding, including, but not limited to, future borrowings and capacity, will sufficiently support our long-term liquidity needs.

Cash Flow

We use available cash and cash flows from operations as well as borrowings on credit arrangements to fund operations, capital expenditures, and acquisitions, if any; to repurchase Company stock; and to pay dividends.

Our cash position at August 31, 2019 was $461.0 million, an increase of $331.9 million from August 31, 2018. During the year ended August 31, 2019, we generated net cash flows from operating activities of $494.7 million. Cash generated from operating activities, as well as cash on-hand, was used during the current year primarily to repurchase 0.7 million shares of our outstanding common stock for $81.6 million, fund capital expenditures of $53.0 million, pay dividends to stockholders of $20.8 million, and pay withholding taxes on the net settlement of equity awards of $6.0 million.

During fiscal 2019, net cash generated from operating activities increased $143.2 million to $494.7 million compared with $351.5 million in the prior-year period due primarily to lower net working capital requirements. Operating working capital (calculated by adding accounts receivable plus inventories and subtracting accounts payable-net of acquisitions and the impact of foreign exchange rate changes) decreased by approximately $57.0 million during fiscal 2019 compared to an increase of $84.7 million during fiscal 2018. Operating working capital decreased primarily due to

greater cash collections from customers year over year as well as reductions in current year inventory as a result of our efforts to improve inventory turnover. These improvements were partially offset by the timing of payments for trade payables.

Management believes that investing in assets and programs that will over time increase the overall return on its invested capital is a key factor in driving stockholder value. We invested $53.0 million and $43.6 million in fiscal 2019 and 2018, respectively, in property, plant, and equipment primarily for new and enhanced information technology capabilities, equipment, tooling, and facility enhancements. We expect to invest approximately 1.7% of net sales in capital expenditures during fiscal 2020.

Contractual Obligations

The following table summarizes our contractual obligations at August 31, 2019 (in millions):

		Payments Due by Period			
	Total	Less than One Year	1 to 3 Years	4 to 5 Years	After 5 Years
Debt[1]	$ 356.7	$ 350.3	$ 4.8	$ 0.7	$ 0.9
Interest obligations[2]	95.2	23.6	25.2	20.9	25.5
Operating leases[3]	68.7	16.7	23.4	11.8	16.8
Purchase obligations[4]	357.2	347.2	10.0	—	—
Other liabilities[5]	44.9	1.8	3.2	1.5	38.4
Total	$ 922.7	$ 739.6	$ 66.6	$ 34.9	$ 81.6

(1) These amounts, which represent the principal amounts outstanding at August 31, 2019, are included in our *Consolidated Balance Sheets*. See the *Debt and Lines of Credit* footnote for additional information regarding debt and other matters.

(2) These amounts primarily represent our expected future interest payments on outstanding debt held at August 31, 2019 and our outstanding loans related to our corporate-owned life insurance policies ("COLI"), which constitute a small portion of the total contractual obligations shown. COLI-related interest payments included in this table are estimates. These estimates are based on various assumptions, including age at death, loan interest rate, and tax bracket. The amounts in this table do not include COLI-related payments after ten years due to the difficulty in calculating a meaningful estimate that far in the future. Note that payments related to debt and the COLI are reflected in our *Consolidated Statements of Cash Flows*.

(3) Our operating lease obligations are described in the *Commitments and Contingencies* footnote.

(4) Purchase obligations include commitments to purchase goods or services that are enforceable and legally binding and that specify all significant terms, including open purchase orders.

(5) These amounts are included in our *Consolidated Balance Sheets* and largely represent liabilities for which we are obligated to make future payments under certain long-term employee benefit programs. Estimates of the amounts and timing of these amounts are based on various assumptions, including expected return on plan assets, interest rates, and other variables. The amounts in this table do not include amounts related to future funding obligations under the defined benefit pension plans. The amount and timing of these future funding obligations are subject to many variables and are also dependent on whether or not we elect to make contributions to the pension plans in excess of those required under Employee Retirement Income Security Act of 1974. Such voluntary contributions may reduce or defer the funding obligations. See the *Pension and Profit Sharing Plans* footnote for additional information. These amounts exclude $16.6 million of unrecognized tax benefits as the period of cash settlement with the respective taxing authorities cannot be reasonably estimated.

The above table does not include deferred income tax liabilities of approximately $174.4 million as of August 31, 2019. Refer to the *Income Taxes* footnote for more information. This amount is not included in the total contractual obligations table because we believe this presentation would not be meaningful. Deferred income tax liabilities are calculated based on temporary differences between the tax and book bases of assets and liabilities, which will result in taxable amounts in future years when the liabilities are settled at their reported financial statement amounts. The results of these calculations do not have a direct connection with the amount of cash taxes to be paid in any future periods. As a result, scheduling deferred income tax liabilities as payments due by period could be misleading, because this scheduling would not relate to liquidity needs.

Capitalization

Our current capital structure is comprised principally of senior unsecured notes and equity of our stockholders. Total debt outstanding was $356.6 million and $356.8 million at August 31, 2019 and 2018, respectfully, and consisted primarily of fixed-rate obligations. We fully repaid all borrowings under our revolving credit facility during fiscal 2019. Additionally, we repaid $0.4 million under the fixed rate long-term bank loans during fiscal 2019.

On December 8, 2009, ABL issued $350.0 million of senior unsecured notes due in December 2019 (the "Unsecured Notes") in a private placement transaction. The Unsecured Notes were subsequently exchanged for Securities and Exchange Commission registered notes with substantially identical terms. The Unsecured Notes bear interest at a rate of 6% per annum and were issued at a price equal to 99.797% of their face value and for a term of ten years. Although

the Unsecured Notes will mature within one year from August 31, 2019, we have the ability and intent to refinance these borrowings using availability under our unsecured delayed draw term loan facility ("Term Loan Facility") as described below, subject to satisfying the applicable conditions precedent. Currently, we plan to refinance the Unsecured Notes in full with borrowings under the Term Loan Facility, of which $341.2 million of the carrying value would be due more than one year from the anticipated refinancing date. As such, this amount is reflected within *Long-term debt* on the Consolidated Balance Sheets as of August 31, 2019. See the *Debt and Lines of Credit* footnote of the *Notes to Consolidated Financial Statements* for more information.

On June 29, 2018, we entered into a credit agreement ("Credit Agreement") with a syndicate of banks that provides us with a $400.0 million five-year unsecured revolving credit facility ("Revolving Credit Facility") and a $400.0 million Term Loan Facility. On August 31, 2019, we had no borrowings outstanding under the Revolving Credit Facility and no borrowings under the Term Loan Facility. We were in compliance with all financial covenants under the Credit Agreement as of August 31, 2019. At August 31, 2019, we had additional borrowing capacity under the Credit Agreement of $796.2 million under the most restrictive covenant in effect at the time, which represents the full amount of the Revolving Credit Facility and the Term Loan Facility less the outstanding letters of credit of $3.8 million issued under the Revolving Credit Facility. As of August 31, 2019, we had outstanding letters of credit totaling $8.0 million, primarily for securing collateral requirements under our casualty insurance programs and for providing credit support for our industrial revenue bond, including $3.8 million issued under the Revolving Credit Facility. See the *Debt and Lines of Credit* footnote of the *Notes to Consolidated Financial Statements* for more information.

During fiscal 2019, our consolidated stockholders' equity increased $202.1 million to $1.92 billion at August 31, 2019 from $1.72 billion at August 31, 2018. The increase was due primarily to net income earned in the period, partially offset by share repurchases, pension plan adjustments, dividend payments, adjustments related to the adoption of Accounting Standards Codification 606, *Revenue from Contracts with Customers* ("ASC 606"), shares withheld for employee taxes on vested restricted stock grants, and foreign currency translation adjustments. Our debt to total capitalization ratio (calculated by dividing total debt by the sum of total debt and total stockholders' equity) was 15.7% and 17.2% at August 31, 2019 and 2018, respectively. The ratio of debt, net of cash, to total capitalization, net of cash, was (5.8)% and 11.7% at August 31, 2019 and 2018, respectively.

Dividends

We paid dividends on our common stock of $20.8 million ($0.52 per share) in fiscal 2019 and $21.4 million ($0.52 per share) in fiscal 2018, indicating a quarterly dividend rate of $0.13 per share. All decisions regarding the declaration and payment of dividends are at the discretion of 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.

Results of Operations

Fiscal 2019 Compared with Fiscal 2018

The following table sets forth information comparing the components of net income for the year ended August 31, 2019 with the year ended August 31, 2018 (in millions except per share data):

	Year Ended August 31,		Increase	Percent
	2019	2018	(Decrease)	Change
Net sales	$ 3,672.7	$ 3,680.1	$ (7.4)	(0.2)%
Cost of products sold	2,193.0	2,194.7	(1.7)	(0.1)%
Gross profit	1,479.7	1,485.4	(5.7)	(0.4)%
Percent of net sales	*40.3%*	*40.4%*	*(10) bps*	
Selling, distribution, and administrative expenses	1,015.0	1,019.0	(4.0)	(0.4)%
Special charges	1.8	5.6	(3.8)	NM
Operating profit	462.9	460.8	2.1	0.5 %
Percent of net sales	*12.6%*	*12.5%*	*10 bps*	
Other expense:				
Interest expense, net	33.3	33.5	(0.2)	(0.6)%
Miscellaneous expense, net	4.7	1.4	3.3	NM
Total other expense	38.0	34.9	3.1	8.9 %
Income before income taxes	424.9	425.9	(1.0)	(0.2)%
Percent of net sales	*11.6%*	*11.6%*	*— bps*	
Income tax expense	94.5	76.3	18.2	23.9 %
Effective tax rate	*22.2%*	*17.9%*		
Net income	$ 330.4	$ 349.6	$ (19.2)	(5.5)%
Diluted earnings per share	$ 8.29	$ 8.52	$ (0.23)	(2.7)%
NM - not meaningful				

Net sales decreased $7.4 million, or 0.2%, to $3.67 billion for the year ended August 31, 2019 compared with $3.68 billion reported for the year ended August 31, 2018. For the year ended August 31, 2019, we reported net income of $330.4 million compared with $349.6 million for the year ended August 31, 2018, a decrease of $19.2 million, or 5.5%. For fiscal 2019, diluted earnings per share decreased 2.7% to $8.29 from $8.52 for the prior-year period.

Fiscal 2019 results were impacted by the adoption of ASC 606, which resulted in a decrease to revenues, gross profit, and operating profit of $8.9 million, $4.8 million, and $5.2 million, respectively, during the year ended August 31, 2019. Additionally, fiscal 2018 results were retrospectively adjusted to reflect the impact of adopting Accounting Standards Update No. 2017-07, Compensation — Retirement Benefits (Topic 715): *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* ("ASU 2017-07"). Upon adoption of ASU 2017-07, our previously reported operating profit and other expense both increased $6.2 million for the year ended August 31, 2018. The provisions of ASU 2017-07 had no impact to our previously reported net income or earnings per share. See *New Accounting Pronouncements* footnote of the *Notes to Consolidated Financial Statements* for further details.

The following table reconciles certain U.S. generally accepted accounting principles ("U.S. GAAP") financial measures to the corresponding non-U.S. GAAP measures referred to in the discussion of our results of operations, which exclude the impact of acquisition-related items, certain manufacturing inefficiencies and excess inventory adjustments related to the closure of a facility, amortization of acquired intangible assets, share-based payment expense, special charges associated primarily with continued efforts to streamline the organization, a gain associated with the sale of our former Spanish lighting business, and certain discrete income tax benefits of the Tax Cuts and Jobs Act ("TCJA"). Although the impacts of these items have been recognized in prior periods and could recur in future periods, management typically excludes these items during internal reviews of performance and uses these non-U.S. GAAP measures for baseline comparative operational analysis, decision making, and other activities. These non-U.S. GAAP financial measures, including adjusted gross profit and margin, adjusted selling, distribution, and administrative ("SD&A") expenses and adjusted SD&A expenses as a percent of net sales, adjusted operating profit and margin, adjusted other expense, adjusted net income, and adjusted diluted earnings per share, are provided to enhance the user's overall understanding of our current financial performance. Specifically, we believe these non-U.S. GAAP measures provide greater comparability and enhanced visibility into our results of operations. The non-U.S. GAAP financial measures

should be considered in addition to, and not as a substitute for or superior to, results prepared in accordance with U.S. GAAP.

(In millions, except per share data)	Year Ended August 31,		Increase (Decrease)	Percent Change
	2019	2018		
Gross profit	$ 1,479.7	$ 1,485.4		
Add-back: Manufacturing inefficiencies [1]	0.9	—		
Add-back: Acquisition-related items [2]	1.2	1.7		
Add-back: Excess inventory [3]	—	3.1		
Adjusted gross profit	$ 1,481.8	$ 1,490.2	$ (8.4)	(0.6)%
Percent of net sales	*40.3%*	*40.5%*	*(20) bps*	
Selling, distribution, and administrative expenses	$ 1,015.0	$ 1,019.0		
Less: Amortization of acquired intangible assets	(30.8)	(28.5)		
Less: Share-based payment expense	(29.2)	(32.3)		
Less: Acquisition-related items [2]	(1.3)	(2.1)		
Adjusted selling, distribution, and administrative expenses	$ 953.7	$ 956.1	$ (2.4)	(0.3)%
Percent of net sales	*26.0%*	*26.0%*	*— bps*	
Operating profit	$ 462.9	$ 460.8		
Add-back: Amortization of acquired intangible assets	30.8	28.5		
Add-back: Share-based payment expense	29.2	32.3		
Add-back: Manufacturing inefficiencies [1]	0.9	—		
Add-back: Acquisition-related items [2]	2.5	3.8		
Add-back: Excess inventory [3]	—	3.1		
Add-back: Special charges	1.8	5.6		
Adjusted operating profit	$ 528.1	$ 534.1	$ (6.0)	(1.1)%
Percent of net sales	*14.4%*	*14.5%*	*(10) bps*	
Other expense	$ 38.0	$ 34.9		
Add-back: Gain on sale of business	—	5.4		
Adjusted other expense	$ 38.0	$ 40.3	$ (2.3)	(5.7)%
Net income	$ 330.4	$ 349.6		
Add-back: Amortization of acquired intangible assets	30.8	28.5		
Add-back: Share-based payment expense	29.2	32.3		
Add-back: Manufacturing inefficiencies [1]	0.9	—		
Add-back: Acquisition-related items [2]	2.5	3.8		
Add-back: Excess inventory [3]	—	3.1		
Add-back: Special charges	1.8	5.6		
Less: Gain on sale of business	—	(5.4)		
Total pre-tax adjustments to net income	65.2	67.9		
Income tax effect	(14.2)	(20.0)		
Less: Discrete income tax benefits of the TCJA [4]	—	(34.6)		
Adjusted net income	$ 381.4	$ 362.9	$ 18.5	5.1 %
Diluted earnings per share	$ 8.29	$ 8.52		
Adjusted diluted earnings per share	$ 9.57	$ 8.84	$ 0.73	8.3 %

[1] Incremental costs incurred due to manufacturing inefficiencies directly related to the closure of a facility.
[2] Acquisition-related items include profit in inventory and professional fees.
[3] Excess inventory related to the closure of a facility.
[4] Discrete income tax benefits of the TCJA recognized within *Income tax expense* on the *Consolidated Statements of Comprehensive Income*. See *Income Taxes* footnote within the *Notes to Consolidated Financial Statements* for additional details.

Net Sales

Net sales for the year ended August 31, 2019 decreased by 0.2% compared with the prior-year period as a 1% decline in sales volumes was offset by favorable changes in product prices and mix of products sold ("price/mix"). The volume decline was a result of several factors, which included prior year's significant initial stocking of product in the stores of a new customer in the retail sales channel that did not repeat in the current period; the elimination of certain products in our portfolio sold primarily through the retail sales channel that did not meet our return objectives; and softer market conditions. The favorable change in price/mix was due to changes in sales channel mix and implemented price increases, which were partially offset by changes in the mix of product sold. The combined negative impact of changes in foreign currencies, the adoption of ASC 606, and acquisitions net of divestitures was de minimis. Due to the changing dynamics of our product portfolio, including the increase of integrated lighting and building management solutions, it is not possible to precisely quantify or differentiate the individual components of volume, price, and mix.

Gross Profit

Gross profit for fiscal 2019 decreased $5.7 million, or 0.4%, to $1.48 billion compared with $1.49 billion for the prior year. Gross profit margin decreased to 40.3% for the year ended August 31, 2019 compared with 40.4% for the year ended August 31, 2018. The decline in gross profit margin was due primarily to a shift in sales among key customers within the retail channel, tariff costs, and the under-absorption of manufacturing costs as a result of inventory reduction efforts, partially offset by inter-channel mix, price increases, and favorable materials and inbound freight costs. Adjusted gross profit for fiscal 2019 decreased $8.4 million, or 0.6%, to $1.48 billion compared with $1.49 billion for the prior year. Adjusted gross profit margin decreased 20 basis points to 40.3% compared to 40.5% in the prior year.

Operating Profit

SD&A expenses of $1.02 billion for the year ended August 31, 2019 decreased $4.0 million, or 0.4%. The decrease in SD&A expenses was primarily due to lower outbound freight charges, which was partially due to the customer shift within the retail sales channel, as well as lower employee-related costs, partially offset by expenses associated with acquired businesses. Compared with the prior-year period, SD&A expenses as a percent of net sales decreased 10 basis points to 27.6% for fiscal 2019 from 27.7% in fiscal 2018. Adjusted SD&A expenses were $953.7 million, or 26.0% of net sales, in fiscal 2019 compared to $956.1 million, or 26.0% of net sales, in the year-ago period.

During the year ended August 31, 2019, we recognized pre-tax special charges of $1.8 million compared with pre-tax special charges of $5.6 million recorded during the year ended August 31, 2018. Further details regarding our special charges are included in the *Special Charges* footnote of the *Notes to Consolidated Financial Statements*.

Operating profit for fiscal 2019 was $462.9 million compared with $460.8 million reported for the prior-year period, an increase of $2.1 million, or 0.5%. Operating profit margin increased 10 basis points to 12.6% for fiscal 2019 compared with 12.5% for fiscal 2018. The increase in operating profit was due to a decrease in SD&A expenses and a lower net special charge, partially offset by lower gross profit.

Adjusted operating profit decreased $6.0 million, or 1.1%, to $528.1 million compared with $534.1 million for fiscal 2018. Adjusted operating profit margin was 14.4% and 14.5% for fiscal 2019 and 2018, respectively.

Other Expense

Other expense consists principally of net interest expense and net miscellaneous expense, which includes non-service related components of net periodic pension cost, gains and losses associated with foreign currency-related transactions, and non-operating gains and losses. Interest expense, net, was $33.3 million and $33.5 million for the years ended August 31, 2019 and 2018, respectively. We reported net miscellaneous expense of $4.7 million in fiscal 2019 compared with $1.4 million in fiscal 2018. Net miscellaneous expense for fiscal 2018 included a gain of $5.4 million associated with the sale of our former Spanish lighting business.

Income Taxes and Net Income

Our effective income tax rate was 22.2% and 17.9% for the years ended August 31, 2019 and 2018, respectively. The effective income tax rate for the year ended August 31, 2018 was significantly impacted by the provisions of the TCJA, which was enacted during the second quarter of fiscal 2018. Further details regarding the TCJA are included in the *Income Taxes* footnote of the *Notes to Consolidated Financial Statements*. We estimate that our effective tax rate for fiscal 2020 will be approximately 23% before any discrete items, assuming the rates in our taxing jurisdictions remain generally consistent throughout the year.

Net income for fiscal 2019 decreased $19.2 million, or 5.5%, to $330.4 million from $349.6 million reported for the prior year. The decrease in net income resulted primarily from a one-time tax benefit for income taxes related to the TCJA recorded in 2018 that did not recur in the current fiscal year. Adjusted net income for fiscal 2019 increased 5.1% to $381.4 million compared with $362.9 million in the year-ago period. Diluted earnings per share for fiscal 2019 was $8.29 compared with $8.52 for the prior-year period, which represented a decrease of $0.23 or 2.7%. Adjusted diluted earnings per share for fiscal 2019 was $9.57 compared with $8.84 for the prior-year period, which represented an increase of $0.73, or 8.3%.

Fiscal 2018 Compared with Fiscal 2017

The following table sets forth information comparing the components of net income for the year ended August 31, 2018 with the year ended August 31, 2017 (in millions except per share data):

	Year Ended August 31,		Increase	Percent
	2018	2017	(Decrease)	Change
Net sales	$ 3,680.1	$ 3,505.1	$ 175.0	5.0 %
Cost of products sold	2,194.7	2,024.0	170.7	8.4 %
Gross profit	1,485.4	1,481.1	4.3	0.3 %
Percent of net sales	*40.4%*	*42.3%*	*(190) bps*	
Selling, distribution, and administrative expenses	1,019.0	942.3	76.7	8.1 %
Special charges	5.6	11.3	(5.7)	NM
Operating profit	460.8	527.5	(66.7)	(12.6)%
Percent of net sales	*12.5%*	*15.0%*	*(250) bps*	
Other expense:				
Interest expense, net	33.5	32.5	1.0	3.1 %
Miscellaneous expense, net	1.4	2.4	(1.0)	NM
Total other expense	34.9	34.9	—	— %
Income before income taxes	425.9	492.6	(66.7)	(13.5)%
Percent of net sales	*11.6%*	*14.1%*	*(250) bps*	
Income tax expense	76.3	170.9	(94.6)	(55.4)%
Effective tax rate	*17.9%*	*34.7%*		
Net income	$ 349.6	$ 321.7	$ 27.9	8.7 %
Diluted earnings per share	$ 8.52	$ 7.43	$ 1.09	14.7 %
NM - not meaningful				

Net sales increased $175.0 million, or 5.0%, to $3.68 billion for the year ended August 31, 2018 compared with $3.51 billion reported for the year ended August 31, 2017. For the year ended August 31, 2018, we reported net income of $349.6 million compared with $321.7 million for the year ended August 31, 2017, an increase of $27.9 million, or 8.7%. For fiscal 2018, diluted earnings per share increased 14.7% to $8.52 from $7.43 for the prior-year period.

Fiscal 2018 and fiscal 2017 results were retrospectively adjusted to reflect the impact of adopting ASU 2017-07. Upon adoption of ASU 2017-07, our previously reported operating profit and other expense both increased $6.2 million for the year ended August 31, 2018 and $8.7 million for the year ended August 31, 2017. The provisions of ASU 2017-07 had no impact to our previously reported net income or earnings per share. See *New Accounting Pronouncements* footnote of the *Notes to Consolidated Financial Statements* for further details.

The following table reconciles certain U.S. GAAP financial measures to the corresponding non-U.S. GAAP measures referred to in the discussion of our results of operations, which exclude the impact of acquisition-related items, certain manufacturing inefficiencies and excess inventory adjustments related to the closure of a facility, amortization of acquired intangible assets, share-based payment expense, special charges associated primarily with continued efforts to streamline the organization, a gain associated with the sale of our former Spanish lighting business, a gain on the sale of an investment in an unconsolidated affiliate, and certain discrete income tax benefits of the TCJA.

(In millions, except per share data)	Year Ended August 31, 2018	Year Ended August 31, 2017	Increase (Decrease)	Percent Change
Gross profit	$ 1,485.4	$ 1,481.1		
Add-back: Acquisition-related items [1]	1.7	—		
Add-back: Manufacturing inefficiencies [2]	—	1.6		
Add-back: Excess inventory [3]	3.1	—		
Adjusted gross profit	$ 1,490.2	$ 1,482.7	$ 7.5	0.5 %
Percent of net sales	*40.5%*	*42.3%*	*(180) bps*	
Selling, distribution, and administrative expenses	$ 1,019.0	$ 942.3		
Less: Amortization of acquired intangible assets	(28.5)	(28.0)		
Less: Share-based payment expense	(32.3)	(32.0)		
Less: Acquisition-related items [1]	(2.1)	—		
Adjusted selling, distribution, and administrative expenses	$ 956.1	$ 882.3	$ 73.8	8.4 %
Percent of net sales	*26.0%*	*25.2%*	*80 bps*	
Operating profit	$ 460.8	$ 527.5		
Add-back: Amortization of acquired intangible assets	28.5	28.0		
Add-back: Share-based payment expense	32.3	32.0		
Add-back: Acquisition-related items [1]	3.8	—		
Add-back: Manufacturing inefficiencies [2]	—	1.6		
Add-back: Excess inventory [3]	3.1	—		
Add-back: Special charges	5.6	11.3		
Adjusted operating profit	$ 534.1	$ 600.4	$ (66.3)	(11.0)%
Percent of net sales	*14.5%*	*17.1%*	*(260) bps*	
Other expense	$ 34.9	$ 34.9		
Add-back: Gain on sale of investment in unconsolidated affiliate	—	7.2		
Add-back: Gain on sale of business	5.4	—		
Adjusted other expense	$ 40.3	$ 42.1	$ (1.8)	(4.3)%
Net income	$ 349.6	$ 321.7		
Add-back: Amortization of acquired intangible assets	28.5	28.0		
Add-back: Share-based payment expense	32.3	32.0		
Add-back: Acquisition-related items [1]	3.8	—		
Add-back: Manufacturing inefficiencies [2]	—	1.6		
Add-back: Excess inventory [3]	3.1	—		
Add-back: Special charges	5.6	11.3		
Less: Gain on sale of investment in unconsolidated affiliate	—	(7.2)		
Less: Gain on sale of business	(5.4)	—		
Total pre-tax adjustments to net income	67.9	65.7		
Income tax effect	(20.0)	(21.5)		
Less: Discrete income tax benefits of the TCJA [4]	(34.6)	—		
Adjusted net income	$ 362.9	$ 365.9	$ (3.0)	(0.8)%
Diluted earnings per share	$ 8.52	$ 7.43		
Adjusted diluted earnings per share	$ 8.84	$ 8.45	$ 0.39	4.6 %

[1] Acquisition-related items include acquired profit in inventory and professional fees.
[2] Incremental costs incurred due to manufacturing inefficiencies directly related to the closure of a facility.
[3] Excess inventory related to the closure of a facility.
[4] Discrete income tax benefits of the TCJA recognized within *Income tax expense* on the *Consolidated Statements of Comprehensive Income*. See *Income Taxes* footnote within the *Notes to Consolidated Financial Statements* for additional details.

Net Sales

Net sales for the year ended August 31, 2018 increased by 5.0% compared with the prior-year period due primarily to an increase in sales volumes of approximately 7% and an approximately 1% favorable impact of acquired revenues from acquisitions, partially offset by the impact of an unfavorable change in price/mix of approximately 3%. The increase in volumes was due primarily to greater shipments of Atrius-based luminaires to customers in certain key vertical applications and higher shipments within the home center channel. The net unfavorable price/mix was primarily due to lower pricing on certain luminaires as a result of increased competition in portions of the market for more basic, lesser-featured products; changes in product mix reflecting the substitution of certain products with less costly form factors resulting in lower price points; and changes in sales channel mix, which reflected fewer large commercial projects that generally include higher priced solutions. Due to the changing dynamics of our product portfolio, including the increase of integrated lighting and building management solutions, it is not possible to precisely quantify or differentiate the individual components of volume, price, and mix.

Gross Profit

Gross profit for fiscal 2018 increased $4.3 million, or 0.3%, to $1.49 billion compared with $1.48 billion for the prior year. Gross profit margin decreased to 40.4% for the year ended August 31, 2018 compared with 42.3% for the year ended August 31, 2017. Gross profit margin was lower than the prior-year period primarily due to unfavorable price/mix; higher material, component, and freight costs; increased wages; and additional reserves for excess inventory related to the closure of a facility. These declines were partially offset by higher sales volumes, productivity improvements, and gross profit attributable to acquisitions. Adjusted gross profit for fiscal 2018 increased $7.5 million, or 0.5%, to $1.49 billion compared with $1.48 billion for the prior year. Adjusted gross profit margin decreased 180 basis points to 40.5% compared to 42.3% in the prior year.

Operating Profit

SD&A expenses for the year ended August 31, 2018 increased $76.7 million, or 8.1%, to $1.02 billion compared with $942.3 million in the prior year. The increase in SD&A expenses was primarily due to higher employee related costs, including additional headcount from acquisitions, increased freight charges and commissions to support greater sales volume, higher professional fees related to acquisitions, and to a lesser degree, certain other operating expenses. Compared with the prior-year period, SD&A expenses as a percent of net sales increased 80 basis points to 27.7% for fiscal 2018 from 26.9% in fiscal 2017. Adjusted SD&A expenses were $956.1 million, or 26.0% of net sales, in fiscal 2018 compared to $882.3 million, or 25.2% of net sales, in the year-ago period.

During the year ended August 31, 2018, we recognized pre-tax special charges of $5.6 million compared with pre-tax net special charges of $11.3 million recorded during the year ended August 31, 2017. Further details regarding our special charges are included in the *Special Charges* footnote of the *Notes to Consolidated Financial Statements*.

Operating profit for fiscal 2018 was $460.8 million compared with $527.5 million reported for the prior-year period, a decrease of $66.7 million, or 12.6%. Operating profit margin decreased 250 basis points to 12.5% for fiscal 2018 compared with 15.0% for fiscal 2017. The decrease in operating profit was due primarily to the impact of price/mix on gross profit as well as higher SD&A expenses, partially offset by higher sales volumes and lower net special charges.

Adjusted operating profit decreased $66.3 million, or 11.0%, to $534.1 million compared with $600.4 million for fiscal 2017. Adjusted operating profit margin was 14.5% and 17.1% for fiscal 2018 and 2017, respectively.

Other Expense

Other expense consists principally of net interest expense and net miscellaneous expense, which includes non-service related components of net periodic pension cost, gains and losses associated with foreign currency-related transactions, and non-operating gains and losses. Interest expense, net, was $33.5 million and $32.5 million for the years ended August 31, 2018 and 2017, respectively. We reported net miscellaneous expense of $1.4 million in fiscal 2018 compared with $2.4 million in fiscal 2017. Net miscellaneous expense included a gain of $5.4 million associated with the sale of our former Spanish lighting business and a gain of $7.2 million associated with the sale of an investment in an unconsolidated affiliate for fiscal 2018 and 2017, respectively.

Income Taxes and Net Income

Our effective income tax rate was 17.9% and 34.7% for the years ended August 31, 2018 and 2017, respectively. The effective income tax rate for the year ended August 31, 2018 was significantly impacted by the provisions of the TCJA, which was enacted during the second quarter of fiscal 2018. Further details regarding the TCJA are included in the *Income Taxes* footnote of the *Notes to Consolidated Financial Statements*.

Net income for fiscal 2018 increased $27.9 million, or 8.7%, to $349.6 million from $321.7 million reported for the prior year. The increase in net income resulted primarily from the benefit recognized related to the TCJA, partially offset by a decrease in operating profit. Adjusted net income for fiscal 2018 decreased 0.8% to $362.9 million compared with $365.9 million in the year-ago period. Diluted earnings per share for fiscal 2018 was $8.52 compared with $7.43 for the prior-year period, which represented an increase of $1.09 or 14.7%. Adjusted diluted earnings per share for fiscal 2018 was $8.84 compared with $8.45 for the prior-year period, which represented an increase of $0.39, or 4.6%.

Outlook

We continue to believe the execution of our strategy will provide attractive opportunities for profitable growth over the long-term. Our strategy is to capitalize on market growth and share gain opportunities by continuing to expand and leverage our industry-leading lighting and building management solutions portfolio, coupled with our extensive market presence and financial strength, to produce attractive financial performance over the long-term.

We remain cautious about overall market conditions within the lighting industry for fiscal 2020 primarily due to continued economic uncertainties caused by global trade issues, including tariffs. We expect market demand for lighting products to remain sluggish until there is more clarity regarding these global trade issues. Additionally, we expect that labor shortages in certain markets will continue to dampen growth rates for both the construction and lighting markets. Nonetheless, our focus for fiscal 2020 will be to drive top-line growth through market share gains and enhance margins, while implementing appropriate cost containment measures as necessitated by market demand.

Management estimates a fiscal 2020 annual tax rate of approximately 23% before any discrete items, assuming the tax rates in the Company's taxing jurisdictions remain generally consistent throughout the year. Additionally, management expects fiscal 2020 capital expenditures will approximate 1.7% of net sales.

We believe our fiscal 2020 first quarter net sales could be down in the mid-to-high single-digit percentage range compared with first quarter of fiscal 2019 primarily due to the pull forward of orders by certain customers in advance of announced price increases in the prior-year period as well as our recent efforts to reduce our exposure to products whose profitability has been most negatively impacted by tariffs and are sold primarily through the retail sales channel. The decline in net sales should be partially mitigated by the recently acquired TLG. While we believe prior year's pull forward of orders contributed significantly to first quarter of fiscal 2019 net sales growth rate of 11%, we are unable to specifically quantify its impact. Therefore, it is not possible to precisely know how this will impact this year's first quarter results compared with the year-ago period.

We expect to continue to outperform the growth rates of the key markets that we serve in future periods, subject to quarterly volatility and excluding our actions to prune less profitable portions of our product portfolio, by continuing to execute our various strategies. These strategies focus on growth opportunities for new construction and renovation projects, expansion into underpenetrated geographies and channels, and growth from the continued introduction of new lighting and building management solutions as part of our integrated, tiered solutions strategy, including leveraging our unique, technology driven solutions portfolio, including IoT enabled solutions, to capture market share in the nascent, but rapidly growing, market for data capture, analytics, and other services, assisting in transforming buildings and campuses from cost centers to strategic assets.

We expect the pricing environment to continue to be challenging in portions of the market, particularly for more basic, lesser-featured products sold through certain sales channels as well as shifts in product mix, both of which could continue to negatively impact net sales and margins. We expect recently announced price increases to mitigate some of the pricing pressures in the market but not to have any material impact on product substitution trends to lower priced alternatives. We expect to continue to introduce products and solutions to more effectively compete in these portions of the market and to accelerate programs to reduce product costs in order to maintain our competitiveness and drive improved profitability.

Starting in calendar 2018, the U.S. federal government began imposing tariffs on certain Chinese imports and threatened to impose tariffs on all products imported from Mexico. We produce a meaningful percentage of our products in Mexico. Certain components used in our products as well as source certain finished products from China that are impacted by the recently imposed Chinese tariffs. Our efforts to mitigate the impact of these added costs include a variety of activities, such as finding alternative suppliers, producing components and finished goods in countries other than China, in-

sourcing the production of certain products, and raising prices. We believe that our mitigation activities, including recently announced price increases once fully enacted, will assist to offset the added costs. Future U.S. policy changes that may be implemented, including additional tariffs, could have a positive or negative consequence on our financial performance depending on how the changes influence many factors, including business and consumer sentiment.

We expect to refinance our $350 million public notes maturing in December 2019 through borrowings under our Term Loan, which we would expect to have a meaningfully lower interest rate. Our borrowing capacity additionally provides us with the resources to support our growth opportunities, including acquisitions, and accommodate the current stock repurchase program, of which 4.55 million shares remain available for repurchase as of August 31, 2019. The extent and timing of actual stock repurchases will be subject to various factors, including stock price, company performance, expected future market conditions, and other possible uses of cash, including acquisitions. We may increase our leverage to accommodate the stock repurchase program.

From a longer term perspective, we expect that our addressable markets have the potential to experience solid growth over the next decade, particularly as energy and environmental concerns continue to come to the forefront along with emerging opportunities for digital lighting to play a key role in the IoT through the use of intelligent networked lighting and building automation systems that can collect and exchange data to increase efficiency as well as provide a host of other economic benefits resulting from data analytics. We remain positive about the future prospects of the Company and our ability to outperform the markets we serve.

Accounting Standards Adopted in Fiscal 2019 and Accounting Standards Yet to Be Adopted

See the *New Accounting Pronouncements* footnote of the *Notes to Consolidated Financial Statements* for information on recently adopted and upcoming standards.

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. 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 management 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; depreciation, amortization, and the recoverability of long-lived assets, including goodwill and intangible assets; share-based payment expense; medical, product warranty and recall, and other reserves; retirement benefits; and litigation. 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 accounting estimates with our Audit Committee of the Board of Directors. See the *Significant Accounting Policies* footnote of the *Notes to Consolidated Financial Statements* for a summary of the accounting policies.

We believe the following represent our critical accounting estimates:

Revenue Recognition

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. In the period of revenue recognition, provisions for certain rebates, sales incentives, product returns, and discounts to customers are estimated and recorded, in most instances, as a reduction of revenue. We also maintain one-time or on-going marketing and trade-promotion programs with certain customers that require us to estimate and accrue the expected costs of such programs. Generally, these items are estimated based on customer agreements, historical trends, and expected demand. For sales with multiple deliverables, significant judgment may be required to determine which performance obligations are distinct and should be accounted for separately. We allocate the expected consideration to be collected to each distinct performance obligation based on its standalone selling price. Standalone selling price is generally estimated using a cost plus margin valuation when no observable input is available.

Actual results could differ from estimates, which would require adjustments to accrued amounts. Please refer to the *Revenue Recognition* footnote of the *Notes to Consolidated Financial Statements* for additional information regarding estimates related to revenue recognition.

Inventories

Inventories include materials, direct labor, in-bound freight, and related manufacturing overhead and are stated at the lower of cost (on a first-in, first-out or average-cost basis) and net realizable value. We review inventory quantities on hand and record a provision for excess or obsolete inventory primarily based on estimated future demand and current market conditions. A significant change in customer demand, market conditions, or technology could render certain inventory obsolete and thus could have a material adverse impact on our operating results in the period the change occurs.

Goodwill and Indefinite-Lived Intangible Assets

We review goodwill and indefinite-lived intangible assets for impairment on an annual basis in the fiscal fourth quarter or on an interim basis if an event occurs or circumstances change that would more likely than not indicate that the fair value of the goodwill or indefinite-lived asset is below its carrying value. All other long-lived and intangible assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss for goodwill or an indefinite-lived intangible asset would be recognized based on the difference between the carrying value of the asset and its estimated fair value, which would be determined based on either discounted future cash flows or another appropriate fair value method. The evaluation of goodwill and indefinite-lived intangibles for impairment requires management to use significant judgments and estimates in accordance with U.S. GAAP including, but not limited to, economic, industry, and company-specific qualitative factors, projected future net sales, operating results, and cash flows.

Although we currently believe that the estimates used in the evaluation of goodwill and indefinite-lived intangibles are reasonable, differences between actual and expected net sales, operating results, and cash flows and/or changes in the discount rates or theoretical royalty rates used could cause these assets to be deemed impaired. If this were to occur, we would be required to record a non-cash charge to earnings for the write-down in the value of such assets, which could have a material adverse effect on our results of operations and financial position but not our cash flows from operations.

Goodwill

Our business is comprised of one reporting unit with a goodwill balance of $967.3 million as of August 31, 2019. During fiscal 2019, we utilized a qualitative assessment of the fair value of goodwill as of June 1, 2019. To perform this assessment, we identified and analyzed macroeconomic conditions, industry and market conditions, and company-specific factors. Additionally, factors that would have the greatest impact on the fair value of the organization were compared to those used in the most recent quantitative impairment test, which was performed as of June 1, 2017, to identify potentially significant variances to the reasonableness of the assumptions. Taking into consideration these factors, we estimated the potential change in the fair value of goodwill compared with our most recent quantitative impairment test. As a result of the analysis performed, management believes the estimated fair value of the reporting unit continues to exceed its carrying value by a substantial margin and does not represent a more likely than not possibility of potential impairment. The goodwill analysis did not result in an impairment charge.

Indefinite-Lived Intangible Assets

Our indefinite-lived intangible assets consist of eight trade names with an aggregate carrying value of approximately $141.3 million. We utilized significant assumptions to estimate the fair value of these indefinite-lived trade names using a fair value model based on discounted future cash flows (“fair value model”) in accordance with U.S. GAAP. Future cash flows associated with each of our indefinite-lived trade names are calculated by multiplying a theoretical royalty rate a willing third party would pay for use of the particular trade name by estimated future net sales attributable to the relevant trade name. The present value of the resulting after-tax cash flow is our current estimate of the fair value of the trade names. This fair value model requires us to make several significant assumptions, including estimated future net sales (including short and long-term growth rates), the royalty rate, and the discount rate.

Future net sales and short-term growth rates are estimated for each particular trade name based on management’s financial forecasts, which consider key business drivers, such as specific revenue growth initiatives, market share changes, expected growth in our addressable market, and general economic factors, such as credit availability and interest rates. The long-term growth rate used in determining terminal value is estimated at 3% and is based primarily on our understanding of projections for expected long-term growth within our addressable market and historical long-term performance. The theoretical royalty rate is estimated primarily using management’s assumptions regarding the amount a willing third party would pay to use the particular trade name and is compared with market information for similar intellectual property within and outside of the industry. If future operating results are unfavorable compared with forecasted amounts, we may be required to reduce the theoretical royalty rate used in the fair value model. A reduction

in the theoretical royalty rate would result in lower expected future after-tax cash flows in the valuation model. We utilized a range of estimated discount rates between 9% and 14% as of June 1, 2019, based on the Capital Asset Pricing Model, which considers the current risk-free interest rate, beta, market risk premium, and entity specific size premium.

During fiscal 2019, we performed an evaluation of the fair values of our indefinite-lived trade names. Our expected revenues are based on our fiscal 2020 expectations and recent lighting, controls, and building management solutions market growth estimates for fiscal 2020 through 2024. We also included revenue growth estimates based on current initiatives expected to help improve performance. During fiscal 2019, estimated theoretical royalty rates ranged between 1% and 4%. Based on the results of the indefinite-lived intangible asset analyses, we concluded that our indefinite-lived trade names are fairly stated; therefore, no impairment charges were recorded for fiscal 2019. Any reasonably likely change in the assumptions used in the analyses for our trade names, including revenue growth rates, royalty rates, and discount rates, would not be material to our financial condition or results of operations.

Definite-Lived Intangible Assets

We evaluate the remaining useful lives of our definite-lived intangible assets on an annual basis in the fiscal fourth quarter or on an interim basis if an event occurs or circumstances change that would warrant a revision to the remaining period of amortization. For each reporting period we consider whether an event occurred or circumstances changed that would more likely than not indicate that the fair value of the definite-lived asset is below its carrying value. We recorded no impairment charges for our definite-lived intangible assets during fiscal 2019 or 2018.

Self-Insurance

We self-insure, up to certain limits, traditional risks including workers' compensation, comprehensive general liability, and auto liability. A provision for claims under this self-insured program, based on our estimate of the aggregate liability for claims incurred, is revised and recorded annually. The estimate is derived from both internal and external sources including, but not limited to, our independent actuary. The actuarial estimates are subject to uncertainty from various sources including, changes in claim reporting patterns, claim settlement patterns, judicial decisions, legislation, and economic conditions, among others. Although we believe that the actuarial estimates are reasonable, significant differences related to the items noted above could materially affect our self-insurance obligations, future expense, and cash flow. We are also self-insured up to certain limits for certain other insurable risks, primarily physical loss to property and business interruptions resulting from such loss lasting two days or more in duration. Insurance coverage is maintained for catastrophic property and casualty exposures as well as those risks required to be insured by law or contract. We are fully self-insured for certain other types of liabilities, including environmental, product recall, warranty, and patent infringement.

We are also self-insured for the majority of our medical benefit plans up to certain limits. We estimate our aggregate liability for claims incurred by applying a lag factor to our historical claims and administrative cost experience. The appropriateness of our lag factor is evaluated and revised, if necessary, annually. Although we believe that the current estimates are reasonable, significant differences related to claim reporting patterns, plan design, legislation, and general economic conditions could materially affect our medical benefit plan liabilities, future expense, and cash flow.

Retirement Benefits

We sponsor domestic and international defined benefit pension plans, defined contribution plans, and other postretirement plans. Assumptions are used to determine the estimated fair value of plan assets, the actuarial value of plan liabilities, and the current and projected costs for these employee benefit plans and include, among other factors, estimated discount rates, expected returns on the pension fund assets, estimated mortality rates, the rates of increase in employee compensation levels, and, for one international plan, retroactive inflationary adjustments. These assumptions are determined based on organizational and market data and are evaluated annually as of the plans' measurement date. See the *Pensions and Defined Contribution Plans* footnote of the *Notes to Consolidated Financial Statements* for further information on our plans, including the potential impact of changes to certain of these assumptions.

Share-based Payment Expense

We recognize compensation cost relating to share-based payment transactions in the financial statements based on the estimated grant date fair value of the equity instrument issued. We account for stock options, restricted shares, and share units representing certain deferrals into the Director Deferred Compensation Plan or the Supplemental Deferred Savings Plan (both of which are discussed further in the *Share-based Payments* footnote of the *Notes to*

Consolidated Financial Statements) based on the grant-date fair value estimated under the provisions of ASC Topic 718, *Compensation — Stock Compensation* ("ASC 718").

We utilize the Black-Scholes model in deriving the fair value estimates of our stock option awards and estimate forfeitures of all share-based awards at the time of grant, which are revised in subsequent periods if actual forfeitures differ from initial estimates. Forfeitures are estimated based on historical experience. If factors change causing different assumptions to be made in future periods, estimated compensation expense may differ significantly from that recorded in the current period. See the *Significant Accounting Policies* and *Share-based Payments* footnotes of the *Notes to Consolidated Financial Statements* for more information regarding the assumptions used in estimating the fair value of stock options.

Product Warranty and Recall Costs

Our products generally have a standard warranty term of five years. We record an allowance for the estimated amount of future warranty costs when the related revenue is recognized. Estimated future warranty costs are primarily based on historical experience of identified warranty claims. We are fully self-insured for product warranty costs. Historical warranty costs have been within expectations. We expect that historical activity will continue to be the best indicator of future warranty costs. There can be no assurance that future warranty costs will not exceed historical amounts. Estimated costs related to product recalls based on a formal campaign soliciting repair or return of that product are accrued when they are deemed to be probable and can be reasonably estimated. If actual future warranty or recall costs exceed recorded amounts, additional allowances may be required, which could have a material adverse impact on our results of operations and cash flow.

We also sell certain service-type warranties that extend coverages for products beyond their base warranties. We account for service-type warranties as distinct performance obligations and recognize revenue for these contracts ratably over the life of the additional warranty period. Claims related to service-type warranties are expensed as incurred.

Litigation

We recognize expense for legal claims when payments associated with the claims become probable and can be reasonably estimated. Due to the difficulty in estimating costs of resolving legal claims, actual costs could have a material adverse impact on our results of operations and cash flow.

Cautionary Statement Regarding Forward-Looking Statements and Information

This filing contains forward-looking statements within the meaning of the federal securities laws. Statements made herein that may be considered forward-looking include statements incorporating terms such as "expect," "believe," "intend," "anticipate," and similar terms that relate to future events, performance, or results of the organization. In addition, we, or the executive officers on our behalf, may from time to time make forward-looking statements in reports and other documents we file with the Securities and Exchange Commission or in connection with oral statements made to the press, current and potential investors, or others. Forward-looking statements include, without limitation: (a) our projections regarding financial performance, liquidity, capital structure, capital expenditures, investments, share repurchases, and dividends, including our intent and ability to refinance our senior unsecured notes; (b) expectations about the impact of any changes in demand as well as volatility and uncertainty in general economic conditions and the pricing environment; (c) external forecasts projecting the North American lighting and building management solutions market growth rate and growth in our addressable markets; (d) our ability to execute and realize benefits from initiatives related to streamlining our operations, capitalize on growth opportunities, expand in key markets as well as underpenetrated geographies and channels, and introduce new lighting and building management solutions; (e) estimate of our fiscal 2020 tax rates, results of operations, and cash flows; (f) our estimate of future amortization expense; (g) our ability to achieve our long-term financial goals and measures and outperform the markets we serve; (h) the impact of changes in the political landscape and related policy changes, including monetary, regulatory, and trade policies; (i) our expectations related to mitigating efforts around recently imposed tariffs; (j) our expectations about the resolution of trade compliance, securities class action, patent litigation, and/or other legal matters; and (k) the impacts of new accounting pronouncements. You are cautioned not to place undue reliance on any forward looking statements, which speak only as of the date of this annual report. 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 annual report or to reflect the occurrence of unanticipated events. Our forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the historical experience of the organization and management's present expectations or projections. These risks and uncertainties include, but are not limited to, customer and supplier relationships and prices; competition; ability to realize anticipated benefits from initiatives taken and timing of benefits; market demand; litigation and other contingent liabilities; and economic, political, governmental, and technological factors that have affected us as a company. Also, additional risks

that could cause our actual results to differ materially from those expressed in our forward-looking statements are discussed in *Part I, Item 1a. Risk Factors* of this Annual Report on Form 10-K, and are specifically incorporated herein by reference.

The industry and market data contained in this report are based either on our management's own estimates or, where indicated, independent industry publications, reports by governmental agencies, or market research firms or other published independent sources and, in each case, are believed by our management to be reasonable estimates. However, industry and market data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market shares. We have not independently verified market and industry data from third-party sources.

Item 7a. *Quantitative and Qualitative Disclosures about Market Risk*

General

We are exposed to worldwide market risks that may impact our *Consolidated Balance Sheets*, *Consolidated Statements of Comprehensive Income*, *Consolidated Statements of Stockholders' Equity*, and *Consolidated Statements of Cash Flows* due primarily to changing interest and foreign exchange rates as well as volatility in commodity prices. The following discussion provides additional information regarding the market risks.

Interest Rates

Interest rate fluctuations expose the variable-rate debt of the organization to changes in interest expense and cash flows. At August 31, 2019, the variable-rate debt was solely comprised of our $4.0 million long-term industrial revenue bond. We had no borrowings outstanding under the Revolving Credit Facility as of August 31, 2019. A 10% increase in market interest rates at August 31, 2019, would have resulted in a de minimis amount of additional annual after-tax interest expense. A fluctuation in interest rates would not affect interest expense or cash flows related to our fixed-rate debt, which includes the $350.0 million publicly-traded fixed-rate notes. A 10% increase in market interest rates at August 31, 2019 would have decreased the estimated fair value of these debt obligations by approximately $0.4 million. See the *Debt and Lines of Credit* footnote of the *Notes to Consolidated Financial Statements* contained in this Form 10-K for additional information.

Foreign Exchange Rates

The majority of our net sales, expense, and capital purchases are transacted in U.S. dollars. However, exposure with respect to foreign exchange rate fluctuation exists due to our operations in Mexico and Canada, where a significant portion of products sold are produced or sourced from the United States, and, to a lesser extent, in Europe. Based on fiscal 2019 performance, a hypothetical decline in the value of the Canadian dollar in relation to the U.S. dollar of 10% would negatively impact operating profit by approximately $12 million, while a hypothetical appreciation of 10% in the value of the Canadian dollar in relation to the U.S. dollar would favorably impact operating profit by approximately $15 million. In addition to products and services sold in Mexico, a significant portion of the goods sold in the United States are manufactured in Mexico. A hypothetical 10% decrease in the value of the Mexican peso in relation to the U.S. dollar would favorably impact operating profit by approximately $13 million, while a hypothetical increase of 10% in the value of the Mexican peso in relation to the U.S. dollar would negatively impact operating profits by approximately $16 million. The individual impacts to the operating profit of hypothetical currency fluctuations in the Canadian dollar and Mexican peso have been calculated in isolation from any potential responses to address such exchange rate changes in our foreign markets.

Our exposure to foreign currency risk related to our operations in Europe is immaterial and has been excluded from this analysis.

Commodity Prices

We utilize a variety of raw materials and components in our production processes including petroleum-based products, steel, and aluminum. In fiscal 2019, we purchased approximately 90,000 tons of steel and aluminum. We estimate that approximately 7% of raw materials purchased are petroleum-based and that approximately six million gallons of diesel fuel were consumed in fiscal 2019. Failure to effectively manage future increases in the costs of these items could have an adverse impact on our results of operations and cash flow.

Item 8. ***Financial Statements and Supplementary Data***

Index to Consolidated Financial Statements

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
ACUITY BRANDS, INC.

The management of Acuity Brands, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of August 31, 2019. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework (2013 Framework). Based on this assessment, management believes that, as of August 31, 2019, the Company's internal control over financial reporting is effective.

The Company's independent registered public accounting firm has issued an audit report on their audit of the Company's internal control over financial reporting. This report dated October 29, 2019 is included within this Form 10-K.

/s/ VERNON J. NAGEL	/s/ KAREN J. HOLCOM
Vernon J. Nagel **Chairman and** **Chief Executive Officer**	**Karen J. Holcom** **Senior Vice President and** **Chief Financial Officer**

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of Acuity Brands, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Acuity Brands, Inc. (the Company) as of August 31, 2019 and 2018, the related consolidated statements of comprehensive income, cash flows and stockholders' equity for each of the three years in the period ended August 31, 2019, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at August 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended August 31, 2019, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of August 31, 2019, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated October 29, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

Valuation of Indefinite-Lived Trade Names

Description of the Matter

At August 31, 2019, the Company's indefinite-lived intangible assets consisted of eight trade names with an aggregate carrying value of approximately $141.3 million. As explained in Note 2 to the consolidated financial statements, the Company tests indefinite-lived trade names for impairment on an annual basis or more frequently as facts and circumstances change. If the carrying amount exceeds the estimated fair value, an impairment loss would be recorded in the amount equal to the excess.

Auditing the Company's impairment tests for indefinite-lived trade names was especially complex due to the judgmental nature of the significant assumptions used in the determination of estimated fair values for trade names. The Company estimates the fair values of trade names using a fair value model based on discounted future cash flows. Significant assumptions used to estimate the value of the trade names included estimated future net sales (including short- and long-term growth rates), discount rates and royalty rates, all of which are forward-looking and could be affected by economic, industry and company-specific qualitative factors.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's annual impairment process. This included testing controls over management's review of the discounted cash flow model, including the significant assumptions described above.

To test the fair values of the Company's indefinite-lived trade names, our audit procedures included, among others, evaluating the Company's use of the discounted cash flow model, the completeness and accuracy of the underlying data and the significant assumptions described above. We compared the significant assumptions to current industry, market and economic trends, the Company's historical results and other relevant factors. We involved our valuation specialists to assist in evaluating the Company's discount rates and royalty rates. In addition, we considered the accuracy of the Company's historical projections of net sales compared to actual net sales. We also performed a sensitivity analysis to evaluate the potential change in the fair values of the trade names resulting from changes in the significant assumptions.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2002.

Atlanta, Georgia
October 29, 2019

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of Acuity Brands, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Acuity Brands, Inc.'s internal control over financial reporting as of August 31, 2019, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Acuity Brands, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of August 31, 2019, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of August 31, 2019 and 2018, the related consolidated statements of comprehensive income, cash flows and stockholders' equity for each of the three years in the period ended August 31, 2019, and the related notes and our report dated October 29, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Atlanta, Georgia
October 29, 2019

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

	August 31,	
	2019	**2018**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 461.0	$ 129.1
Accounts receivable, less reserve for doubtful accounts of $1.0 and $1.3, respectively	561.0	637.9
Inventories	340.8	411.8
Prepayments and other current assets	79.0	32.3
Total current assets	1,441.8	1,211.1
Property, plant, and equipment, at cost:		
Land	22.6	22.9
Buildings and leasehold improvements	190.7	189.1
Machinery and equipment	544.4	516.6
Total property, plant, and equipment	757.7	728.6
Less — Accumulated depreciation and amortization	(480.4)	(441.9)
Property, plant, and equipment, net	277.3	286.7
Goodwill	967.3	970.6
Intangible assets, net	466.0	498.7
Deferred income taxes	2.3	2.9
Other long-term assets	17.7	18.8
Total assets	$ 3,172.4	$ 2,988.8
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 338.8	$ 451.1
Current maturities of long-term debt	9.1	0.4
Accrued compensation	73.2	67.0
Other accrued liabilities	175.0	164.2
Total current liabilities	596.1	682.7
Long-term debt	347.5	356.4
Accrued pension liabilities	99.7	64.6
Deferred income taxes	92.7	92.5
Self-insurance reserves	6.8	7.9
Other long-term liabilities	110.7	67.9
Total liabilities	1,253.5	1,272.0
Commitments and contingencies (see *Commitments and Contingencies* footnote)		
Stockholders' equity:		
Preferred stock, $0.01 par value; 50,000,000 shares authorized; none issued	—	—
Common stock, $0.01 par value; 500,000,000 shares authorized; 53,778,155 and 53,667,327 issued, respectively	0.5	0.5
Paid-in capital	930.0	906.3
Retained earnings	2,295.8	1,999.2
Accumulated other comprehensive loss	(151.4)	(114.8)
Treasury stock, at cost — 14,325,197 and 13,676,689 shares, respectively	(1,156.0)	(1,074.4)
Total stockholders' equity	1,918.9	1,716.8
Total liabilities and stockholders' equity	$ 3,172.4	$ 2,988.8

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

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

	Year Ended August 31,		
	2019	**2018**	**2017**
Net sales	$ 3,672.7	$ 3,680.1	$ 3,505.1
Cost of products sold	2,193.0	2,194.7	2,024.0
Gross profit	1,479.7	1,485.4	1,481.1
Selling, distribution, and administrative expenses	1,015.0	1,019.0	942.3
Special charges	1.8	5.6	11.3
Operating profit	462.9	460.8	527.5
Other expense:			
Interest expense, net	33.3	33.5	32.5
Miscellaneous expense, net	4.7	1.4	2.4
Total other expense	38.0	34.9	34.9
Income before income taxes	424.9	425.9	492.6
Income tax expense	94.5	76.3	170.9
Net income	$ 330.4	$ 349.6	$ 321.7
Earnings per share:			
Basic earnings per share	$ 8.32	$ 8.54	$ 7.46
Basic weighted average number of shares outstanding	39.7	40.9	43.1
Diluted earnings per share	$ 8.29	$ 8.52	$ 7.43
Diluted weighted average number of shares outstanding	39.8	41.0	43.3
Dividends declared per share	$ 0.52	$ 0.52	$ 0.52
Comprehensive income:			
Net income	$ 330.4	$ 349.6	$ 321.7
Other comprehensive income (loss) items:			
Foreign currency translation adjustments	(11.5)	(25.2)	19.0
Defined benefit plans, net of tax	(25.1)	21.2	20.7
Other comprehensive (loss) income items, net of tax	(36.6)	(4.0)	39.7
Comprehensive income	$ 293.8	$ 345.6	$ 361.4

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

ACUITY BRANDS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Year Ended August 31,		
	2019	**2018**	**2017**
Cash flows from operating activities:			
Net income	$ 330.4	$ 349.6	$ 321.7
Adjustments to reconcile net income to net cash flows from operating activities:			
Depreciation and amortization	88.3	80.3	74.6
Share-based payment expense	29.2	32.3	32.0
Loss on the sale or disposal of property, plant, and equipment	0.9	0.6	0.3
Deferred income taxes	9.3	(38.2)	(7.7)
Gain on sale of business	—	(5.4)	—
Gain on sale of investment in unconsolidated affiliate	—	—	(7.2)
Change in assets and liabilities, net of effect of acquisitions, divestitures, and exchange rate changes:			
Accounts receivable	97.7	(62.8)	2.7
Inventories	70.8	(74.4)	(32.4)
Prepayments and other current assets	(34.0)	0.7	6.0
Accounts payable	(111.5)	52.5	(4.6)
Other current liabilities	(11.9)	19.1	(63.5)
Other	25.5	(2.8)	14.7
Net cash provided by operating activities	494.7	351.5	336.6
Cash flows from investing activities:			
Purchases of property, plant, and equipment	(53.0)	(43.6)	(67.3)
Proceeds from sale of property, plant, and equipment	—	—	5.5
Acquisition of businesses, net of cash acquired	(2.9)	(163.2)	—
Proceeds from sale of business	—	1.1	—
Proceeds from sale of investment in unconsolidated affiliate	—	—	13.2
Other investing activities	2.9	1.7	(0.2)
Net cash used for investing activities	(53.0)	(204.0)	(48.8)
Cash flows from financing activities:			
Borrowings on credit facility	86.5	395.4	—
Repayments of borrowings on credit facility	(86.5)	(395.4)	—
(Repayments) issuances of long-term debt	(0.4)	(0.4)	1.0
Repurchases of common stock	(81.6)	(298.4)	(357.9)
Proceeds from stock option exercises and other	0.6	1.7	3.0
Payments of taxes withheld on net settlement of equity awards	(6.0)	(8.2)	(15.2)
Dividends paid	(20.8)	(21.4)	(22.7)
Net cash used for financing activities	(108.2)	(326.7)	(391.8)
Effect of exchange rate changes on cash and cash equivalents	(1.6)	(2.8)	1.9
Net change in cash and cash equivalents	331.9	(182.0)	(102.1)
Cash and cash equivalents at beginning of year	129.1	311.1	413.2
Cash and cash equivalents at end of year	$ 461.0	$ 129.1	$ 311.1
Supplemental cash flow information:			
Income taxes paid during the period	$ 92.9	$ 126.6	$ 173.6
Interest paid during the period	$ 35.6	$ 36.7	$ 33.6

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

ACUITY BRANDS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In millions)

	Common Stock Outstanding						
	Shares	Amount	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss Items	Treasury Stock, at cost	Total
Balance, August 31, 2016	43.7	$ 0.5	$ 856.4	$ 1,360.9	$ (139.4)	$ (418.6)	$ 1,659.8
Net income	—	—	—	321.7	—	—	321.7
Other comprehensive income	—	—	—	—	39.7	—	39.7
Amortization, issuance, and cancellations of restricted stock grants	0.1	—	16.4	—	—	0.4	16.8
Employee stock purchase plan issuances	—	—	0.9	—	—	—	0.9
Cash dividends of $0.52 per share paid on common stock	—	—	—	(22.7)	—	—	(22.7)
Stock options exercised	—	—	2.1	—	—	—	2.1
Repurchases of common stock	(2.0)	—	—	—	—	(357.9)	(357.9)
Excess tax benefits from share-based payments	—	—	5.2	—	—	—	5.2
Balance, August 31, 2017	41.8	0.5	881.0	1,659.9	(99.7)	(776.1)	1,665.6
Net income	—	—	—	349.6	—	—	349.6
Other comprehensive loss	—	—	—	—	(4.0)	—	(4.0)
Reclassification of stranded tax effects of the Tax Cuts and Jobs Act	—	—	—	11.1	(11.1)	—	—
Amortization, issuance, and cancellations of restricted stock grants	0.2	—	23.6	—	—	0.1	23.7
Employee stock purchase plan issuances	—	—	0.6	—	—	—	0.6
Cash dividends of $0.52 per share paid on common stock	—	—	—	(21.4)	—	—	(21.4)
Stock options exercised	—	—	1.1	—	—	—	1.1
Repurchases of common stock	(2.0)	—	—	—	—	(298.4)	(298.4)
Balance, August 31, 2018	40.0	0.5	906.3	1,999.2	(114.8)	(1,074.4)	1,716.8
Net income	—	—	—	330.4	—	—	330.4
Other comprehensive loss	—	—	—	—	(36.6)	—	(36.6)
Amortization, issuance, and cancellations of restricted stock grants	0.2	—	23.1	—	—	—	23.1
Employee stock purchase plan issuances	—	—	0.6	—	—	—	0.6
Cash dividends of $0.52 per share paid on common stock	—	—	—	(20.8)	—	—	(20.8)
Repurchases of common stock	(0.7)	—	—	—	—	(81.6)	(81.6)
ASC 606 adjustments	—	—	—	(13.0)	—	—	(13.0)
Balance, August 31, 2019	39.5	$ 0.5	$ 930.0	$ 2,295.8	$ (151.4)	$ (1,156.0)	$ 1,918.9

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

Note 1 — Description of Business and Basis of Presentation

Acuity Brands, Inc. ("Acuity Brands") is the parent company of Acuity Brands Lighting, Inc. ("ABL") and other wholly-owned subsidiaries (Acuity Brands, ABL, and such other subsidiaries are collectively referred to herein as "we," "our," "us," "the Company," or similar references) and was incorporated in 2001 under the laws of the State of Delaware. We are one of the world's leading providers of lighting and building management solutions and services for commercial, institutional, industrial, infrastructure, and residential applications throughout North America and select international markets. Our lighting and building management solutions include devices such as luminaires, lighting controls, controls for various building systems, power supplies, prismatic skylights, and drivers, as well as integrated systems designed to optimize energy efficiency and comfort for various indoor and outdoor applications. Additionally, we continue to expand our solutions portfolio, including software and services, to provide a host of other economic benefits resulting from data analytics that enables the Internet of Things ("IoT"), supports the advancement of smart buildings, smart cities, and the smart grid, and allows businesses to develop custom applications to scale their operations. We have one reportable segment serving the North American lighting market and select international markets.

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 Brands and its wholly-owned subsidiaries.

Note 2 — Significant Accounting Policies

Principles of Consolidation

The *Consolidated Financial Statements* include the accounts of Acuity Brands and its wholly-owned subsidiaries after elimination of intercompany transactions and accounts.

Revenue Recognition

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, service-type warranties, and discounts to customers. Please refer to the *Revenue Recognition* footnote of the *Notes to Consolidated Financial Statements* for additional information.

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.

Cash and Cash Equivalents

Cash in excess of daily requirements is invested in time deposits and marketable securities and is included in the accompanying balance sheets at fair value. We consider time deposits and marketable securities with an original maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

We record accounts receivable at net realizable value. This value includes a reserve for doubtful accounts to reflect losses anticipated on accounts receivable balances. The allowance is based on historical write-offs, an analysis of past due accounts based on the contractual terms of the receivables, and the economic status of customers, if known. We believe that the allowance is sufficient to cover uncollectible amounts; however, there can be no assurance that unanticipated future business conditions of customers will not have a negative impact on our results of operations.

Prior to the adoption of the new revenue accounting standard described in the *New Accounting Pronouncements* footnote, we recorded reserves for product returns, cash discounts, and other deductions due to customers as a reduction to our outstanding receivables. The changes in these reserves during the fiscal years ended August 31, 2019, 2018, and 2017 are summarized as follows (in millions):

	Year Ended August 31,		
	2019	2018	2017
Beginning balance	$ 23.4	$ 21.3	$ 17.3
Refund costs	—	133.4	134.2
Payments and other deductions	—	(131.3)	(130.2)
ASC 606 adjustments [1]	(23.4)	—	—
Ending balance	$ —	$ 23.4	$ 21.3

[1] Estimated liabilities for returns, cash discounts, and other deductions are now reflected as *Other current liabilities* within our consolidated financial statements. Refer to the *New Accounting Pronouncements* and *Revenue Recognition* footnotes for additional information.

Concentrations of Credit Risk

Concentrations of credit risk with respect to receivables, which are typically unsecured, are generally limited due to the wide variety of customers and markets using our lighting and building management solutions as well as their dispersion across many different geographic areas. One customer accounted for approximately 10% of receivables at August 31, 2019, and 2018. Two customers each accounted for approximately 10% of receivables at August 31, 2017. No single customer accounted for more than 10% of net sales in fiscal 2019, 2018, or 2017.

Reclassifications

Certain prior-period amounts have been reclassified to conform to the current year presentation. No material reclassifications occurred during the current period. Refer to the *New Accounting Pronouncements* footnote for additional information regarding retrospective reclassifications related to accounting standards adopted in the current year.

Subsequent Events

We have evaluated subsequent events for recognition and disclosure for occurrences and transactions after the date of the consolidated financial statements as of August 31, 2019. See *Subsequent Event* footnote for additional details regarding subsequent events.

Inventories

Inventories include materials, direct labor, inbound freight, and related manufacturing overhead, are stated at the lower of cost (on a first-in, first-out or average cost basis) and net realizable value, and consist of the following (in millions):

	August 31,	
	2019	2018
Raw materials, supplies, and work in process[1]	$ 179.4	$ 196.8
Finished goods	183.7	251.8
Inventories excluding reserves	363.1	448.6
Less: Reserves	(22.3)	(36.8)
Total inventories	$ 340.8	$ 411.8

[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 or obsolete inventory primarily based on estimated future demand and current market conditions. A significant change in customer demand 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.

Assets Held for Sale

In accordance with U.S. GAAP, we classify assets as held for sale upon the development of a plan for disposal and cease the depreciation and amortization of the assets at that date. We did not classify any assets as held for sale as of August 31, 2019 or 2018.

Goodwill and Other Intangibles

Goodwill amounted to $967.3 million and $970.6 million as of August 31, 2019 and 2018, respectively. The changes in the carrying amount of goodwill during fiscal 2019 and 2018 are summarized as follows (in millions):

	Carrying Amount
Balance, August 31, 2017	$ 900.9
Additions from acquired businesses	77.0
Foreign currency translation adjustments	(7.3)
Balance, August 31, 2018	970.6
Additions from an acquired business	2.0
Adjustments to provisional amounts	(0.2)
Foreign currency translation adjustments	(5.1)
Balance as of August 31, 2019	$ 967.3

Summarized information for our acquired intangible assets is as follows (in millions except amortization periods):

		August 31,			
		2019		2018	
	Weighted Average Amortization Period in Years	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Definite-lived intangible assets:					
Patents and patented technology	12	$ 135.7	$ (72.9)	$ 137.2	$ (62.2)
Trademarks and trade names	19	27.2	(14.5)	27.2	(13.2)
Distribution network	28	61.8	(39.7)	61.8	(37.5)
Customer relationships	21	299.2	(72.1)	300.0	(56.3)
Total definite-lived intangible assets	17	$ 523.9	$ (199.2)	$ 526.2	$ (169.2)
Indefinite-lived trade names		$ 141.3		$ 141.7	

Through multiple acquisitions, we acquired intangible assets consisting primarily of trademarks and trade names associated with specific products with finite lives, definite-lived distribution networks, patented technology, non-compete agreements, and customer relationships, which are amortized over their estimated useful lives. Indefinite-lived intangible assets consist of trade names that are expected to generate cash flows indefinitely. Significant estimates and assumptions were used to determine the initial fair value of these acquired intangible assets, including estimated future net sales, customer attrition rates, royalty rates, and discount rates. Certain of our intangible assets are attributable to foreign operations and are impacted by currency translation due to movements in foreign currency rates year over year.

We recorded amortization expense of $30.8 million, $28.5 million, and $28.0 million related to intangible assets with finite lives during fiscal 2019, 2018, and 2017, respectively. Amortization expense is generally recorded on a straight-line basis and is expected to be approximately $30.8 million in fiscal 2020, $28.0 million in fiscal 2021, $27.0 million in fiscal 2022, $25.9 million in fiscal 2023, and $25.4 million in fiscal 2024.

We test goodwill and indefinite-lived intangible assets for impairment on an annual basis or more frequently as facts and circumstances change, as required by ASC Topic 350, *Intangibles — Goodwill and Other* (“ASC 350”). ASC 350 allows for an optional qualitative analysis for goodwill to determine the likelihood of impairment. If the qualitative review results in a more likely than not probability of impairment, a quantitative analysis is required. The qualitative step may

be bypassed entirely in favor of a quantitative test. The quantitative analysis identifies impairments by comparing the fair value of a reporting unit with its carrying value, including goodwill. The fair values can be determined based on a combination of valuation techniques including the expected present value of future cash flows, a market multiple approach, and a comparable transaction approach. If the fair value of a reporting unit exceeds its carrying value, goodwill is not considered impaired. Conversely, if the carrying value of a reporting unit exceeds its fair value, an impairment charge for the difference is recorded.

In fiscal 2019 and 2018, a qualitative fair value analysis was used to determine the likelihood of goodwill impairment for our one reporting unit. During fiscal 2017, a quantitative analysis, based on discounted future cash flows, was used to determine the likelihood of impairment. The analysis for goodwill did not result in an impairment charge during fiscal 2019, 2018, or 2017.

The impairment test for indefinite-lived trade names consists of comparing the fair value of a trade name with its carrying value. If the carrying amount exceeds the estimated fair value, an impairment loss would be recorded in the amount of the excess. We estimate the fair value of indefinite-lived trade names using a fair value model based on discounted future cash flows. Significant assumptions, including estimated future net sales, royalty rates, and discount rates, are used in the determination of estimated fair value for indefinite-lived trade names. Based on the results of the indefinite-lived intangible asset analyses, we concluded that our indefinite-lived trade names are fairly stated for the years presented; therefore, no impairment charges were recorded for fiscal 2019, 2018, or 2017. Any reasonably likely change in the assumptions used in the analyses for our trade names would not be material to our financial condition or results of operations.

Other Long-Term Assets

Other long-term assets consist of the following (in millions):

	August 31,	
	2019	2018
Deferred contract costs	$ 15.4	$ 12.8
Net overfunded pension plans	—	1.6
Other[(1)]	2.3	4.4
Total other long-term assets	$ 17.7	$ 18.8

(1) Amounts primarily include deferred debt issuance costs related to our credit facilities and company-owned life insurance investments. We maintain life insurance policies on 66 former employees primarily to satisfy obligations under certain deferred compensation plans. These company-owned life insurance policies are presented net of loans that are secured by these policies. This program is frozen, and no new policies were issued in the three-year period ended August 31, 2019.

Other Long-Term Liabilities

Other long-term liabilities consist of the following (in millions):

	August 31,	
	2019	2018
Deferred compensation and postretirement benefits other than pensions[1]	$ 41.6	$ 40.0
Service-type warranties[2]	46.3	14.8
Unrecognized tax position liabilities, including interest[3]	17.6	4.9
Other[4]	5.2	8.2
Total other long-term liabilities	$ 110.7	$ 67.9

(1) We maintain several non-qualified retirement plans for the benefit of eligible employees, primarily deferred compensation plans. The deferred compensation plans provide for elective deferrals of an eligible employee's compensation and, in some cases, matching contributions by the organization. In addition, one plan provides an automatic contribution of 3% of an eligible employee's compensation. We maintain life insurance policies on certain former officers and other key employees as a means of satisfying a portion of these obligations.

(2) Certain service-type warranties accounted for as contingent liabilities prior to the adoption of ASC 606 are now reflected as contract liabilities effective September 1, 2018. Refer to the *New Accounting Pronouncements* and *Revenue Recognition* footnotes for additional information.

(3) See the *Income Taxes* footnote for more information.

(4) Amount primarily includes deferred rent.

Shipping and Handling Fees and Costs

We include shipping and handling fees billed to customers in *Net sales* in the *Consolidated Statements of Comprehensive Income*. Shipping and handling costs associated with inbound freight and freight between manufacturing facilities and distribution centers are generally recorded in *Cost of products sold* in the *Consolidated Statements of Comprehensive Income*. Other shipping and handling costs are included in *Selling, distribution, and administrative expenses* in the *Consolidated Statements of Comprehensive Income* and totaled $138.4 million, $154.9 million, and $138.3 million in fiscal 2019, 2018, and 2017, respectively.

Share-based Payments

We recognize compensation cost relating to share-based payment transactions in the financial statements based on the estimated grant date fair value of the equity or liability instrument issued. We account for stock options, restricted shares, and share units representing certain deferrals into the Nonemployee Director Deferred Compensation Plan (the "Director Plan") or the Supplemental Deferred Savings Plan ("SDSP") (both of which are discussed further in the *Share-based Payments* footnote) based on the grant-date fair value estimated under the current provisions of ASC Topic 718, *Compensation — Stock Compensation* ("ASC 718").

Share-based payment expense includes expense related to restricted stock and options issued, as well as share units deferred into the Director Plan. We recorded $29.2 million, $32.3 million, and $32.0 million of share-based payment expense for the years ended August 31, 2019, 2018, and 2017, respectively. The total income tax benefit recognized for share-based payment expense was $6.5 million, $8.4 million, and $11.1 million for the years ended August 31, 2019, 2018, and 2017, respectively. We account for any awards with graded vesting on a straight-line basis. Additionally, forfeitures of share-based awards are estimated based on historical experience at the time of grant and are revised in subsequent periods if actual forfeitures differ from initial estimates. We did not capitalize any expense related to share-based payments and have recorded share-based payment expense, net of estimated forfeitures, in *Selling, distribution, and administrative expenses* in the *Consolidated Statements of Comprehensive Income*.

Excess tax benefits and/or expense related to share-based payment awards are reported within *Income tax expense* on the *Consolidated Statements of Comprehensive Income* for fiscal 2019 and fiscal 2018. We recognized net excess tax expense related to share-based payment cost of $1.6 million and $0.8 million for the years ended August 31, 2019 and 2018, respectively. For fiscal 2017, we reported net excess tax benefits related to share-based payment cost of $5.2 million within *Paid-in capital* on the *Consolidated Balance Sheets*.

See the *Share-based Payments* footnote of the *Notes to Consolidated Financial Statements* for more information.

Depreciation

Depreciation is determined principally on a straight-line basis using estimated useful lives of plant and equipment (10 to 40 years for buildings and related improvements and 3 to 15 years for machinery and equipment) for financial reporting purposes, while accelerated depreciation methods are used for income tax purposes. Leasehold improvements are amortized over the shorter of the life of the lease or the estimated useful life of the improvement. Depreciation expense amounted to $57.5 million, $51.8 million, and $46.6 million during fiscal 2019, 2018, and 2017, respectively.

Research and Development

Research and development ("R&D") expense, which is expensed as incurred, consists of compensation, payroll taxes, employee benefits, materials, supplies, and other administrative costs. R&D does not include all new product development costs and is included in *Selling, distribution, and administrative expenses* in our *Consolidated Statements of Comprehensive Income*. R&D expense amounted to $74.7 million, $63.9 million, and $52.0 million during fiscal 2019, 2018, and 2017, respectively.

Advertising

Advertising costs are expensed as incurred and are included within *Selling, distribution, and administrative expenses* in our *Consolidated Statements of Comprehensive Income*. These costs totaled $18.5 million, $20.6 million, and $18.6 million during fiscal 2019, 2018, and 2017, respectively.

Interest Expense, Net

Interest expense, net, is comprised primarily of interest expense on long-term debt, obligations in connection with non-qualified retirement benefits, and line of credit borrowings, partially offset by interest income earned on cash and cash equivalents.

The following table summarizes the components of interest expense, net (in millions):

	Year Ended August 31,		
	2019	**2018**	**2017**
Interest expense	$ 36.4	$ 35.5	$ 34.1
Interest income	(3.1)	(2.0)	(1.6)
Interest expense, net	$ 33.3	$ 33.5	$ 32.5

Miscellaneous Expense, Net

Miscellaneous expense, net, is comprised primarily of non-service related components of net periodic pension cost, gains or losses on foreign currency items, and other non-operating items. Gains or losses relating to foreign currency items consisted of net gains of $0.6 million in fiscal 2019, net gains of $0.1 million in fiscal 2018, and net expense of $0.5 million in fiscal 2017. During fiscal 2018, we recognized a $5.4 million gain on the sale of a foreign domiciled business, which included the reclassification of $8.7 million in accumulated foreign currency gains from *Accumulated other comprehensive loss.* During fiscal 2017, we recognized a $7.2 million gain associated with the sale of an investment in an unconsolidated affiliate.

Income Taxes

We are taxed at statutory corporate rates after adjusting income reported for financial statement purposes for certain items that are treated differently for income tax purposes. Deferred income tax expenses or benefits result from changes during the year in cumulative temporary differences between the tax basis and book basis of assets and liabilities.

Foreign Currency Translation

The functional currency for foreign operations is the local currency where the foreign operations are domiciled. The translation of foreign currencies into U.S. dollars is performed for balance sheet accounts using exchange rates in effect at the balance sheet dates and for revenue and expense accounts using a weighted average exchange rate each month during the year. The gains or losses resulting from the balance sheet translation are included in *Foreign currency translation adjustments* in the *Consolidated Statements of Comprehensive Income* and are excluded from net income.

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. Other comprehensive income (loss) includes foreign currency translation and pension adjustments.

The following table presents the changes in each component of accumulated other comprehensive loss net of tax during the year ended August 31, 2019 (in millions):

	Foreign Currency Items	Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss Items
Balance as of August 31, 2017	$ (28.7)	$ (71.0)	$ (99.7)
Other comprehensive (loss) income before reclassifications	(16.5)	14.0	(2.5)
Amounts reclassified from accumulated other comprehensive loss [(1)]	(8.7)	7.2	(1.5)
Net current period other comprehensive (loss) income	(25.2)	21.2	(4.0)
Reclassification of stranded tax effects of TCJA	—	(11.1)	(11.1)
Balance as of August 31, 2018	(53.9)	(60.9)	(114.8)
Other comprehensive loss before reclassifications	(11.5)	(31.1)	(42.6)
Amounts reclassified from accumulated other comprehensive loss [(1)]	—	6.0	6.0
Net current period other comprehensive loss	(11.5)	(25.1)	(36.6)
Balance at August 31, 2019	$ (65.4)	$ (86.0)	$ (151.4)

[(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 for additional details. The reclassification of foreign currency items relates to the sale of a foreign domiciled business and is included within *Miscellaneous expense, net* on the *Consolidated Statements of Comprehensive Income*.

The following table presents the tax expense or benefit allocated to each component of other comprehensive income (loss) for the three years ended August 31, 2019 (in millions):

	Year Ended August 31,								
	2019			2018			2017		
	Before Tax Amount	Tax (Expense) or Benefit	Net of Tax Amount	Before Tax Amount	Tax (Expense) or Benefit	Net of Tax Amount	Before Tax Amount	Tax (Expense) or Benefit	Net of Tax Amount
Foreign currency translation adjustments	$ (11.5)	$ —	$ (11.5)	$ (25.2)	$ —	$ (25.2)	$ 19.0	$ —	$ 19.0
Defined benefit pension plans:									
Actuarial (losses) gains	(40.8)	9.7	(31.1)	18.4	(4.4)	14.0	18.3	(5.7)	12.6
Amortization of defined benefit pension items:									
Prior service cost	3.5	(0.9)	2.6	3.1	(0.7)	2.4	3.1	(0.7)	2.4
Actuarial losses	4.1	(1.0)	3.1	6.8	(2.0)	4.8	8.9	(3.2)	5.7
Settlement losses	0.4	(0.1)	0.3	—	—	—	—	—	—
Total defined benefit plans, net	(32.8)	7.7	(25.1)	28.3	(7.1)	21.2	30.3	(9.6)	20.7
Other comprehensive (loss) income	$ (44.3)	$ 7.7	$ (36.6)	$ 3.1	$ (7.1)	$ (4.0)	$ 49.3	$ (9.6)	$ 39.7

Note 3 — New Accounting Pronouncements

Accounting Standards Adopted in Fiscal 2019

ASU 2017-01 -— Clarifying the Definition of a Business

In January 2017, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* (“ASU 2017-01”), which requires an evaluation of whether substantially all of the fair value of assets obtained in an acquisition is concentrated in a single identifiable asset or a group of similar identifiable assets. If so, the transaction does not qualify as a business. The guidance also requires an acquired business to include at least one substantive process and narrows the definition of outputs. We adopted ASU 2017-01 effective September 1, 2018 and applied the guidance prospectively. The provisions of ASU 2017-01 did not have a material effect on our financial condition, results of operations, or cash flows.

ASU 2016-15 — Statement of Cash Flows

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* (“ASU 2016-15”), which is intended to reduce the diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. These cash flows include debt prepayment and extinguishment costs, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, and proceeds from the settlement of corporate-owned life insurance. We adopted ASU 2016-15 effective September 1, 2018 and applied the changes retrospectively. We maintain life insurance policies on certain former employees primarily to satisfy obligations under certain deferred compensation plans. As required by the standard, proceeds from these policies are now classified as cash inflows from investing activities. We received proceeds of $0.8 million and $1.7 million from settlements of corporate-owned life insurance policies during the years ended August 31, 2019 and 2018, respectively, and received no cash from these policies during the year ended August 31, 2017. As such, cash flows from operations for the year ended August 31, 2018 decreased $1.7 million with a corresponding increase to cash flows from investing activities, compared to amounts previously reported. The remaining provisions of ASU 2016-15 did not impact our financial statements for the periods presented.

ASU 2017-07 — Presentation of Net Periodic Pension Cost

In March 2017, the FASB issued ASU No. 2017-07, *Compensation — Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* ("ASU 2017-07"), which changes the presentation of net periodic pension cost related to employer sponsored defined benefit plans and other postretirement benefits. Service cost is now included within the same income statement line item as other compensation costs arising from services rendered during the period, while other components of net periodic pension cost are presented separately outside of operating income. Additionally, only service costs may be capitalized in assets. We adopted ASU 2017-07 effective as of September 1, 2018. We applied the standard retrospectively for the presentation of the service cost component and the other components of net periodic pension cost within our income statements. As a practical expedient, we used amounts previously disclosed in the *Pension and Defined Contribution Plans* footnote of the *Notes to Consolidated Financial Statements* within our fiscal 2018 Form 10-K as the basis for retrospective application because amounts capitalized in inventory at a given point in time are de minimis and determining these amounts was impractical. Upon adoption of ASU 2017-07, our previously reported *Operating profit* for the years ended August 31, 2018 and 2017 increased $6.2 million and $8.7 million, respectively, with a corresponding increase to *Miscellaneous expense*, *net*. The provisions of ASU 2017-07 have no impact to our net income or earnings per share.

The impact of the provisions of ASU 2017-07 on the *Consolidated Statements of Comprehensive Income* for the years ended August 31, 2018 and 2017 are as follows (in millions):

	Year Ended August 31, 2018			Year Ended August 31, 2017		
	As Revised	Previously Reported	Higher (Lower)	As Revised	Previously Reported	Higher (Lower)
Cost of products sold	$ 2,194.7	$ 2,193.3	$ 1.4	$ 2,024.0	$ 2,023.9	$ 0.1
Selling, distribution, and administrative expenses	1,019.0	1,026.6	(7.6)	942.3	951.1	(8.8)
Miscellaneous expense, net	1.4	(4.8)	6.2	2.4	(6.3)	8.7

ASC 606 — Revenue from Contracts with Customers

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), which replaced the existing revenue recognition guidance in U.S. GAAP. Since the issuance of ASU 2014-09, the FASB released several amendments to improve and clarify the implementation guidance, as well as to change the effective date. These standards have been collectively codified within Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers* ("ASC 606"). ASC 606 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard also requires additional disclosures about the nature, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in those judgments.

We adopted ASC 606 effective September 1, 2018 using the modified retrospective method and recognized a cumulative effect of applying ASC 606 of $13.0 million in *Retained earnings* on the *Consolidated Balance Sheet* as of this date. We applied the standard to all contracts as of the transition date. Information for prior years presented has not been retrospectively adjusted and continues to reflect the authoritative accounting standards in effect for those periods.

Adjustments related to the adoption of ASC 606 include additional deferrals of revenue recognition for service-type warranties and the gross presentation of right of return assets and refund liabilities for sales with a right of return. The effects of the adoption of ASC 606 on our *Consolidated Statement of Comprehensive Income* for the year ended August 31, 2019 and the *Consolidated Balance Sheet* as of August 31, 2019 are as follows (in millions except per share amounts):

Consolidated Statement of Comprehensive Income	Year Ended August 31, 2019		
	As Currently Reported	Without ASC 606 Adoption	Higher (Lower)
Net sales	$ 3,672.7	$ 3,681.6	$ (8.9)
Cost of products sold	2,193.0	2,197.1	(4.1)
Selling, distribution, and administrative expenses	1,015.0	1,014.6	0.4
Operating profit	462.9	468.1	(5.2)
Income tax expense	94.5	95.7	(1.2)
Net income	330.4	334.4	(4.0)
Basic earnings per share	$ 8.32	$ 8.42	$ (0.10)
Diluted earnings per share	8.29	8.39	(0.10)

Consolidated Balance Sheet	August 31, 2019		
	As Currently Reported	Without ASC 606 Adoption	Higher (Lower)
Accounts receivable, net	$ 561.0	539.6	$ 21.4
Prepayments and other current assets	79.0	65.1	13.9
Other accrued liabilities	175.0	139.4	35.6
Deferred income tax liabilities	92.7	98.0	(5.3)
Other long-term liabilities	110.7	88.7	22.0
Retained earnings	2,295.8	2,312.8	(17.0)

Accounting Standards Yet to Be Adopted

In August 2018, the FASB issued ASU No. 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract* (“ASU 2018-15”), which will require companies to apply internal-use software guidance to determine the implementation costs of these arrangements that can be capitalized. Capitalized implementation costs will be required to be amortized over the term of the arrangement, beginning when the cloud computing arrangement is ready for its intended use. ASU 2018-15 is effective for fiscal years (and interim reporting periods within those years) beginning after December 15, 2019. The standard allows changes to be applied either retrospectively or prospectively. We will adopt the standard as required in fiscal 2021. The provisions of ASU 2018-15 are not expected to have a material effect on our financial condition, results of operations, or cash flows.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (“ASU 2016-13”), which requires an entity to assess impairment of its financial instruments based on its estimate of expected credit losses. The provisions of ASU 2016-13 are effective for fiscal years (and interim reporting periods within those years) beginning after December 15, 2019. Entities are required to apply these changes through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. We will adopt the amendments as required in fiscal 2021. The provisions of ASU 2016-13 are not expected to have a material effect on our financial condition, results of operations, or cash flows.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (“ASU 2016-02”), which requires lessees to include most leases on the balance sheet. ASU 2016-02 is effective for fiscal years (and interim reporting periods within those years) beginning after December 15, 2018. Since the issuance of ASU 2016-02, the FASB released several amendments to improve and clarify the implementation guidance, as well as to change the allowable adoption methods. These standards have been collectively codified within ASC 842, *Leases* (“ASC 842”). The standard allows entities to present the effects of the accounting change as either a cumulative adjustment as of the beginning of the earliest period presented or as of the date of adoption. We have an implementation team tasked with reviewing our lease obligations and determining the impact of the new standard to our financial statements. The team is also tasked with identifying appropriate changes to our business processes, systems, and controls to support recognition and disclosure under the new standard. The implementation team completed its review of our lease obligations outstanding at August 31, 2019 and is in the process of reviewing and finalizing transition adjustments to the balance sheet. The implementation team reports its findings and progress of the project to management on a frequent basis and to the

Audit Committee of the Board of Directors on a quarterly basis. Based on our lease portfolio as of August 31, 2019, we preliminarily expect the adoption of ASC 842 to result in the recognition of operating lease liabilities between $63 million and $68 million. We expect the corresponding operating lease right of use assets to approximate the lease total liabilities less our deferred rent balance as of August 31, 2019. We do not expect ASC 842 to have a material impact on our consolidated statements of comprehensive income or cash flows. Further details regarding our undiscounted future lease payments as well as the timing of those payments are included within the *Commitments and Contingencies* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K. We will adopt ASC 842 as required effective September 1, 2019.

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

Note 4 — Acquisitions

The following discussion relates to acquisitions completed during fiscal 2019 and 2018. No acquisitions were completed during fiscal 2017.

Fiscal 2019 Acquisitions

WhiteOptics, LLC

On June 20, 2019, using cash on hand, we acquired all of the equity interests of WhiteOptics, LLC (“WhiteOptics”). WhiteOptics is headquartered in New Castle, Delaware and manufactures advanced optical components used to reflect, diffuse, and control light for light emitting diode (“LED”) lighting used in commercial and institutional applications. The operating results of WhiteOptics have been included in our consolidated financial statements since the date of acquisition and are not material to our financial condition, results of operations, or cash flows.

Fiscal 2018 Acquisitions

IOTA Engineering, LLC

On May 1, 2018, using cash on hand and borrowings available under existing credit arrangements, we acquired all of the equity interests of IOTA Engineering, LLC (“IOTA”). IOTA is headquartered in Tucson, Arizona and manufactures highly engineered emergency lighting products and power equipment for commercial and institutional applications both in the U.S. and international markets. The operating results of IOTA have been included in our consolidated financial statements since the date of acquisition and are not material to our financial condition, results of operations, or cash flows.

Lucid Design Group, Inc.

On February 12, 2018, using cash on hand, we acquired all of the equity interests of Lucid Design Group, Inc (“Lucid”). Lucid is headquartered in Oakland, California and provides a data and analytics platform to make data-driven decisions to improve building efficiency and drive energy conservation and savings. The operating results of Lucid have been included in our consolidated financial statements since the date of acquisition and are not material to our financial condition, results of operations, or cash flows.

Accounting for Acquisitions

Acquisition-related costs were expensed as incurred. Preliminary amounts related to the acquisition accounting for WhiteOptics and finalized amounts related to the acquisition accounting for Lucid and IOTA are reflected in the *Consolidated Balance Sheets* as of August 31, 2019. WhiteOptics did not have a material impact to our financial position or results of operations for fiscal 2019. We finalized the acquisition accounting for Lucid and IOTA during the second and third quarter of fiscal 2019, respectively. There were no material changes to our financial statements as a result of the finalization of the acquisition accounting for Lucid or IOTA. The aggregate purchase price of these acquisitions reflects total goodwill and identified intangible assets of approximately $76.8 million and $81.8 million, respectively, as of August 31, 2019. Identified intangible assets consist of indefinite-lived marketing related intangibles as well as definite-lived customer-based and technology-based assets, which have a weighted average useful life of approximately 14 years.

Note 5 — Revenue Recognition

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. Sales and use taxes collected on behalf of governmental authorities are excluded from revenues. Payment is generally due and received within 60 days from the point of sale or prior to the transfer of control of certain goods and services. No payment terms extend beyond one year, and we apply the practical expedient within ASC 606 to conclude that no significant financing terms exist within our contracts with customers. Allowances for cash discounts to customers are estimated using the expected value method based on historical experience and are recorded as a reduction to sales. Our standard terms and conditions of sale allow for the return of certain products within four months of the date of shipment. We also provide for limited product return rights to certain distributors and other customers, primarily for slow moving or damaged items subject to certain defined criteria. The limited product return rights generally allow customers to return resalable products purchased within a specified time period and subject to certain limitations, including, at times, when accompanied by a replacement order of equal or greater value. At the time revenue is recognized, we record a refund liability for the expected value of future returns primarily based on historical experience, specific notification of pending returns, or based on contractual terms with the respective customers. Although historical product returns generally have been within expectations, there can be no assurance that future product returns will not exceed historical amounts. A significant increase in product returns could have a material adverse impact on our operating results in future periods.

Refund liabilities recorded under ASC 606 related to rights of return, cash discounts, and other miscellaneous credits to customers were $37.3 million and $41.2 million as of August 31, 2019 and September 1, 2018, respectively, and are reflected within *Other accrued liabilities* on the *Consolidated Balance Sheets*. Additionally, we record right of return assets for products expected to be returned to our distribution centers, which are included within *Prepayments and other current assets* on the *Consolidated Balance Sheets*. Such assets totaled $13.9 million and $16.4 million as of August 31, 2019 and September 1, 2018, respectively.

We also maintain one-time or ongoing promotions with our customers, which may include rebate, sales incentive, marketing, and trade-promotion programs with certain customers that require us to estimate and accrue the expected costs of such programs. These arrangements may include volume rebate incentives, cooperative marketing programs, merchandising of our products, introductory marketing funds for new products, and other trade-promotion activities conducted by the customer. Costs associated with these programs are generally estimated based on the most likely amount expected to be settled based on the context of the individual contract and are reflected within the *Consolidated Statements of Comprehensive Income* in accordance with ASC 606, which in most instances requires such costs to be recorded as reductions of revenue. Amounts due to our customers associated with these programs totaled $34.5 million and $43.9 million as of August 31, 2019 and September 1, 2018, respectively, and are reflected within *Other accrued liabilities* on the *Consolidated Balance Sheets*.

Costs to obtain and fulfill contracts, such as sales commissions and shipping and handling activities, are short-term in nature and are expensed as incurred.

Nature of Goods and Services

Products

Approximately 95% of revenues for the periods presented were generated from short-term contracts with our customers to deliver tangible goods such as luminaires, lighting controls, controls for various building systems, power supplies, prismatic skylights, and drivers. We record revenue from these contracts when the customer obtains control of those goods. For sales designated free on board shipping point, control is transferred and revenue is recognized at the time of shipment. For sales designated free on board destination, customers take control and revenue is recognized when a product is delivered to the customer’s delivery site.

Professional Services

We collect fees associated with training, installation, and technical support services, primarily related to the set up of our lighting solutions. We recognize revenue for these one-time services at the time the service is performed. We also sell certain service-type warranties that extend coverages for products beyond their base warranties. We account for

service-type warranties as distinct performance obligations and recognize revenue for these contracts ratably over the life of the additional warranty period. Claims related to service-type warranties are expensed as incurred.

Software

Software sales include licenses for software, data usage fees, and software as a service arrangements, which generally extend for one year or less. We recognize revenue for software based on the contractual rights provided to a customer, which typically results in the recognition of revenue ratably over the contractual service period.

Shipping and Handling Activities

We account for all shipping and handling activities as activities to fulfill the promise to transfer products to our customers. As such, we do not consider shipping and handling activities to be separate performance obligations, and we expense these costs as incurred.

Contracts with Multiple Performance Obligations

A small portion (approximately 5% for the periods presented) of our revenue was derived from the combination of any or all of our products, professional services, and software licenses. Significant judgment may be required to determine which performance obligations are distinct and should be accounted for separately. We allocate the expected consideration to be collected to each distinct performance obligation based on its standalone selling price. Standalone selling price is generally determined using a cost plus margin valuation when no observable input is available. The amount of consideration allocated to each performance obligation is recognized as revenue in accordance with the timing for products, professional services, and software as described above.

Contract Balances

Our rights related to collections from customers are unconditional and are reflected within *Accounts receivable* on the *Consolidated Balance Sheets*. 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.

The amount of transaction price from contracts with customers allocated to our contract liabilities as of August 31, 2019 and September 1, 2018 consists of the following (in millions):

	August 31, 2019	September 1, 2018
Current deferred revenues	$ 4.7	$ 4.8
Non-current deferred revenues	46.4	35.0

Current deferred revenues primarily consist of customer prepayments, software licenses, and to a lesser extent professional service and service-type warranty fees collected prior to performing the related service. Current deferred revenues are included within *Other current liabilities* on the *Consolidated Balance Sheets*. These services are expected to be performed within one year. 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.* Revenue recognized from beginning balances of contract liabilities during the year ended August 31, 2019 totaled $4.1 million.

Unsatisfied performance obligations that do not represent contract liabilities consist primarily of orders for physical goods that have not yet been shipped. This backlog of orders at any given time is affected by various factors, including seasonality, cancellations, sales promotions, production cycle times, and the timing of receipt and shipment of orders, which are usually shipped within a few weeks of order receipt. Accordingly, a comparison of backlog orders from period to period is not necessarily meaningful and may not be indicative of future shipments.

Disaggregated Revenues

Our lighting and building management solutions are sold primarily through independent sales agents who cover specific geographic areas and market channels, by internal sales representatives, through consumer retail channels, and directly to large corporate accounts. The following table shows revenue from contracts with customers by sales channel for the year ended August 31, 2019 (in millions):

	Year Ended August 31, 2019
Independent sales network	$ 2,516.4
Direct sales network	381.1
Retail sales	270.2
Corporate accounts	318.0
Other	187.0
Total	$ 3,672.7

Note 6 — 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 Measurements and Disclosures* ("ASC 820"), establishes a three level hierarchy making a distinction 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).

Our cash and cash equivalents (Level 1), which are required to be carried at fair value and measured on a recurring basis, were $461.0 million and $129.1 million as of August 31, 2019 and 2018, respectively.

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 current period.

We use quoted market prices to determine the fair value of Level 1 assets and liabilities. 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.

Disclosures of fair value information about financial instruments (whether or not recognized in the balance sheet), 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, including the discount rate and estimates of future cash flows. The carrying values and estimated fair values of certain financial instruments were as follows at August 31, 2019 and 2018 (in millions):

	August 31, 2019		August 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Senior unsecured public notes, net of unamortized discount and deferred costs	$ 349.9	$ 352.7	$ 349.5	$ 361.7
Industrial revenue bond	4.0	4.0	4.0	4.0
Bank loans	2.7	2.9	3.3	3.3

The 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. Fair value is estimated based on discounted future cash flows using rates currently available for debt of similar terms and maturity (Level 2).

The industrial revenue bond is carried at the outstanding balance as of the end of the reporting period. The industrial revenue bond is a tax-exempt, variable-rate instrument that resets on a weekly basis; therefore, we estimate that the

face amount of the bond approximates fair value as of August 31, 2019 based on bonds of similar terms and maturity (Level 2).

The bank loans are carried at the outstanding balance as of the end of the reporting period. Fair value is estimated based on discounted future cash flows using rates currently available for debt of similar terms and maturity (Level 2).

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.

Note 7 — Pension and Defined Contribution Plans

Company-sponsored 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 equity and fixed income securities. During fiscal 2019, we recognized an actuarial gain of $3.4 million as well as $0.4 million in net periodic pension cost related to the early retirement of one participant within our non-qualified domestic plans.

The following tables reflect the status of our domestic (U.S.-based) and international pension plans at August 31, 2019 and 2018 (in millions):

	Domestic Plans		International Plans	
	August 31,		August 31,	
	2019	2018	2019	2018
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 203.2	$ 215.5	$ 45.5	$ 53.5
Service cost	2.9	2.7	0.2	0.2
Interest cost	7.7	7.3	1.3	1.3
Amendments	11.4	—	—	—
Actuarial losses (gains)	26.2	(14.3)	3.2	(4.5)
Settlement gain	(3.4)	—	—	—
Benefits paid	(8.8)	(8.0)	(2.6)	(5.5)
Other	—	—	(3.0)	0.5
Benefit obligation at end of year	239.2	203.2	44.6	45.5
Change in plan assets:				
Fair value of plan assets at beginning of year	$ 149.4	$ 136.8	$ 30.9	$ 34.1
Actual return on plan assets	9.0	11.3	3.1	0.9
Employer contributions	5.3	9.3	1.2	1.2
Benefits paid	(12.2)	(8.0)	(2.6)	(5.5)
Other	—	—	(1.9)	0.2
Fair value of plan assets at end of year	151.5	149.4	30.7	30.9
Funded status at the end of year	$ (87.7)	$ (53.8)	$ (13.9)	$ (14.6)
Amounts recognized in the consolidated balance sheets consist of:				
Non-current assets	$ —	$ 1.6	$ —	$ —
Current liabilities	(1.8)	(5.3)	(0.1)	(0.1)
Non-current liabilities	(85.9)	(50.1)	(13.8)	(14.5)
Net amount recognized in consolidated balance sheets	$ (87.7)	$ (53.8)	$ (13.9)	$ (14.6)
Accumulated benefit obligation	$ 239.2	$ 202.7	$ 44.6	$ 45.5
Pre-tax amounts in accumulated other comprehensive loss:				
Prior service cost	$ (12.4)	$ (4.6)	$ —	$ —
Net actuarial loss	(83.4)	(58.8)	(13.0)	(12.9)
Amounts in accumulated other comprehensive loss	$ (95.8)	$ (63.4)	$ (13.0)	$ (12.9)
Pensions plans in which benefit obligation exceeds plan assets:				
Projected benefit obligation	$ 239.2	$ 119.2	$ 44.6	$ 45.5
Accumulated benefit obligation	239.2	118.7	44.6	45.5
Plan assets	151.5	63.8	30.6	30.9
Pensions plans in which plan assets exceed benefit obligation:				
Projected benefit obligation	$ —	$ 84.0	$ —	$ —
Accumulated benefit obligation	—	84.0	—	—
Plan assets	—	85.6	—	—
Estimated amounts that will be amortized from accumulated comprehensive income over the next fiscal year:				
Prior service cost	$ 4.0	$ 3.1	$ —	$ —
Net actuarial loss	$ 4.1	$ 2.9	$ 1.4	$ 1.5

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 nature of the employee's services. All other components of net periodic pension cost are included within *Miscellaneous expense, net* in the *Consolidated Statements of Comprehensive Income*. Net periodic pension cost during the fiscal years ended August 31, 2019, 2018, and 2017 included the following components before tax (in millions):

	Domestic Plans			International Plans		
	2019	2018	2017	2019	2018	2017
Service cost	$ 2.9	$ 2.7	$ 3.5	$ 0.2	$ 0.2	$ 0.2
Interest cost	7.7	7.3	6.9	1.3	1.3	1.1
Expected return on plan assets	(10.5)	(10.2)	(9.4)	(1.9)	(2.2)	(1.9)
Amortization of prior service cost	3.5	3.1	3.1	—	—	—
Settlement	0.4	—	—	—	—	—
Recognized actuarial loss	2.7	4.5	5.3	1.4	2.3	3.6
Net periodic pension cost	$ 6.7	$ 7.4	$ 9.4	$ 1.0	$ 1.6	$ 3.0

Weighted average assumptions used in computing the benefit obligation are as follows:

	Domestic Plans		International Plans	
	2019	2018	2019	2018
Discount rate	2.8%	3.9%	2.0%	2.9%
Rate of compensation increase	5.0%	5.5%	3.1%	3.1%

Weighted average assumptions used in computing net periodic pension cost are as follows:

	Domestic Plans			International Plans		
	2019	2018	2017	2019	2018	2017
Discount rate	3.9%	3.5%	3.2%	2.9%	2.5%	2.1%
Expected return on plan assets	7.3%	7.5%	7.5%	6.5%	6.5%	6.5%
Rate of compensation increase	5.5%	5.5%	5.5%	3.1%	3.1%	3.2%

It is our policy to adjust, on an annual basis, the discount rate used to determine the projected benefit obligation to approximate rates on high-quality, long-term obligations based on our estimated benefit payments available as of the measurement date. We use a published yield curve to assist in the development of our discount rates. We estimate that each 100 basis point increase in the discount rate would reduce net periodic pension cost approximately $1.4 million and approximately $1.2 million for the domestic plans and international plans, respectively. The expected return on plan assets is derived primarily from a periodic study of long-term historical rates of return on the various asset classes included in our targeted pension plan asset allocation as well as future expectations. We estimate that each 100 basis point reduction in the expected return on plan assets would result in additional net periodic pension cost of $1.5 million and $0.3 million for domestic plans and international plans, respectively. We also evaluate the rate of compensation increase annually and adjust if necessary.

Our investment objective for domestic plan assets is to earn a rate of return sufficient to exceed the long-term growth of the plans' liabilities without subjecting plan assets to undue risk. The plan assets are invested primarily in high quality equity and debt securities. We conduct a periodic strategic asset allocation study to form a basis for the allocation of pension assets between various asset categories. Specific allocation percentages are assigned to each asset category with minimum and maximum ranges established for each. The assets are then managed within these ranges. During fiscal 2019, the U.S. targeted asset allocation was 55% equity securities, 40% fixed income securities, and 5% real estate securities. Our investment objective for the international plan assets is also to add value by exceeding the long-term growth of the plans' liabilities. During fiscal 2019, the international asset target allocation approximated 75% equity securities, 15% fixed income securities, and 10% multi-strategy investments.

Our pension plan asset allocation at August 31, 2019 and 2018 by asset category is as follows:

	% of Plan Assets			
	Domestic Plans		International Plans	
	2019	2018	2019	2018
Equity securities	53.3%	57.5%	73.0%	61.9%
Fixed income securities	41.8%	37.8%	17.1%	25.5%
Multi-strategy investments	—%	—%	9.9%	12.6%
Real estate	4.9%	4.7%	—%	—%
Total	100.0%	100.0%	100.0%	100.0%

Our pension plan assets are stated at fair value based on quoted market prices in an active market, quoted redemption values, or estimates based on reasonable assumptions as of the most recent measurement period. See the *Fair Value Measurements* footnote for a description of the fair value guidance. 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. Certain pension assets valued at net asset value ("NAV") per share as a practical expedient are excluded from the fair value hierarchy. Investments in pension plan assets are described in further detail below.

Short-term Fixed Income Investments

Short-term investments consist of money market funds, which are valued at the daily closing price as reported by the relevant fund (Level 1).

Mutual Funds

Mutual funds held by the domestic plans are open-end mutual funds that are registered with the Securities and Exchange Commission ("SEC") and seek to either replicate or outperform a related index. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the domestic plans are deemed to be actively traded (Level 1).

Collective Trust

The collective trust seeks to outperform the overall small-cap stock market and is comprised of small cap equity securities with quoted prices in active markets for identical investments. The value of this fund is calculated on each business day by dividing the total value of assets, less liabilities, by the number of units of each class outstanding but is not published (Level 2).

Fixed Income Investments

The fixed interest fund seeks to maximize total return by investing primarily in a diversified portfolio of intermediate and long-term debt securities and is valued using the NAV of units of a management investment company's trust. The NAV, as provided by the fund's trustee, is used as a practical expedient to estimate fair value. As such, these funds are excluded from the fair value hierarchy. The NAV is based on the fair value of the underlying investments held by the fund less the fund's liabilities.

Real Estate Fund

The real estate fund invests primarily in commercial real estate and includes mortgage loans that are backed by the associated property's investment objective. The fund seeks real estate returns, risk, and liquidity appropriate to a core fund. The fund also seeks to provide current income with the potential for long-term capital appreciation. This investment is valued based on the NAV per share, without further adjustment. The NAV, as provided by the fund's trustee, is used as a practical expedient to estimate fair value and is therefore excluded from the fair value hierarchy. NAV is based on the fair value of the underlying investments. Investors may request to redeem all or any portion of their shares on a quarterly basis. Each investor must provide a written redemption request at least sixty days prior to the end of the quarter for which the request is to be effective. If insufficient funds are available to honor all redemption requests at

any point in time, available funds will be allocated pro-rata based on the total number of shares held by each investor. All decisions regarding whether to honor redemption requests are made by the fund's board of directors.

International Plan Investments

The international plans' assets consist primarily of funds invested in equity securities, multi-strategy investments, and fixed income investments. These securities are calculated using the values of the underlying holdings (i.e. significant observable inputs) but do not have actively quoted market prices (Level 2). The short-term fixed income investments represents cash and cash equivalents held by the funds at fiscal year end (Level 1).

The following tables present the fair value of the domestic pension plan assets by major category as of August 31, 2019 and 2018 (in millions):

		Fair Value Measurements		
	Fair Value as of August 31, 2019	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets included in the fair value hierarchy:				
Mutual funds:				
Domestic large cap equity fund	$ 45.6	$ 45.6	$ —	$ —
Foreign equity fund	20.5	20.5	—	—
Collective trust: Domestic small cap equities	14.6	—	14.6	—
Short-term fixed income investments	6.0	6.0	—	—
Total assets in the fair value hierarchy	86.7			
Assets calculated at net asset value:				
Fixed-income investments	57.4			
Real estate fund	7.4			
Total assets at net asset value	64.8			
Total assets at fair value	$ 151.5			

		Fair Value Measurements		
	Fair Value as of August 31, 2018	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets included in the fair value hierarchy:				
Mutual funds:				
Domestic large cap equity fund	$ 48.3	$ 48.3	$ —	$ —
Foreign equity fund	20.8	20.8	—	—
Collective trust: Domestic small cap equities	16.8	—	16.8	—
Short-term fixed income investments	7.6	7.6	—	—
Total assets in the fair value hierarchy	93.5			
Assets calculated at net asset value:				
Fixed-income investments	48.9			
Real estate fund	7.0			
Total assets at net asset value	55.9			
Total assets at fair value	$ 149.4			

The following tables present the fair value of the international pension plan assets by major category as of August 31, 2019 and 2018 (in millions):

		Fair Value Measurements		
	Fair Value as of August 31, 2019	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets included in the fair value hierarchy:				
Equity securities	$ 22.4	$ —	$ 22.4	$ —
Short-term fixed income investments	0.3	0.3	—	—
Multi-strategy investments	3.0	—	3.0	—
Fixed-income investments	5.0	—	5.0	—
Total assets at fair value	$ 30.7			

		Fair Value Measurements		
	Fair Value as of August 31, 2018	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets included in the fair value hierarchy:				
Equity securities	$ 19.1	$ —	$ 19.1	$ —
Short-term fixed income investments	0.3	0.3	—	—
Multi-strategy investments	3.9	—	3.9	—
Fixed-income investments	7.6	—	7.6	—
Total assets at fair value	$ 30.9			

We expect to contribute approximately $3.6 million and $1.0 million during fiscal 2020 to our domestic qualified plans and international defined benefit plans, respectively. These amounts are based on the total contributions required during fiscal 2020 to satisfy current legal minimum funding requirements for qualified plans and estimated benefit payments for non-qualified plans.

Benefit payments are made primarily from funded benefit plan trusts. Benefit payments are expected to be paid as follows for the years ending August 31 (in millions):

	Domestic Plans	International Plans
2020	$ 9.5	$ 1.0
2021	9.3	1.0
2022	12.5	1.0
2023	24.2	1.1
2024	17.8	1.1
2025-2029	66.8	6.3

Multi-employer Pension Plans

We contribute to two multi-employer defined benefit pension plans under the terms of collective-bargaining agreements that cover certain of our union-represented employees. The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be shared by the remaining participating employers.
- If a participating employer chooses to stop participating in some of its multi-employer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

Our contributions to these plans were $0.5 million for the years ended August 31, 2019, 2018, and 2017, respectively.

Defined Contribution Plans

We also have defined contribution plans to which both employees and we make contributions. Our cost for these plans was $8.1 million, $8.0 million, and $8.0 million for the years ended August 31, 2019, 2018, and 2017, respectively. Employer matching amounts are allocated in accordance with the participants' investment elections for elective deferrals. At August 31, 2019, assets of the domestic defined contribution plans included shares of our common stock with a market value of approximately $7.4 million, which represented approximately 2.0% of the total fair market value of the assets in our domestic defined contribution plans.

Note 8 — Debt and Lines of Credit

Debt

Our debt at August 31, 2019 and 2018 consisted of the following (in millions):

	August 31,	
	2019	2018
Senior unsecured public notes due December 2019, principal	$ 350.0	$ 350.0
Senior unsecured public notes due December 2019, unamortized discount and deferred costs	(0.1)	(0.5)
Industrial revenue bond due June 2021	4.0	4.0
Bank loans	2.7	3.3
Total debt outstanding, net of unamortized discount and deferred costs	$ 356.6	$ 356.8

Future principal payments of long-term debt are $350.3 million, $4.4 million, $0.4 million, $0.4 million, $0.3 million, and $0.9 million in fiscal 2020, 2021, 2022, 2023, 2024, and after 2024, respectively.

Long-term Debt

On December 1, 2009, we announced a private offering by ABL, Acuity Brands' wholly-owned principal operating subsidiary, of $350.0 million aggregate principal amount of senior unsecured notes due in December 2019 (the "Unsecured Notes"). The Unsecured Notes are fully and unconditionally guaranteed on a senior unsecured basis by Acuity Brands and ABL IP Holding LLC ("ABL IP Holding," and, together with Acuity Brands, the "Guarantors"), a wholly-owned subsidiary of Acuity Brands. The Unsecured Notes are senior unsecured obligations of ABL and rank equally in right of payment with all of ABL's existing and future senior unsecured indebtedness. The guarantees of Acuity Brands and ABL IP Holding are senior unsecured obligations of Acuity Brands and ABL IP Holding and rank equally in right of payment with their other senior unsecured indebtedness. The Unsecured Notes bear interest at a rate of 6% per annum and were issued at a price equal to 99.797% of their face value for a term of 10 years. Interest on the Unsecured Notes is payable semi-annually on June 15 and December 15. Additionally, we capitalized $3.1 million of deferred issuance costs related to the Unsecured Notes that are being amortized over the 10-year term of the Unsecured Notes.

In accordance with the registration rights agreement by and between ABL and the Guarantors and the initial purchasers of the Unsecured Notes, ABL and the Guarantors filed a registration statement with the SEC for an offer to exchange the Notes for SEC-registered notes with substantially identical terms. The registration became effective on August 17, 2010, and all of the Unsecured Notes were exchanged.

Although the Unsecured Notes will mature within one year from August 31, 2019, we have the ability and intent to refinance these borrowings using availability under our term loan facility described below, subject to satisfying the applicable conditions precedent. Currently, we plan to refinance the Unsecured Notes in full at maturity with borrowings under the term loan facility, of which $341.2 million of the current carrying value of the Unsecured Notes would be due more than one year from the anticipated refinancing date. As such, this amount is reflected within *Long-term debt* on the *Consolidated Balance Sheets* as of August 31, 2019.

We also had $4.0 million of tax-exempt industrial revenue bonds that are scheduled to mature in June 2021 outstanding at August 31, 2019. The interest rate on the $4.0 million bonds was approximately 1.7% at August 31, 2019 and 2018. Additionally, we had $2.7 million outstanding under fixed-rate bank loans. These loans have interest rates between 0.8% and 2.0% and mature between December 2022 and February 2028, subject to monthly or quarterly repayment schedules.

Lines of Credit

On June 29, 2018, we entered into a credit agreement (“Credit Agreement”) with a syndicate of banks that provides us with a $400.0 million five-year unsecured revolving credit facility (“Revolving Credit Facility”) and a $400.0 million unsecured delayed draw term loan facility (“Term Loan Facility”). We had no borrowings outstanding under the Revolving Credit Facility or Term Loan Facility as of August 31, 2019 or 2018.

Generally, amounts outstanding under the Revolving Credit Facility allow for borrowings to bear interest at either the Eurocurrency Rate or the base rate at our option, plus an applicable margin. Eurocurrency Rate advances can be denominated in a variety of currencies, including U.S. Dollars, and amounts outstanding bear interest at a periodic fixed rate equal to the London Inter-Bank Offered Rate ("LIBOR") for the applicable currency plus an applicable margin. The Eurocurrency applicable margin is based on our leverage ratio, as defined in the Credit Agreement, with such margin ranging from 1.000% to 1.375% Base rate advances bear interest at an alternate base rate plus an applicable margin. The base rate applicable margin is based on our leverage ratio, as defined in the Credit Agreement, with such margin ranging from 0.0% to 0.375%. The Term Loan Facility allows for borrowings to be drawn over a one-year period ending December 31, 2019, utilizing up to four separate installments, which are U.S. dollar denominated. Borrowings under the Term Loan Facility will amortize in equal quarterly installments of 2.5% per year in year one, 2.5% per year in year two, 5.0% per year in year three, 5.0% per year in year four, and 7.5% per year in year five. Any remaining borrowings under the Term Loan Facility are due and payable in full on June 29, 2023. The Term Loan Facility allows for borrowings to bear interest at either a Eurocurrency Rate or the base rate, at our option, in each case plus an applicable margin. Eurocurrency Rate advances can be denominated in a variety of currencies, including U.S. Dollars, and amounts outstanding bear interest at a periodic fixed rate equal to the LIBOR for the applicable currency plus an applicable margin. The Eurocurrency applicable margin is based on our leverage ratio, as defined in the Credit Agreement, with such margin ranging from 0.875% to 1.250%. Base Rate advances bear interest at an alternate base rate plus an applicable margin. The base rate applicable margin is based on our leverage ratio, as defined in the Credit Agreement, with such margin ranging from 0.0% to 0.25%.

We are required to pay certain fees in connection with the Credit Agreement, including administrative service fees and annual facility fees. The annual facility fee is payable quarterly, in arrears, and is determined by our leverage ratio as defined in the Credit Agreement. The facility fee ranges from 0.125% to 0.250% of the aggregate $800 million commitment of the lenders under the Credit Agreement. The Credit Agreement contains financial covenants, including a minimum interest expense coverage ratio (“Minimum Interest Expense Coverage Ratio”) and a leverage ratio (“Maximum Leverage Ratio”) of total indebtedness to earnings before interest, tax, depreciation, and amortization (“EBITDA”), as such terms are defined in the Credit Agreement. These ratios are computed at the end of each fiscal quarter for the most recent 12-month period. The Credit Agreement generally allows for a Minimum Interest Expense Coverage Ratio of 2.50 and a Maximum Leverage Ratio of 3.50, subject to certain conditions, as such terms are defined in the Credit Agreement.

We were in compliance with all financial covenants under the Credit Agreement as of August 31, 2019. At August 31, 2019, we had additional borrowing capacity under the Credit Agreement of $796.2 million under the most restrictive covenant in effect at the time, which represents the full amount of the Revolving Credit Facility and the Term Loan Facility less the outstanding letters of credit of $3.8 million issued under the Revolving Credit Facility. As of August 31, 2019, we had outstanding letters of credit totaling $8.0 million, primarily for securing collateral requirements under our casualty insurance programs and for providing credit support for our industrial revenue bond, which includes $3.8 million we issued under the Revolving Credit Facility.

None of our existing debt instruments include provisions that would require an acceleration of repayments based solely on changes in our credit ratings.

Note 9 — Common Stock and Related Matters

Common Stock

Changes in common stock for the years ended August 31, 2019, 2018, and 2017 were as follows (amounts and shares in millions):

	Common Stock	
	Shares	Amount (At par)
Balance at August 31, 2016	53.4	$ 0.5
Issuance of restricted stock grants, net of cancellations	0.1	—
Stock options exercised	— *	—
Balance at August 31, 2017	53.5	$ 0.5
Issuance of restricted stock grants, net of cancellations	0.2	—
Stock options exercised	— *	—
Balance at August 31, 2018	53.7	$ 0.5
Issuance of restricted stock grants, net of cancellations	0.1	—
Balance at August 31, 2019	53.8	$ 0.5

* Represents shares of less than 0.1 million.

As of August 31, 2019 and 2018, we had 14.3 million and 13.7 million of repurchased shares recorded as treasury stock at an original repurchase cost of $1.2 billion and $1.1 billion, respectively.

In March 2018, the Board of Directors (the “Board”) authorized the repurchase of up to six million shares of common stock. As of August 31, 2019, 1.45 million shares had been purchased under this authorization, of which 0.7 million were repurchased in fiscal 2019.

Preferred Stock

We have 50 million shares of preferred stock authorized. No shares of preferred stock were issued in fiscal 2019 or 2018, and no shares of preferred stock are outstanding.

Earnings per Share

Basic earnings per share for the periods presented is computed by dividing net earnings available to common stockholders by the weighted average number of common shares outstanding for these periods. Diluted earnings per share is computed similarly but reflects the potential dilution that would occur if dilutive options were exercised, all unvested share-based payment awards were vested, and other distributions related to deferred stock agreements were incurred.

The following table calculates basic earnings per common share and diluted earnings per common share for the years ended August 31, 2019, 2018, and 2017 (in millions, except per share data):

	Year Ended August 31,		
	2019	2018	2017
Net income	$ 330.4	$ 349.6	$ 321.7
Basic weighted average shares outstanding	39.7	40.9	43.1
Common stock equivalents	0.1	0.1	0.2
Diluted weighted average shares outstanding	39.8	41.0	43.3
Basic earnings per share	$ 8.32	$ 8.54	$ 7.46
Diluted earnings per share	$ 8.29	$ 8.52	$ 7.43

Stock options of approximately 300,000, 179,000, and 117,000 were excluded from the diluted earnings per share calculation for the years ended August 31, 2019, 2018, and 2017, respectively, as the effect of inclusion would have been antidilutive. Restricted stock shares of approximately 160,000, 227,000, and 99,000 were excluded from the diluted earnings per share calculation for the years ended August 31, 2019, 2018, and 2017, respectively, as the effect of inclusion would have been antidilutive.

Note 10 — Share-based Payments

Omnibus Stock Compensation Incentive and Directors' Equity Plans

In January 2018, our stockholders approved the Amended and Restated Acuity Brands, Inc. 2012 Omnibus Stock Compensation Incentive Plan (the "Stock Incentive Plan"), which, among other things, resulted in an aggregate of 2.7 million of shares authorized for issuance pursuant to the Stock Incentive Plan. The Compensation Committee of the Board is authorized to issue awards consisting of incentive and non-qualified stock options, stock appreciation rights, restricted stock awards, restricted stock units, performance stock awards, performance stock units, stock bonus awards, and cash-based awards to eligible employees, non-employee directors, and outside consultants.

Shares available for grant under the Stock Incentive Plan, including those previously issued and outstanding prior to the amendment, were approximately 1.4 million, 1.6 million, and 1.4 million at August 31, 2019, 2018, and 2017, respectively. Any shares subject to an award under the Stock Incentive Plan that are forfeited, canceled, expire or that are settled for cash will be available for future grant under the Stock Incentive Plan.

Restricted Stock Awards

As of August 31, 2019, we had approximately 350,000 shares outstanding of restricted stock to officers, directors, and other key employees under the Stock Incentive Plan, including restricted stock units granted to foreign employees. The shares vest primarily over a four-year period and are valued at the closing stock price on the date of the grant. Compensation expense recognized related to the awards under the equity incentive plans was $25.1 million, $27.9 million, and $27.2 million in fiscal 2019, 2018, and 2017, respectively.

Activity related to restricted stock awards during the fiscal year ended August 31, 2019 was as follows (in millions, except per share data):

	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Outstanding at August 31, 2018	0.4	$ 186.63
Granted	0.2	$ 120.73
Vested	(0.2)	$ 184.60
Forfeited*	—	$ 159.88
Outstanding at August 31, 2019	0.4	$ 156.32

* Represents shares of less than 0.1 million.

As of August 31, 2019, there was $34.6 million of total unrecognized compensation cost related to unvested restricted stock, which is expected to be recognized over a weighted-average period of 1.6 years. The total weighted average fair value of shares vested during the years ended August 31, 2019, 2018, and 2017 was approximately $26.9 million, $26.6 million, and $24.8 million, respectively.

Stock Options

As of August 31, 2019, we had approximately 420,000 options outstanding to officers and other key employees under the Stock Incentive Plan. Options issued under the Stock Incentive Plan are generally granted with an exercise price equal to the fair market value of our stock on the date of grant, but never less than the fair market value on the grant date, and expire 10 years from the date of grant. These options generally vest and become exercisable over a three-year period. Compensation expense recognized related to the awards under the current and prior equity incentive plans was $2.7 million, $3.1 million, and $3.6 million in fiscal 2019, 2018, and 2017, respectively.

The fair value of each option was estimated on the date of grant using the Black-Scholes model. The dividend yield was calculated based on annual dividends paid and the trailing 12-month average closing stock price at the time of grant. Expected volatility was based on historical volatility of our stock, calculated using the most recent time period equal to the expected life of the options. The risk-free interest rate was based on the U.S. Treasury yield for a term equal to the expected life of the options at the time of grant. We used historical exercise behavior data of similar employee groups to determine the expected life of options. All inputs into the Black-Scholes model are estimates made at the time of grant. Actual realized value of each option grant could materially differ from these estimates, without impact to future reported net income.

The following weighted average assumptions were used to estimate the fair value of stock options granted in the fiscal years ended August 31:

	2019	2018	2017
Dividend yield	0.4%	0.3%	0.2%
Expected volatility	32.8%	30.9%	28.5%
Risk-free interest rate	3.0%	2.0%	1.3%
Expected life of options	4 years	4 years	4 years
Weighted-average fair value of options	$34.06	$41.87	$57.40

Stock option activity during the years ended August 31, 2019, 2018, and 2017 was as follows:

	Outstanding		Exercisable	
	Number of Shares (in millions)	Weighted Average Exercise Price	Number of Shares (in millions)	Weighted Average Exercise Price
Outstanding at August 31, 2016	0.3	$129.85	0.1	$83.89
Granted	— *	$239.76		
Exercised	— *	$139.69		
Outstanding at August 31, 2017	0.3	$156.43	0.2	$106.54
Granted	— *	$156.39		
Exercised	— *	$115.27		
Outstanding at August 31, 2018	0.3	$154.69	0.2	$134.13
Granted	0.1	$116.40		
Outstanding at August 31, 2019	0.4	$146.70	0.3	$147.51
Range of option exercise prices:				
$40.01 - $100.00 (average life - 3.1 years)	0.1	$62.25	0.1	$62.25
$100.01 - $160.00 (average life - 6.9 years)	0.2	$125.66	0.1	$125.09
$160.01 - $210.00 (average life - 6.2 years)	0.1	$207.80	0.1	$207.80
$210.01 - $239.76 (average life - 7.1 years)	0.1	$239.76	— *	$239.76

* Represents shares of less than 0.1 million.

The total intrinsic value of options exercised during the years ended August 31, 2018 and 2017 was $0.5 million, and $1.3 million, respectively. There were no options exercised during fiscal 2019. As of August 31, 2019, the total intrinsic value of options outstanding was $5.8 million, the total intrinsic value of options expected to vest was $0.7 million, and the total intrinsic value of options exercisable was $5.1 million. As of August 31, 2019, there was $2.8 million of total unrecognized compensation cost related to unvested options. That cost is expected to be recognized over a weighted-average period of approximately 1.3 years.

Employee Deferred Share Units

We previously allowed employees to defer a portion of restricted stock awards granted in fiscal 2003 and fiscal 2004 into the SDSP as share units. The share units are payable in shares of stock at the time of distribution from the SDSP. As of August 31, 2019, approximately 9,000 fully vested share units remain deferred, but undistributed, under the Stock Incentive Plan. There was no compensation expense related to these share units during fiscal years 2019, 2018, and 2017.

Director Deferred Share Units

Total shares available for issuance under the Director Plan were approximately 360,000, 370,000, and 390,000 at August 31, 2019, 2018, and 2017. As of August 31, 2019, approximately 119,000 share units were deferred but undistributed under the Director Plan. Compensation expense recognized related to the share units under our the Director Plan was $1.4 million, $1.3 million, and $1.2 million in fiscal 2019, 2018, and 2017, respectively.

Employee Stock Purchase Plan

Employees are able to purchase, through payroll deduction, common stock at a 5% discount on a monthly basis. There were 1.5 million shares of our common stock reserved for purchase under the plan, of which approximately 1.0 million shares remain available as of August 31, 2019. Employees may participate at their discretion.

Note 11 — Commitments and Contingencies

Self-Insurance

Our policy is to self-insure up to certain limits traditional risks, including workers' compensation, comprehensive general liability, and auto liability. Our self-insured retention for each claim involving workers' compensation, comprehensive general liability (including product liability claims), and auto liability is limited per occurrence of such claims. A provision for claims under this self-insured program, based on our estimate of the aggregate liability for claims incurred, is revised and recorded annually. The estimate is derived from both internal and external sources including, but not limited to, our independent actuary. We are also self-insured up to certain limits for certain other insurable risks, primarily physical loss to property and business interruptions resulting from such loss lasting two days or more in duration. Insurance coverage is maintained for catastrophic property and casualty exposures, as well as those risks required to be insured by law or contract. We are fully self-insured for certain other types of liabilities, including environmental, product recall, warranty, and patent infringement. The actuarial estimates are subject to uncertainty from various sources including, among others, changes in claim reporting patterns, claim settlement patterns, judicial decisions, legislation, and economic conditions. Although we believe that the actuarial estimates are reasonable, significant differences related to the items noted above could materially affect our self-insurance obligations, future expense, and cash flow.

We are also self-insured for the majority of our medical benefit plans up to certain limits. We estimate our aggregate liability for claims incurred by applying a lag factor to our historical claims and administrative cost experience. The appropriateness of our lag factor is evaluated annually and revised as necessary.

Leases

We lease certain of our buildings and equipment under noncancelable lease agreements. Future minimum annual lease payments under noncancelable leases are $16.7 million, $13.5 million, $9.9 million, $7.2 million, $4.6 million, and $16.8 million for fiscal 2020, 2021, 2022, 2023, 2024, and after 2024, respectively.

Total rent expense was $22.6 million, $22.3 million, and $20.0 million in fiscal 2019, 2018, and 2017, respectively.

Purchase Obligations

We incur purchase obligations in the ordinary course of business that are enforceable and legally binding. Obligations for years subsequent to August 31, 2019 include $347.2 million, $5.0 million, and $5.0 million in fiscal 2020, and 2021, respectively. As of August 31, 2019, we had no purchase obligations extending beyond August 31, 2022.

Collective Bargaining Agreements

Approximately 67% of our total work force is covered by collective bargaining agreements. Collective bargaining agreements representing approximately 57% of our work force will expire within one year, primarily due to annual negotiations of union contracts with in Mexico.

Lighting Science Group Patent Litigation

On April 30, 2019 and May 1, 2019, Lighting Science Group Corp. ("LSG") filed complaints in the International Trade Commission and United States District Court for the District of Delaware, respectively, alleging infringement of eight patents by the Company. On May 17, 2019, LSG amended both of its complaints and dropped its claims regarding one of the patents. For the remaining seven patents, LSG's infringement allegations relate to certain of our LED luminaires and related systems. LSG seeks orders from the International Trade Commission to preclude the importation and sale of the accused products. LSG seeks unspecified monetary damages, costs, and attorneys' fees in the District of Delaware action. We dispute and have numerous defenses to the allegations, and we intend to vigorously defend against LSG's claims. Estimating an amount or range of possible losses resulting from litigation proceedings is inherently difficult, particularly where the matters involve indeterminate claims for monetary damages and a request for an exclusion order and are in the stages of the proceedings where key factual and legal issues have not been resolved. For these reasons, we currently are unable to predict the ultimate timing or outcome of or reasonably estimate the possible losses or a range of possible losses resulting from these matters.

Securities Class Action

On January 3, 2018, a shareholder filed a class action complaint in the United States District Court for the District of Delaware against us and certain of our officers on behalf of all persons who purchased or otherwise acquired our stock between June 29, 2016 and April 3, 2017. On February 20, 2018, a different shareholder filed a second class action complaint in the same venue against the same parties on behalf of all persons who purchased or otherwise acquired our stock between October 15, 2015 and April 3, 2017. The cases were transferred on April 30, 2018, to the United States District Court for the Northern District of Georgia and subsequently were consolidated as *In re Acuity Brands, Inc. Securities Litigation*, Civil Action No. 1:18-cv-02140-MHC (N.D. Ga.). On October 5, 2018, the court-appointed lead plaintiff filed a consolidated amended class action complaint (the "Consolidated Complaint"), which supersedes the initial complaints. The Consolidated Complaint is brought on behalf of all persons who purchased our common stock between October 7, 2015 and April 3, 2017 and alleges that we and certain of our current officers and one former executive violated the federal securities laws by making false or misleading statements and/or omitting to disclose material adverse facts that (i) concealed known trends negatively impacting sales of our products and (ii) overstated our ability to achieve profitable sales growth. The plaintiffs seek class certification, unspecified monetary damages, costs, and attorneys' fees. We dispute the allegations in the complaints and intend to move to dismiss the Consolidated Complaint and to vigorously defend against the claims. We filed a motion to dismiss the Consolidated Complaint. On August 12, 2019, the court entered an order granting our motion to dismiss in part and dismissing all claims based on 42 of the 47 statements challenged in the Consolidated Complaint but also denying the motion in part and allowing claims based on 5 challenged statements to proceed to discovery. Estimating an amount or range of possible losses resulting from litigation proceedings is inherently difficult, particularly where the matters involve indeterminate claims for monetary damages and are in the stages of the proceedings where key factual and legal issues have not been resolved. For these reasons, we are currently unable to predict the ultimate timing or outcome of or reasonably estimate the possible losses or a range of possible losses resulting from the matters described above. We are insured, in excess of a self-retention, for Directors and Officers liability.

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 the 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 the financial condition, results of operations, or cash flows in future periods. We establish reserves 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 reserved 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 amounts reserved.

Environmental Matters

Our operations are subject to numerous comprehensive laws and regulations relating to the generation, storage, handling, transportation, and disposal of hazardous substances, as well as solid and hazardous wastes, and to the remediation of contaminated sites. In addition, permits and environmental controls are required for certain operations to limit air and water pollution, and these permits are subject to modification, renewal, and revocation by issuing authorities. On an ongoing basis, we invest capital and incur operating costs relating to environmental compliance. Environmental laws and regulations have generally become stricter in recent years. We are not aware of any pending legislation or proposed regulation related to environmental issues that would have a material adverse effect. The cost of responding to future changes may be substantial. We establish reserves for known environmental claims when the associated costs become probable and can be reasonably estimated. The actual cost of environmental issues may be substantially higher than that reserved due to difficulty in estimating such costs.

Guarantees and Indemnities

We are a party to contracts entered into in the normal course of business in which it is common for us to agree to indemnify third parties for certain liabilities that may arise out of or relate to the subject matter of the contract. In most cases, we cannot estimate the potential amount of future payments under these indemnities until events arise that would result in a liability under the indemnities.

Acquisition-Related Liabilities

During the negotiations related to business combinations, the previous owners of the acquired entity ("acquiree") typically indemnify us for specific unrecognized liabilities of the acquiree in existence as of the date of acquisition. For some acquisitions of businesses, we act in the place of escrow agents in the holding of funds, including accrued interest (collectively, the "holdback funds"), used to fulfill pre-acquisition obligations agreed to be paid by the acquiree. These funds represent consideration given to the previous owners of the businesses acquired and are payable to them, net of any pre-acquisition obligations satisfied within a stated amount of time, at a future date. Any potential pre-acquisition obligations for which we may be reimbursed through the holdback funds are usually uncertain as of the date of the change of control. In certain circumstances, we are capable of the identification and quantification of particular liabilities including, but not limited to, uncertain tax positions, legal issues, and other outstanding obligations not recognized in the financial statements of the acquired entity. Under ASC Topic 805, *Business Combinations*, these unrecognized liabilities are recorded as obligations with a corresponding receivable due from the previous owners as of the date of acquisition and are included as part of the acquisition accounting. The actual costs of resolving pre-acquisition obligations may be substantially higher than the holdback funds or amounts reserved. We do not believe that any amounts we are likely to be required to pay under these acquisition-related liabilities, including net holdback funds, will be material to our financial position, results of operations, or cash flow.

Product Warranty and Recall Costs

Our products generally have a standard warranty term of five years that assure our products comply with agreed upon specifications. We record a reserve for the estimated amount of future warranty costs when the related revenue is recognized. Estimated costs related to product recalls based on a formal campaign soliciting repair or return of that product are accrued when they are deemed to be probable and can be reasonably estimated. Estimated future warranty and recall costs are primarily based on historical experience of identified warranty and recall claims. However, there can be no assurance that future warranty or recall costs will not exceed historical amounts or that new technology products may not generate unexpected costs. If actual future warranty or recall costs exceed historical amounts, additional reserves may be required, which could have a material adverse impact on our results of operations and cash flows.

Reserves for product warranty and recall costs are included in *Other accrued liabilities* and *Other long-term liabilities* on the *Consolidated Balance Sheets*. The changes in the reserves for product warranty and recall costs during the fiscal years ended August 31, 2019, 2018, and 2017 are summarized as follows (in millions):

	Year Ended August 31,		
	2019	2018	2017
Beginning balance	$ 27.3	$ 22.0	$ 15.5
Warranty and recall costs	18.7	32.4	39.8
Payments and other deductions	(19.7)	(27.7)	(33.3)
Acquired warranty and recall liabilities	—	0.6	—
ASC 606 adjustments [(1)]	(14.8)	—	—
Ending balance	$ 11.5	$ 27.3	$ 22.0

[(1)] Certain service-type warranties accounted for as contingent liabilities prior to the adoption of ASC 606 are now reflected as contract liabilities effective September 1, 2018. Refer to the *New Accounting Pronouncements* and *Revenue Recognition* footnotes for additional information.

Trade Compliance Matters

In the course of routine reviews of import and export activity, we previously determined that we misclassified and/or inaccurately valued certain international shipments of products. We are conducting a detailed review of this activity to

determine the extent of any liabilities and implementing the appropriate remedial measures. At this time, we are unable to determine the likelihood or amount of loss, if any, associated with these shipments.

Note 12 — Special Charges

During the year ended August 31, 2019, we recognized pre-tax special charges of $1.8 million. These charges were primarily related to move costs associated with the previously announced transfer of activities from a planned facility closure. Additionally, we recognized severance costs for actions initiated during fiscal 2019 related to our ongoing efforts to streamline the business, including integrating recent acquisitions. We expect that these actions to streamline our business activities, in addition to those taken in previous fiscal years, will allow us to reduce spending in certain areas while permitting continued investment in future growth initiatives, such as new products, expanded market presence, and technology and innovation. The severance costs related to fiscal 2019 actions were more than offset by reversals of prior year severance costs related to certain planned streamlining activities that did not occur.

During fiscal 2018, we recognized pre-tax special charges of $5.6 million primarily related to charges of $10.6 million related to the planned consolidation of certain facilities and associated reduction in employee headcount, partially offset by the reversal of previously recorded special charges of $5.0 million. The reversal was related to certain planned streamlining activities that did not occur, primarily due to the sale of our Spanish lighting business during the fourth quarter of fiscal 2018.

The details of the special charges during the years ended August 31, 2019, 2018, and 2017 are summarized as follows (in millions):

	Year Ended August 31,		
	2019	2018	2017
Severance and employee-related costs	$ (0.5)	$ 5.4	$ 11.2
Other restructuring costs	2.3	0.2	0.1
Total special charges	$ 1.8	$ 5.6	$ 11.3

As of August 31, 2019, remaining reserves were $1.9 million and are included in *Accrued compensation* and in the *Consolidated Balance Sheets*. The changes in the reserves related to these programs during the year ended August 31, 2019 are summarized as follows (in millions):

	Fiscal 2019 Actions	Fiscal 2018 Actions	Fiscal 2017 Actions	Total
Balance as of August 31, 2018	$ —	$ 9.2	$ 0.9	$ 10.1
Severance costs	1.9	(2.0)	(0.4)	(0.5)
Payments made during the period	(0.6)	(6.6)	(0.5)	(7.7)
Balance as of August 31, 2019	$ 1.3	$ 0.6	$ —	$ 1.9

Note 13 — Income Taxes

We account for income taxes using the asset and liability approach as prescribed by ASC Topic 740, *Income Taxes* ("ASC 740"). This approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Using the enacted tax rates in effect for the year in which the differences are expected to reverse, deferred tax liabilities and assets are determined based on the differences between the financial reporting and the tax basis of an asset or liability.

The provision for income taxes consists of the following components (in millions):

	Year Ended August 31,		
	2019	2018	2017
Provision for current federal taxes	$ 60.3	$ 88.9	$ 151.2
Provision for current state taxes	14.7	16.4	20.4
Provision for current foreign taxes	10.2	9.2	7.0
Provision (benefit) for deferred taxes	9.3	(38.2)	(7.7)
Total provision for income taxes	$ 94.5	$ 76.3	$ 170.9

The following table reconciles the provision at the federal statutory rate to the total provision for income taxes (in millions):

	Year Ended August 31,		
	2019	2018	2017
Federal income tax computed at statutory rate	$ 89.2	$ 109.4	$ 172.4
State income tax, net of federal income tax benefit	12.2	11.5	12.2
Foreign permanent differences and rate differential	2.1	(2.0)	(1.6)
Discrete income tax benefits of the TCJA	(2.2)	(34.6)	—
Research and development tax credits	(18.1)	(3.3)	(3.0)
Unrecognized tax benefits	12.2	0.4	0.8
Other, net	(0.9)	(5.1)	(9.9)
Total provision for income taxes	$ 94.5	$ 76.3	$ 170.9

Components of the net deferred income tax liabilities at August 31, 2019 and 2018 include (in millions):

	August 31,	
	2019	2018
Deferred income tax liabilities:		
Depreciation	$ (22.0)	$ (15.0)
Goodwill and intangibles	(149.6)	(151.2)
Other liabilities	(2.8)	(2.3)
Total deferred income tax liabilities	(174.4)	(168.5)
Deferred income tax assets:		
Self-insurance	2.6	2.6
Pension	22.7	18.1
Deferred compensation	20.5	23.7
Net operating losses	6.2	6.2
Other accruals not yet deductible	26.9	24.9
Other assets	9.7	7.0
Total deferred income tax assets	88.6	82.5
Valuation allowance	(4.6)	(3.6)
Net deferred income tax liabilities	$ (90.4)	$ (89.6)

On December 22, 2017, the President of the United States signed into law the Tax Cuts and Jobs Act ("TCJA"). The TCJA included changes that took effect during fiscal 2019 including, but not limited to, additional limitations on certain executive compensation, limitations on interest deductions, a new U.S. tax on certain offshore earnings referred to as Global Intangible Low-Taxed Income ("GILTI"), a new alternative U.S. tax on certain Base Erosion Anti-Avoidance ("BEAT") payments from a U.S. company to any foreign related party, a new deduction for Foreign Derived Intangible Income ("FDII"), and the repeal of the Section 199 domestic production activities deduction. Our U.S. federal corporate tax rate was 21.0% for the current fiscal year. During fiscal 2018, we recorded a provisional discrete tax benefit of $34.6 million within *Income tax expense* on the *Consolidated Statements of Comprehensive Income* following the enactment of the TCJA. During fiscal 2019, we recorded an additional tax benefit of $2.2 million related to TCJA impacts including, but not limited to, our one-time transition tax, deferred income taxes, and executive compensation. The total tax benefit related to the enactment of the TCJA was $36.8 million, which included a benefit of $32.5 million to decrease our deferred income taxes to the revised statutory federal rate as well as a current estimated benefit of approximately $4.3 million for the transition tax on unremitted foreign earnings.

Previously, we asserted that all undistributed earnings and original investments in foreign subsidiaries were indefinitely reinvested and, therefore, had not recorded any deferred taxes related to any outside basis differences associated with our foreign subsidiaries. As of August 31, 2019, the estimated undistributed earnings from foreign subsidiaries was $107.7 million. A significant portion of these earnings was subject to U.S. federal taxation in fiscal 2018 as part of the one-time transition tax. We are no longer asserting indefinite reinvestment on the portion of our unremitted earnings that were previously subject to U.S. federal taxation with the one-time transition tax. Accordingly, we recognized a deferred income tax liability of $0.6 million for certain foreign withholding taxes and U.S. state taxes. With respect to unremitted earnings and original investments in foreign subsidiaries where we are continuing to assert indefinite reinvestment, any future remittances could be subject to additional foreign withholding taxes, U.S. state taxes, and certain tax impacts relating to foreign currency exchange effects. It is not practicable to estimate the amount of any unrecognized tax effects on these reinvested earnings and original investments in foreign subsidiaries.

We have elected to account for the tax on Global Intangible Low-Taxed Income ("GILTI") as a period cost and, therefore, do not record deferred taxes related to GILTI on our foreign subsidiaries.

At August 31, 2019, we had state tax credit carryforwards of approximately $2.2 million, which will expire beginning in 2021. At August 31, 2019, we had federal net operating loss carryforwards of $32.9 million that expire beginning in 2030, state net operating loss carryforwards of $20.3 million that begin expiring in 2020, and foreign net operating loss carryforwards of $1.8 million that expire beginning in 2026.

The gross amount of unrecognized tax benefits as of August 31, 2019 and 2018 totaled $16.6 million and $4.4 million, respectively, which includes $15.9 million and $3.8 million, respectively, of net unrecognized tax benefits that, if recognized, would affect the annual effective tax rate. We recognize potential interest and penalties related to unrecognized tax benefits as a component of income tax expense; such accrued interest and penalties are not material. With few exceptions, we are no longer subject to United States federal, state, and local income tax examinations for years ended before 2013 or for foreign income tax examinations before 2013. We do not anticipate unrecognized tax benefits will significantly increase or decrease within the next twelve months.

The following table reconciles the change in the unrecognized income tax benefit (reported in *Other long-term liabilities* on the *Consolidated Balance Sheets*) for the years ended August 31, 2019 and 2018 (in millions):

	Year Ended August 31,	
	2019	2018
Unrecognized tax benefits balance at beginning of year	$ 4.4	$ 6.0
Additions based on tax positions related to the current year	2.0	0.6
Additions for tax positions of prior years	10.9	1.0
Reductions due to settlements	—	(2.2)
Reductions due to lapse of statute of limitations	(0.7)	(1.0)
Unrecognized tax benefits balance at end of year	$ 16.6	$ 4.4

Total accrued interest was $1.0 million and $0.5 million as of August 31, 2019 and 2018, respectively. There were no accruals related to income tax penalties during fiscal 2019. Interest, net of tax benefits, and penalties are included in *Income tax expense* within the *Consolidated Statements of Comprehensive Income*. The classification of interest and penalties did not change during the current fiscal year.

Note 14 — Subsequent Event

On September 17, 2019, using cash on hand and borrowings under available existing credit arrangements, we acquired all of the equity interests of The Luminaires Group ("TLG"), a leading provider of specification-grade luminaires for commercial, institutional, hospitality, and municipal markets. TLG's indoor and outdoor lighting fixtures are marketed to architects, landscape architects, interior designers and engineers through five niche lighting brands: A-light, Cyclone, Eureka, Luminaire LED and Luminis.

Note 15 — Supplemental Disaggregated Information

We have one reportable segment. Sales of products and solutions, excluding services, accounted for approximately 99% of total consolidated net sales in fiscal 2019, 2018, and 2017. Our geographic distribution of net sales, operating profit, income before provision for income taxes, and long-lived assets is summarized in the following table for the years ended August 31, 2019, 2018, and 2017 (in millions):

	Year Ended August 31,		
	2019	2018	2017
Net sales[1]:			
Domestic[2]	$ 3,277.4	$ 3,292.6	$ 3,123.1
International	395.3	387.5	382.0
Total	$ 3,672.7	$ 3,680.1	$ 3,505.1
Operating profit:			
Domestic[2]	$ 419.3	$ 419.0	$ 503.3
International	43.6	41.8	24.2
Total	$ 462.9	$ 460.8	$ 527.5
Income before provision for income taxes:			
Domestic[2]	$ 386.4	$ 386.4	$ 478.5
International	38.5	39.5	14.1
Total	$ 424.9	$ 425.9	$ 492.6
Long-lived assets[3]:			
Domestic[2]	$ 248.9	$ 256.4	$ 252.8
International	48.4	52.0	51.5
Total	$ 297.3	$ 308.4	$ 304.3

(1) Net sales are attributed to each country based on the selling location.
(2) Domestic amounts include amounts for U.S. based operations.
(3) Long-lived assets include net property, plant, and equipment, long-term deferred income tax assets, and other long-term assets as reflected in the *Consolidated Balance Sheets*.

Note 16 — Supplemental Guarantor Condensed Consolidating Financial Statements

In December 2009, ABL, the 100% owned and principal operating subsidiary of Acuity Brands, refinanced the then current outstanding debt through the issuance of the Notes. See *Debt and Lines of Credit* footnote for further information.

In accordance with the registration rights agreement by and between ABL and the guarantors to the Unsecured Notes and the initial purchasers of the Unsecured Notes, ABL and the guarantors to the Notes filed a registration statement with the SEC for an offer to exchange the Unsecured Notes for an issue of SEC-registered notes with identical terms. Due to the filing of the registration statement and offer to exchange, we determined the need for compliance with Rule 3-10 of SEC Regulation S-X ("Rule 3-10"). In lieu of providing separate audited financial statements for ABL and ABL IP Holding, we have included the accompanying Condensed Consolidating Financial Statements in accordance with Rule 3-10(d) of SEC Regulation S-X since the Unsecured Notes are fully and unconditionally guaranteed by Acuity Brands and ABL IP Holding. The column marked "Parent" represents the financial condition, results of operations, and cash flows of Acuity Brands. The column marked "Subsidiary Issuer" represents the financial condition, results of operations, and cash flows of ABL. The column entitled "Subsidiary Guarantor" represents the financial condition, results of operations, and cash flows of ABL IP Holding. Lastly, the column listed as "Non-Guarantors" includes the financial condition, results of operations, and cash flows of the non-guarantor direct and indirect subsidiaries of Acuity Brands, which consist primarily of foreign subsidiaries. Consolidating adjustments were necessary in order to arrive at consolidated amounts. In addition, the equity method of accounting was used to calculate investments in subsidiaries. Accordingly, this basis of presentation is not intended to present our financial condition, results of operations, or cash flows for any purpose other than to comply with the specific requirements for parent-subsidiary guarantor reporting.

CONDENSED CONSOLIDATING BALANCE SHEETS

(In millions)

	At August 31, 2019					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non-Guarantors	Consolidating Adjustments	Consolidated
ASSETS						
Current assets:						
Cash and cash equivalents	$ 361.9	$ 18.1	$ —	$ 81.0	$ —	$ 461.0
Accounts receivable, net	—	484.7	—	76.3	—	561.0
Inventories	—	317.1	—	23.7	—	340.8
Other current assets	32.2	27.1	—	19.7	—	79.0
Total current assets	394.1	847.0	—	200.7	—	1,441.8
Property, plant, and equipment, net	0.2	220.7	—	56.4	—	277.3
Goodwill	—	747.6	2.7	217.0	—	967.3
Intangible assets, net	—	271.0	103.7	91.3	—	466.0
Deferred income taxes	30.2	—	—	5.8	(33.7)	2.3
Other long-term assets	1.1	15.2	—	1.4	—	17.7
Investments in and amounts due from affiliates	1,627.9	476.8	321.6	—	(2,426.3)	—
Total assets	$ 2,053.5	$ 2,578.3	$ 428.0	$ 572.6	$ (2,460.0)	$ 3,172.4
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities:						
Accounts payable	$ 0.7	$ 314.4	$ —	$ 23.7	$ —	$ 338.8
Current maturities of long-term debt	—	8.7	—	0.4	—	9.1
Other accrued liabilities	11.8	186.0	—	50.4	—	248.2
Total current liabilities	12.5	509.1	—	74.5	—	596.1
Long-term debt	—	345.2	—	2.3	—	347.5
Deferred income taxes	—	105.8	—	20.6	(33.7)	92.7
Other long-term liabilities	122.1	80.4	—	14.7	—	217.2
Amounts due to affiliates	—	—	—	146.4	(146.4)	—
Total stockholders' equity	1,918.9	1,537.8	428.0	314.1	(2,279.9)	1,918.9
Total liabilities and stockholders' equity	$ 2,053.5	$ 2,578.3	$ 428.0	$ 572.6	$ (2,460.0)	$ 3,172.4

CONDENSED CONSOLIDATING BALANCE SHEETS

(In millions)

	At August 31, 2018					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non-Guarantors	Consolidating Adjustments	Consolidated
ASSETS						
Current assets:						
Cash and cash equivalents	$ 80.5	$ —	$ —	$ 48.6	$ —	$ 129.1
Accounts receivable, net	—	560.7	—	77.2	—	637.9
Inventories	—	386.6	—	25.2	—	411.8
Other current assets	2.3	18.6	—	11.4	—	32.3
Total current assets	82.8	965.9	—	162.4	—	1,211.1
Property, plant, and equipment, net	0.2	226.8	—	59.7	—	286.7
Goodwill	—	746.5	2.7	221.4	—	970.6
Intangible assets, net	—	286.6	106.5	105.6	—	498.7
Deferred income taxes	36.4	—	—	6.2	(39.7)	2.9
Other long-term assets	1.2	15.6	—	2.0	—	18.8
Investments in and amounts due from affiliates	1,707.0	370.6	279.5	—	(2,357.1)	—
Total assets	$ 1,827.6	$ 2,612.0	$ 388.7	$ 557.3	$ (2,396.8)	$ 2,988.8
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities:						
Accounts payable	$ 0.3	$ 420.7	$ —	$ 30.1	$ —	$ 451.1
Current maturities of long-term debt	—	—	—	0.4	—	0.4
Other accrued liabilities	18.8	170.1	—	42.3	—	231.2
Total current liabilities	19.1	590.8	—	72.8	—	682.7
Long-term debt	—	353.5	—	2.9	—	356.4
Deferred income taxes	—	106.5	—	25.7	(39.7)	92.5
Other long-term liabilities	91.7	34.0	—	14.7	—	140.4
Amounts due to affiliates	—	—	—	138.8	(138.8)	—
Total stockholders' equity	1,716.8	1,527.2	388.7	302.4	(2,218.3)	1,716.8
Total liabilities and stockholders' equity	$ 1,827.6	$ 2,612.0	$ 388.7	$ 557.3	$ (2,396.8)	$ 2,988.8

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME

(In millions)

	Year Ended August 31, 2019					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non-Guarantors	Consolidating Adjustments	Consolidated
Net sales:						
External sales	$ —	$ 3,253.6	$ —	$ 419.1	$ —	$ 3,672.7
Intercompany sales	—	—	52.7	204.7	(257.4)	—
Total sales	—	3,253.6	52.7	623.8	(257.4)	3,672.7
Cost of products sold	—	1,940.1	—	454.1	(201.2)	2,193.0
Gross profit	—	1,313.5	52.7	169.7	(56.2)	1,479.7
Selling, distribution, and administrative expenses	15.6	897.6	2.8	155.3	(56.3)	1,015.0
Intercompany charges	(33.2)	25.6	—	7.6	—	—
Special charges	—	1.8	—	—	—	1.8
Operating profit	17.6	388.5	49.9	6.8	0.1	462.9
Interest expense, net	10.9	17.4	—	5.0	—	33.3
Equity earnings in subsidiaries	(330.0)	(23.2)	—	0.2	353.0	—
Miscellaneous expense (income), net	6.7	(2.1)	—	0.1	—	4.7
Income before income taxes	330.0	396.4	49.9	1.5	(352.9)	424.9
Income tax (benefit) expense	(0.4)	84.5	10.5	(0.1)	—	94.5
Net income	330.4	311.9	39.4	1.6	(352.9)	330.4
Other comprehensive income (loss) items:						
Foreign currency translation adjustments	(11.5)	(11.5)	—	—	11.5	(11.5)
Defined benefit plans, net of tax	(25.1)	(17.1)	—	(0.2)	17.3	(25.1)
Other comprehensive loss items, net of tax	(36.6)	(28.6)	—	(0.2)	28.8	(36.6)
Comprehensive income	$ 293.8	$ 283.3	$ 39.4	$ 1.4	$ (324.1)	$ 293.8

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME

(In millions)

	Year Ended August 31, 2018					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non-Guarantors	Consolidating Adjustments	Consolidated
Net sales:						
External sales	$ —	$ 3,275.7	$ —	$ 404.4	$ —	$ 3,680.1
Intercompany sales	—	—	53.6	211.2	(264.8)	—
Total sales	—	3,275.7	53.6	615.6	(264.8)	3,680.1
Cost of products sold	—	1,951.2	—	442.1	(198.6)	2,194.7
Gross profit	—	1,324.5	53.6	173.5	(66.2)	1,485.4
Selling, distribution, and administrative expenses	41.0	884.6	3.2	156.3	(66.1)	1,019.0
Intercompany charges	(59.2)	49.5	—	9.7	—	—
Special charges	—	5.6	—	—	—	5.6
Operating profit	18.2	384.8	50.4	7.5	(0.1)	460.8
Interest expense, net	11.1	16.9	—	5.5	—	33.5
Equity earnings in subsidiaries	(344.3)	(18.5)	—	0.2	362.6	—
Miscellaneous expense (income), net	6.4	(1.8)	—	(3.2)	—	1.4
Income before income taxes	345.0	388.2	50.4	5.0	(362.7)	425.9
Income tax (benefit) expense	(4.6)	72.0	8.5	0.4	—	76.3
Net income	349.6	316.2	41.9	4.6	(362.7)	349.6
Other comprehensive income (loss) items:						
Foreign currency translation adjustments	(25.2)	(25.2)	—	—	25.2	(25.2)
Defined benefit plans, net of tax	21.2	16.9	—	4.3	(21.2)	21.2
Other comprehensive (loss) income items, net of tax	(4.0)	(8.3)	—	4.3	4.0	(4.0)
Comprehensive income	$ 345.6	$ 307.9	$ 41.9	$ 8.9	$ (358.7)	$ 345.6

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME

(In millions)

	Year Ended August 31, 2017					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non-Guarantors	Consolidating Adjustments	Consolidated
Net sales:						
External sales	$ —	$ 3,105.2	$ —	$ 399.9	$ —	$ 3,505.1
Intercompany sales	—	—	49.4	179.2	(228.6)	—
Total sales	—	3,105.2	49.4	579.1	(228.6)	3,505.1
Cost of products sold	—	1,764.6	—	432.8	(173.4)	2,024.0
Gross profit	—	1,340.6	49.4	146.3	(55.2)	1,481.1
Selling, distribution, and administrative expenses	39.2	824.6	3.6	130.0	(55.1)	942.3
Intercompany charges	(56.9)	47.7	—	9.2	—	—
Special charges	—	11.3	—	—	—	11.3
Operating profit	17.7	457.0	45.8	7.1	(0.1)	527.5
Interest expense, net	11.0	16.1	—	5.4	—	32.5
Equity earnings in subsidiaries	(320.9)	(7.7)	—	0.2	328.4	—
Miscellaneous expense (income), net	5.8	(7.9)	—	4.5	—	2.4
Income (loss) before income taxes	321.8	456.5	45.8	(3.0)	(328.5)	492.6
Income tax expense (benefit)	0.1	158.0	15.7	(2.9)	—	170.9
Net income (loss)	321.7	298.5	30.1	(0.1)	(328.5)	321.7
Other comprehensive income (loss) items:						
Foreign currency translation adjustments	19.0	19.0	—	—	(19.0)	19.0
Defined benefit plans, net of tax	20.7	11.8	—	7.5	(19.3)	20.7
Other comprehensive income items, net of tax	39.7	30.8	—	7.5	(38.3)	39.7
Comprehensive income	$ 361.4	$ 329.3	$ 30.1	$ 7.4	$ (366.8)	$ 361.4

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

(In millions)

	Year Ended August 31, 2019					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non-Guarantors	Consolidating Adjustments	Consolidated
Net cash provided by operating activities	$ 391.1	$ 63.4	$ —	$ 43.1	$ (2.9)	$ 494.7
Cash flows from investing activities:						
Purchases of property, plant, and equipment	—	(44.5)	—	(8.5)	—	(53.0)
Investments in subsidiaries	(2.9)	—	—	—	2.9	—
Acquisitions of businesses and intangible assets	—	(2.9)	—	—	—	(2.9)
Other investing activities	0.8	2.1	—	—	—	2.9
Net cash used for investing activities	(2.1)	(45.3)	—	(8.5)	2.9	(53.0)
Cash flow from financing activities:						
Borrowings on credit facility	—	86.5	—	—	—	86.5
Repayments of borrowings on credit facility	—	(86.5)	—	—	—	(86.5)
Repayments of long-term debt	—	—	—	(0.4)	—	(0.4)
Proceeds from stock option exercises and other	0.6	—	—	—	—	0.6
Repurchases of common stock	(81.6)	—	—	—	—	(81.6)
Withholding taxes on net settlement of equity awards	(6.0)	—	—	—	—	(6.0)
Dividends paid	(20.8)	—	—	—	—	(20.8)
Net cash used for financing activities	(107.8)	—	—	(0.4)	—	(108.2)
Effect of exchange rate changes on cash	0.2	—	—	(1.8)	—	(1.6)
Net change in cash and cash equivalents	281.4	18.1	—	32.4	—	331.9
Cash and cash equivalents at beginning of year	80.5	—	—	48.6	—	129.1
Cash and cash equivalents at end of year	$ 361.9	$ 18.1	$ —	$ 81.0	$ —	$ 461.0

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

(In millions)

	Year Ended August 31, 2018					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non-Guarantors	Consolidating Adjustments	Consolidated
Net cash provided by operating activities	$ 322.1	$ 30.2	$ —	$ 36.0	$ (36.8)	$ 351.5
Cash flows from investing activities:						
Purchases of property, plant, and equipment	—	(31.4)	—	(12.2)	—	(43.6)
Investments in subsidiaries	(154.7)	—	—	—	154.7	—
Acquisitions of businesses and intangible assets	—	(136.3)	—	(26.9)	—	(163.2)
Proceeds from sale of business	—	—	—	1.1	—	1.1
Other investing activities	1.7	—	—	—	—	1.7
Net cash used for investing activities	(153.0)	(167.7)	—	(38.0)	154.7	(204.0)
Cash flows from financing activities:						
Borrowings on credit facility	—	395.4	—	—	—	395.4
Repayments of borrowings on credit facility	—	(395.4)	—	—	—	(395.4)
Issuance of long-term debt	—	—	—	(0.4)	—	(0.4)
Proceeds from stock option exercises and other	1.7	—	—	—	—	1.7
Repurchases of common stock	(298.4)	—	—	—	—	(298.4)
Withholding taxes on net settlement of equity awards	(8.2)	—	—	—	—	(8.2)
Intercompany dividends	—	—	—	(36.8)	36.8	—
Intercompany capital	—	136.6	—	18.1	(154.7)	—
Dividends paid	(21.4)	—	—	—	—	(21.4)
Net cash (used for) provided by financing activities	(326.3)	136.6	—	(19.1)	(117.9)	(326.7)
Effect of exchange rate changes on cash	—	0.9	—	(3.7)	—	(2.8)
Net change in cash and cash equivalents	(157.2)	—	—	(24.8)	—	(182.0)
Cash and cash equivalents at beginning of year	237.7	—	—	73.4	—	311.1
Cash and cash equivalents at end of year	$ 80.5	$ —	$ —	$ 48.6	$ —	$ 129.1

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

(In millions)

	Year Ended August 31, 2017					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non-Guarantors	Consolidating Adjustments	Consolidated
Net cash provided by operating activities	$ 262.3	$ 41.4	$ —	$ 32.9	$ —	$ 336.6
Cash flows from investing activities:						
Purchases of property, plant, and equipment	—	(53.1)	—	(14.2)	—	(67.3)
Proceeds from sale of property, plant, and equipment	—	0.2	—	5.3	—	5.5
Proceeds from sale of investment in unconsolidated affiliate	—	13.2	—	—	—	13.2
Other investing activities	—	(0.2)	—	—	—	(0.2)
Net cash used for investing activities	—	(39.9)	—	(8.9)	—	(48.8)
Cash flows from financing activities:						
Issuance of long-term debt	—	—	—	1.0	—	1.0
Proceeds from stock option exercises and other	3.0	—	—	—	—	3.0
Repurchases of common stock	(357.9)	—	—	—	—	(357.9)
Withholding taxes on net settlement of equity awards	(15.2)	—	—	—	—	(15.2)
Dividends paid	(22.7)	—	—	—	—	(22.7)
Net cash (used for) provided by financing activities	(392.8)	—	—	1.0	—	(391.8)
Effect of exchange rate changes on cash	—	(1.5)	—	3.4	—	1.9
Net change in cash and cash equivalents	(130.5)	—	—	28.4	—	(102.1)
Cash and cash equivalents at beginning of year	368.2	—	—	45.0	—	413.2
Cash and cash equivalents at end of year	$ 237.7	$ —	$ —	$ 73.4	$ —	$ 311.1

Note 17 — Quarterly Financial Data (Unaudited)

	Fiscal Year 2019			
(In millions)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	$ 932.6	$ 854.4	$ 947.6	$ 938.1
Gross profit	$ 367.5	$ 333.9	$ 383.6	$ 394.7
Net income	$ 79.6	$ 66.3	$ 88.4	$ 96.1
Basic earnings per share	$ 1.99	$ 1.68	$ 2.23	$ 2.43
Diluted earnings per share	$ 1.98	$ 1.67	$ 2.22	$ 2.42

	Fiscal Year 2018			
(In millions)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	$ 842.8	$ 832.1	$ 944.0	$ 1,061.2
Gross profit [(1)]	$ 349.9	$ 334.5	$ 389.1	$ 411.9
Net income	$ 71.5	$ 96.9	$ 73.0	$ 108.2
Basic earnings per share	$ 1.71	$ 2.34	$ 1.81	$ 2.71
Diluted earnings per share	$ 1.70	$ 2.33	$ 1.80	$ 2.70

(1) Fiscal 2018 quarterly gross profit amounts have been retrospectively adjusted to reflect the impact of ASU 2017-07 to our interim periods. See the *New Accounting Pronouncements* footnote for further details.

Certain amounts in the tables above have been rounded. Accordingly, the sum of the quarters may not be an exact match to the full year amounts.

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

Item 9a. ***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 August 31, 2019. 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, these officers have concluded that the design and operation of our disclosure controls and procedures are effective at a reasonable assurance level as of August 31, 2019. 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.

Management's annual report on our internal control over financial reporting and the independent registered public accounting firm's attestation report are included in our 2019 Financial Statements in Item 8 of this Annual Report on Form 10-K, under the headings, *Management's Report on Internal Control over Financial Reporting* and *Report of Independent Registered Public Accounting Firm* as it relates to Internal Control Over Financial Reporting, respectively, and are incorporated herein by reference.

Item 9b. Other Information

None.

PART III

Item 10. *Directors, Executive Officers, and Corporate Governance*

The information required by this item, with respect to directors and corporate governance, is included under the captions *Item 1 — Election of Directors, Board Composition, Board and Committees, Risk Oversight,* and *Board Evaluation Process* of our proxy statement for the annual meeting of stockholders to be held January 8, 2020, to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, and is incorporated herein by reference.

The information required by this item, with respect to executive officers, will be included under the caption *Executive Officers* of our proxy statement for the annual meeting of stockholders to be held January 8, 2020, to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, and is incorporated herein by reference.

The information required by this item, with respect to the code of ethics, will be included under the caption *Governance Policies and Procedures* and *Contacting the Board of Directors* of our proxy statement for the annual meeting of stockholders to be held January 8, 2020, to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, and is incorporated herein by reference.

Item 11. *Executive Compensation*

The information required by this item will be included under the captions *Compensation of Directors, Board Composition, Board and Committees, Compensation Committee Interlocks and Insider Participation, Report of the Compensation Committee, Compensation Discussion and Analysis, Fiscal 2019 Summary Compensation Table, Fiscal 2019 Grants of Plan-Based Awards, Outstanding Equity Awards at Fiscal 2019 Year-End, Option Exercises and Stock Vested in Fiscal 2019, Pension Benefits in Fiscal 2019, Fiscal 2019 Non-Qualified Deferred Compensation, Employment Arrangements, Potential Payments upon Termination,* and *Equity Compensation Plans* of our proxy statement for the annual meeting of stockholders to be held January 8, 2020, to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, and is incorporated herein by reference.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

The information required by this item will be included under the captions *Beneficial Ownership of the Company's Securities* and *Equity Compensation Plans* of our proxy statement for the annual meeting of stockholders to be held January 8, 2020, to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, and is incorporated herein by reference.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The information required by this item will be included under the caption *Certain Relationships and Related Party Transactions* of our proxy statement for the annual meeting of stockholders to be held January 8, 2020, to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, and is incorporated herein by reference.

Item 14. *Principal Accountant Fees and Services*

The information required by this item will be included under the caption *Audit Fees and Other Fees, Pre-Approval Policies and Procedures, and Report of the Audit Committee* of our proxy statement for the annual meeting of stockholders to be held January 8, 2020, to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, and is incorporated herein by reference.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a) The following documents are filed as a part of this report:

(2) Financial Statement Schedules:

Any of Schedules I through V not listed above have been omitted because they are not applicable or the required information is included in the consolidated financial statements or notes thereto

(3) Exhibits filed with this report (begins on next page):

Copies of exhibits will be furnished to stockholders upon request at a nominal fee. Requests should be sent to Acuity Brands, Inc., Investor Relations Department, 1170 Peachtree Street, N.E., Suite 2300, Atlanta, Georgia 30309-7676

INDEX TO EXHIBITS

EXHIBIT 3	(a)	Restated Certificate of Incorporation of Acuity Brands, Inc. (formerly Acuity Brands Holdings, Inc.), dated as of September 26, 2007.	Reference is made to Exhibit 3.1 of registrant's Form 8-K as filed with the Commission on September 26, 2007, which is incorporated herein by reference.
	(b)	Certificate of Amendment of Acuity Brands, Inc. (formerly Acuity Brands Holdings, Inc.), dated as of September 26, 2007.	Reference is made to Exhibit 3.2 of registrant's Form 8-K as filed with the Commission on September 26, 2007, which is incorporated herein by reference.
	(c)	Certificate of Amendment to the Restated Certificate of Incorporation of Acuity Brands, Inc., dated as of January 6, 2017.	Reference is made to Exhibit 3(c) of registrant's Form 10-Q as filed with the Commission on January 9, 2017, which is incorporated herein by reference.
	(d)	Amended and Restated Bylaws of Acuity Brands, Inc., dated as of January 6, 2017.	Reference is made to Exhibit 3(d) of registrant's Form 10-Q as filed with the Commission on January 9, 2017, which is incorporated herein by reference.
EXHIBIT 4	(a)	Form of Certificate representing Acuity Brands, Inc. Common Stock.	Reference is made to Exhibit 4.1 of registrant's Form 8-K as filed with the Commission on December 14, 2001, which is incorporated herein by reference.
	(b)	Indenture, dated December 8, 2009, among Acuity Brands Lighting, Inc, as issuer, and Acuity Brands, Inc. and ABL IP Holding LLC, as guarantors, and Wells Fargo Bank, National Association, as trustee.	Reference is made to Exhibit 4.1 of registrant's Form 8-K as filed with the Commission on December 9, 2009, which is incorporated herein by reference.
	(c)	Form of 6.00% Senior Note due 2019.	Reference is made to Exhibit 4.2 of registrant's Form 8-K as filed with the Commission on December 9, 2009, which is incorporated herein by reference.
	(d)	Description of Securities.	Filed with the Commission as part of this Form 10-K.
EXHIBIT 10(i)	(1)	Five-Year Credit Agreement dated June 29, 2018.	Reference is made to Exhibit 10.1 of registrant's Form 10-Q as filed with the Commission on July 3, 2018, which is incorporated herein by reference.
	(2)	Amendment No. 1 dated as of April 22, 2019 to Five-Year Credit Agreement dated June 29, 2018.	Reference is made to Exhibit 10.1 of registrant's Form 8-K as filed with the Commission on April 24, 2019, which is incorporated herein by reference.
EXHIBIT 10(iii)A		Management Contracts and Compensatory Arrangements:	
	(1)	Acuity Brands, Inc. 2001 Nonemployee Directors' Stock Option Plan.	Reference is made to Exhibit 10.6 of registrant's Form 8-K as filed with the Commission on December 14, 2001, which is incorporated herein by reference.
	(2)	Amendment No. 1 to Acuity Brands, Inc. 2001 Nonemployee Directors' Stock Option Plan, dated December 20, 2001.	Reference is made to Exhibit 10(iii)A(3) of registrant's Form 10-Q as filed with the Commission on January 14, 2002, which is incorporated herein by reference.
	(3)	Amendment No. 1 to Stock Option Agreement for Nonemployee Director dated October 25, 2006.	Reference is made to Exhibit 99.1 of registrant's Form 8-K filed with the Commission on October 27, 2006, which is incorporated herein by reference.

(4)	Amendment No. 2 to Acuity Brands, Inc. 2001 Non-employee Directors' Stock Option Plan.	Reference is made to Exhibit 10(iii)A(2) of registrant's Form 10-Q as filed with the Commission on January 4, 2007, which is incorporated herein by reference.
(5)	Amendment No. 3 to Acuity Brands, Inc. 2001 Nonemployee Directors' Stock Option Plans.	Reference is made to Exhibit 10(iii)A(3) of registrant's Form 10-Q as filed with the Commission on July 10, 2007, which is incorporated herein by reference.
(6)	Acuity Brands, Inc. Supplemental Deferred Savings Plan.	Reference is made to Exhibit 10.14 of registrant's Form 8-K as filed with the Commission on December 14, 2001, which is incorporated herein by reference.
(7)	Amendment No. 1 to Acuity Brands, Inc. Supplemental Deferred Savings Plan.	Reference is made to Exhibit 10(iii)A(2) of registrant's Form 10-Q as filed with the Commission on January 14, 2003, which is incorporated by reference.
(8)	Amendment No. 2 to Acuity Brands, Inc. Supplemental Deferred Savings Plan.	Reference is made to Exhibit 10(iii)A(8) of the registrant's Form 10-Q as filed with the Commission on July 14, 2003, which is incorporated by reference.
(9)	Amendment No. 3 to Acuity Brands, Inc. Supplemental Deferred Savings Plan.	Reference is made to Exhibit 10(iii)A(36) of the registrant's Form 10-K as filed with the Commission on October 29, 2004, which is incorporated by reference.
(10)	Amendment No. 4 to Acuity Brands, Inc. Supplemental Deferred Savings Plan.	Reference is made to Exhibit 99.2 of registrant's Form 8-K filed with the Commission on July 6, 2006, which is incorporated herein by reference.
(11)	Amendment No. 5 to Acuity Brands, Inc. Supplemental Deferred Savings Plan.	Reference is made to Exhibit 10(iii)A(6) of registrant's Form 10-Q as filed with the Commission on July 10, 2007, which is incorporated herein by reference.
(12)	Amended and Restated Acuity Brands, Inc., 2005 Supplemental Deferred Savings Plan, effective as of January 1, 2010.	Reference is made to Exhibit 10 (c) of registrant's Form 10-Q as filed with the Commission on March 31, 2010, which is incorporated herein by reference.
(13)	Amended and Restated Acuity Brands, Inc. 2005 Supplemental Deferred Savings Plan, effective as of July 1, 2019.	Reference is made to Exhibit 10(b) of the registrant's Form 10-Q as filed with the Commission on July 2, 2019, which is incorporated herein by reference.
(14)	Acuity Brands, Inc. Nonemployee Director Deferred Compensation Plan as Amended and Restated Effective June 29, 2006.	Reference is made to Exhibit 99.1 of registrant's Form 8-K filed with the Commission on July 6, 2006, which is incorporated herein by reference.
(15)	Amendment No. 2 to Acuity Brands, Inc. Nonemployee Director Deferred Compensation Plan.	Reference is made to Exhibit 10(iii)A(86) of the registrant's Form 10-K as filed with the Commission on October 27, 2008, which is incorporated herein by reference.
(16)	Amended and Restated Acuity Brands Inc. 2011 Nonemployee Director Deferred Compensation Plan, effective as of December 1, 2012.	Reference is made to Exhibit 10(iii)A(68) of the registrant's Form 10-K as filed with the Commission on October 26, 2012, which is incorporated herein by reference.
(17)	Acuity Brands, Inc. Compensation for Non-Employee Directors.	Reference is made to Exhibit 10(c) of the registrant's Form 10-Q as filed with the Commission on January 9, 2019, which is incorporated herein by reference.
(18)	Acuity Brands, Inc. Senior Management Benefit Plan.	Reference is made to Exhibit 10.16 of registrant's Form 8-K as filed with the Commission on December 14, 2001, which is incorporated herein by reference.

(19)	Amendment No. 1 to Acuity Brands, Inc. Senior Management Benefit Plan.	Reference is made to Exhibit 10(iii)A(5) of registrant's Form 10-Q as filed with the Commission on July 10, 2007, which is incorporated herein by reference.
(20)	Acuity Brands, Inc. Executive Benefits Trust.	Reference is made to Exhibit 10.18 of registrant's Form 8-K as filed with the Commission on December 14, 2001, which is incorporated herein by reference.
(21)	Acuity Brands, Inc. Supplemental Retirement Plan for Executives.	Reference is made to Exhibit 10.19 of registrant's Form 8-K as filed with the Commission on December 14, 2001, which is incorporated herein by reference.
(22)	Amendment No. 1 to Acuity Brands, Inc. Supplemental Retirement Plan for Executives.	Reference is made to Exhibit 10(iii)A(2) of the registrant's Form 10-Q as filed with the Commission on April 14, 2003, which is incorporated by reference.
(23)	Acuity Brands, Inc. Benefits Protection Trust.	Reference is made to Exhibit 10.21 of registrant's Form 8-K as filed with the Commission on December 14, 2001, which is incorporated herein by reference.
(24)	Form of Acuity Brands, Inc., Letter regarding Bonuses.	Reference is made to Exhibit 10.25 of registrant's Form 8-K as filed with the Commission on December 14, 2001, which is incorporated herein by reference.
(25)	Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan, Effective As of January 1, 2003, As Amended and Restated Effective As of June 26, 2015.	Reference is made to Exhibit 10(iii)A(1) of the registrant's Form 10-Q as filed with the Commission on July 1, 2015, which is incorporated by reference.
(26)	Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan, As Amended and Restated Effective As of July 1, 2019.	Reference is made to Exhibit 10(c) of the registrant's Form 10-Q as filed with the Commission on July 2, 2019, which is incorporated herein by reference.
(27)	Unforeseeable Emergency Distribution Amendment to the Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan dated July 12, 2018.	Reference is made to Exhibit 10(iii)A(24) of the registrant's Form 10-K as filed with the Commission on October 25, 2018, which is incorporated herein by reference.
(28)	Form of Amended and Restated Change in Control Agreement entered into as of April 21, 2006.	Reference is made to Exhibit 99.1 of registrant's Form 8-K filed with the Commission on April 27, 2006, which is incorporated herein by reference.
(29)	Letter Agreement relating to Supplemental Executive Retirement Plan between Acuity Brands, Inc. and Vernon J. Nagel.	Reference is made to Exhibit 10(iii)A(4) of the registrant's Form 10-Q as filed with the Commission on July 14, 2003, which is incorporated by reference.
(30)	Employment Letter between Acuity Brands, Inc. and Vernon J. Nagel, dated June 29, 2004.	Reference is made to Exhibit 10(III)A(1) of the registrant's Form 10-Q as filed with the Commission on July 6, 2004, which is incorporated by reference.
(31)	Amended and Restated Severance Agreement, entered into as of January 20, 2004, by and between Acuity Brands, Inc. and Vernon J. Nagel.	Reference is made to Exhibit 10(III)A(2) of the registrant's Form 10-Q as filed with the Commission on July 6, 2004, which is incorporated by reference.
(32)	Amendment dated April 21, 2006 to the Amended and Restated Severance Agreement between Acuity Brands, Inc. and Vernon J. Nagel.	Reference is made to Exhibit 99.3 of registrant's Form 8-K filed with the Commission on April 27, 2006, which is incorporated herein by reference.
(33)	Amendment No. 2 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Vernon J. Nagel.	Reference is made to Exhibit 10(iii)A(2) of registrant's Form 10-Q as filed with the Commission on April 4, 2007, which is incorporated herein by reference.

(34)	Amendment No. 3 to Acuity Brands, Inc. Amended and Restated Severance Agreement, between Acuity Brands, Inc. and Vernon J. Nagel.	Reference is made to Exhibit 10(iii)A(78) of the registrant's Form 10-K as filed with the Commission on October 30, 2009, which is incorporated herein by reference.
(35)	Amendment No. 4 to Acuity Brands, Inc. Amended and Restated Severance Agreement, between Acuity Brands, Inc. and Vernon J. Nagel.	Reference is made to Exhibit 10(iii)A(2) of the registrant's Form 10-Q as filed with the Commission on April 2, 2014, which is incorporated herein by reference.
(36)	Amendment No. 5 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Vernon J. Nagel.	Reference is made to Exhibit 10(a) of the registrant's Form 10-Q as filed with the Commission on April 3, 2019, which is incorporated herein by reference.
(37)	Form of Incentive Stock Option Agreement for Executive Officers.	Reference is made to Exhibit 10(III)A(3) of the registrant's Form 10-Q filed with the Commission on January 6, 2005 incorporated by reference.
(38)	Form of Nonqualified Stock Option Agreement for Executive Officers.	Reference is made to Exhibit 10(III)A(4) of the registrant's Form 10-Q as filed with the Commission on January 6, 2005, which is incorporated by reference.
(39)	Premium-Priced Nonqualified Stock Option Agreement for Executive Officers between Acuity Brands, Inc. and Vernon J. Nagel.	Reference is made to Exhibit 10(III)A(5) of the registrant's Form 10-Q as filed with the Commission on January 6, 2005, which is incorporated by reference.
(40)	Acuity Brands, Inc. Matching Gift Program.	Reference is made to Exhibit 10(III)A(1) of the registrant's Form 10-Q as filed with the Commission on April 4, 2005, which is incorporated by reference.
(41)	Employment Letter dated November 16, 2005 between Acuity Brands, Inc. and Richard K. Reece.	Reference is made to Exhibit 10.1 of registrant's Form 8-K filed with the Commission on November 18, 2005, which is incorporated herein by reference.
(42)	Amendment No. 1 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Richard K. Reece.	Reference is made to Exhibit 10(iii)A(81) of the registrant's Form 10-K as filed with the Commission on October 30, 2009, which is incorporated herein by reference.
(43)	Amendment No. 2 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Richard K. Reece.	Reference is made to Exhibit 10 (f) of registrant's Form 10-Q as filed with the Commission on March 31, 2010, which is incorporated herein by reference.
(44)	Amendment No. 3 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Richard K. Reece.	Reference is made to Exhibit 10(iii)A(4) of the registrant's Form 10-Q as filed with the Commission on April 2, 2014, which is incorporated herein by reference.
(45)	Amendment No. 4 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Richard K. Reece.	Reference is made to Exhibit 10(iii)A(46) of the registrant's Form 10-K as filed with the Commission on October 29, 2014, which is incorporated herein by reference.
(46)	Amendment No. 5 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Richard K. Reece.	Reference is made to Exhibit 10(iii)A(43) of the registrant's Form 10-K as filed with the Commission on October 27, 2015, which is incorporated herein by reference.
(47)	Amendment No. 6 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Richard K. Reece.	Reference is made to Exhibit 10(iii)A(44) of the registrant's Form 10-K as filed with the Commission on October 27, 2016, which is incorporated herein by reference.
(48)	Amendment No. 7 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Richard K. Reece.	Reference is made to Exhibit 10(iii)A(45) of the registrant's Form 10-K as filed with the Commission on October 26, 2017, which is incorporated herein by reference.

(49)	Amendment No. 8 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Richard K. Reece.	Reference is made to Exhibit 10(a) of the registrant's Form 10-Q as filed with the Commission on January 9, 2019, which is incorporated herein by reference.
(50)	Amendment No. 9 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Richard K. Reece.	Reference is made to Exhibit 10(b) of the registrant's Form 10-Q as filed with the Commission on April 3, 2019, which is incorporated herein by reference.
(51)	Acuity Brands Lighting, Inc. Severance Agreement, entered into as of March 28, 2018, by and between Acuity Brands Lighting, Inc. and Karen J. Holcom.	Filed with the Commission as part of this Form 10-K.
(52)	Amendment No. 1 to Acuity Brands Lighting, Inc. Severance Agreement between Acuity Brands Lighting, Inc. and Karen J. Holcom.	Filed with the Commission as part of this Form 10-K.
(53)	Amendment No. 2 to Acuity Brands Lighting, Inc. Severance Agreement between Acuity Brands Lighting, Inc. and Karen J. Holcom.	Filed with the Commission as part of this Form 10-K.
(54)	Change in Control Agreement, entered into as of March 28, 2018, by and between Acuity Brands, Inc. and Karen J. Holcom.	Filed with the Commission as part of this Form 10-K.
(55)	Amendment No.1 to Acuity Brands, Inc. Change in Control Agreement between Acuity Brands, Inc. and Karen J. Holcom.	Filed with the Commission as part of this Form 10-K.
(56)	Form of Nonqualified Stock Option Agreement for Executive Officers.	Reference is made to Exhibit 99.1 of registrant's Form 8-K filed with the Commission on December 2, 2005, which is incorporated herein by reference.
(57)	Amended and Restated Acuity Brands, Inc. Long-Term Incentive Plan.	Reference is made to Exhibit A of the registrant's Proxy Statement as filed with the Commission on November 16, 2007, which is incorporated herein by reference.
(58)	Acuity Brands, Inc. Long-Term Incentive Plan Fiscal Year 2008 Plan Rules for Executive Officers.	Reference is made to Exhibit 99.1 of the registrant's Form 8-K as filed with the Commission on January 4, 2008, which is incorporated herein by reference.
(59)	Form of Nonqualified Stock Option Agreement for Key Employees effective October 24, 2008.	Reference is made to Exhibit 10 (i) of registrant's Form 10-Q as filed with the Commission on April 8, 2009, which is incorporated herein by reference.
(60)	Form of Nonqualified Stock Option Agreement for Executive Officers of Acuity Brands, Inc. effective October 24, 2008.	Reference is made to Exhibit 10 (j) of registrant's Form 10-Q as filed with the Commission on April 8, 2009, which is incorporated herein by reference.
(61)	Employment Letter dated July 27, 2006 between Acuity Brands, Inc. and Mark A. Black.	Reference is made to Exhibit 10 (f) of registrant's Form 10-Q as filed with the Commission on April 8, 2009, which is incorporated herein by reference.
(62)	Severance Agreement dated November 19, 2008, by and between Acuity Brands Lighting, Inc. and Mark A. Black.	Reference is made to Exhibit 10(iii)A(1) of the registrant's Form 10-Q as filed with the Commission on January 9, 2015.
(63)	Amendment No. 1 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Mark A. Black.	Reference is made to Exhibit 10(iii)A(79) of the registrant's Form 10-K as filed with the Commission on October 30, 2009, which is incorporated herein by reference.

(64)	Amendment No. 2 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Mark A. Black.	Reference is made to Exhibit 10 (d) of registrant's Form 10-Q as filed with the Commission on March 31, 2010, which is incorporated herein by reference.
(65)	Amendment No. 3 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Mark A. Black.	Reference is made to Exhibit 10(iii)A(3) of the registrant's Form 10-Q as filed with the Commission on April 2, 2014, which is incorporated herein by reference.
(66)	Amendment No. 4 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Mark A. Black.	Reference is made to Exhibit 10(iii)A(58) of the registrant's Form 10-K as filed with the Commission on October 29, 2014, which is incorporated herein by reference.
(67)	Amendment No. 5 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Mark A. Black.	Reference is made to Exhibit 10(iii)A(57) of the registrant's Form 10-K as filed with the Commission on October 27, 2015, which is incorporated herein by reference.
(68)	Amendment No. 6 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Mark A. Black.	Reference is made to Exhibit 10(iii)A(59) of the registrant's Form 10-K as filed with the Commission on October 27, 2016, which is incorporated herein by reference.
(69)	General Release Agreement between Acuity Brands, Inc. and Mark A. Black dated May 24, 2018.	Reference is made to Exhibit 10(iii)A(58) of the registrant's Form 10-K as filed with the Commission on October 25, 2018, which is incorporated herein by reference.
(70)	Amended and Restated Change in Control Agreement.	Reference is made to Exhibit 10(iii)A(2) of the registrant's Form 10-Q as filed with the Commission on January 9, 2015.
(71)	Amended and Restated Change in Control Agreement.	Reference is made to Exhibit 10(iii)A(84) of the registrant's Form 10-K as filed with the Commission on October 30, 2009, which is incorporated herein by reference.
(72)	Employment Letter between Acuity Brands, Inc. and Laurent J. Vernerey dated September 6, 2017.	Reference is made to Exhibit 10(iii)A(61) of the registrant's Form 10-K as filed with the Commission on October 25, 2018, which is incorporated herein by reference.
(73)	Severance Agreement by and between Acuity Brands, Inc. and Laurent J. Vernerey dated January 5, 2018.	Reference is made to Exhibit 10(iii)A(62) of the registrant's Form 10-K as filed with the Commission on October 25, 2018, which is incorporated herein by reference.
(74)	Amendment No. 1 to Acuity Brands, Inc. Severance Agreement between Acuity Brands, Inc. and Laurent J. Vernerey.	Reference is made to Exhibit 10(b) of the registrant's Form 10-Q as filed with the Commission on January 9, 2019, which is incorporated herein by reference.
(75)	Change in Control Agreement dated January 5, 2018 by and between Acuity Brands, Inc. and Laurent J. Vernerey.	Reference is made to Exhibit 10(iii)A(63) of the registrant's Form 10-K as filed with the Commission on October 25, 2018, which is incorporated herein by reference.
(76)	Form of Indemnification Agreement.	Reference is made to Exhibit 10.1 of registrant's Form 8-K as filed with the Commission on February 9, 2010, which is incorporated herein by reference.
(77)	Acuity Brands, Inc. 2012 Omnibus Stock Incentive Compensation Plan.	Reference is made to Exhibit A of the registrant's Proxy Statement as filed with the Commission on November 19, 2012, which is incorporated herein by reference.
(78)	Acuity Brands, Inc. 2012 Management Cash Incentive Plan.	Reference is made to Exhibit B of the registrant's Proxy Statement as filed with the Commission on November 19, 2012, which is incorporated herein by reference.

(79)	Form of Stock Notification and Award Agreement for restricted stock, effective October 24, 2013.	Reference is made to Exhibit 10(iii)A(72) of the registrant's Form 10-K as filed with the Commission on October 29, 2013, which is incorporated herein by reference.
(80)	Form of Stock Notification and Award Agreement for stock options, effective October 24, 2013.	Reference is made to Exhibit 10(iii)A(1) of the registrant's Form 10-Q as filed with the Commission on April 2, 2014, which is incorporated herein by reference.
(81)	Form of Stock Notification and Award Agreement for restricted stock, effective October 27, 2014.	Reference is made to Exhibit 10(iii)A(65) of the registrant's Form 10-K as filed with the Commission on October 29, 2014, which is incorporated herein by reference.
(82)	Form of Stock Notification and Award Agreement for stock options, effective October 27, 2014.	Reference is made to Exhibit 10(iii)A(66) of the registrant's Form 10-K as filed with the Commission on October 29, 2014, which is incorporated herein by reference.
(83)	Form of Stock Notification and Award Agreement for stock options, effective April 1, 2016.	Reference is made to Exhibit 10(iii)A(1) of the registrant's Form 10-Q as filed with the Commission on April 6, 2016, which is incorporated herein by reference.
(84)	Form of Restricted Stock Award Agreement for U.S. Grantees.	Reference is made to Exhibit 10(iii)A(70) of the registrant's Form 10-K as filed with the Commission on October 27, 2016, which is incorporated herein by reference.
(85)	Form of Restricted Stock Unit Award Agreement for Non-U.S. Grantees.	Reference is made to Exhibit 10(iii)A(72) of the registrant's Form 10-K as filed with the Commission on October 26, 2017, which is incorporated herein by reference.
(86)	Form of Nonqualified Stock Option Award Agreement.	Reference is made to Exhibit 10(iii)A(72) of the registrant's Form 10-K as filed with the Commission on October 27, 2016, which is incorporated herein by reference.
(87)	Form of Nonqualified Stock Option Award Agreement for Named Executive Officers.	Reference is made to Exhibit 10(iii)A(73) of the registrant's Form 10-K as filed with the Commission on October 27, 2016, which is incorporated herein by reference.
(88)	Amended and Restated Acuity Brands, Inc. 2012 Omnibus Stock Incentive Compensation Plan.	Reference is made to Annex A of the registrant’s Proxy Statement as filed with the Commission on November 21, 2017, which is incorporated herein by reference.
(89)	Acuity Brands, Inc. 2017 Management Cash Incentive Plan.	Reference is made to Annex B of the registrant’s Proxy Statement as filed with the Commission on November 21,2017, which is incorporated herein by reference.
(90)	Form of Restricted Stock Award Agreement for U.S. Employees.	Reference is made to Exhibit 10(iii)A(1) of the registrant's Form 10-Q as filed with the Commission on April 4, 2018, which is incorporated herein by reference.
(91)	Form of Restricted Stock Unit Notification and Award Agreement for Non-U.S. Grantees.	Reference is made to Exhibit 10(iii)A(2) of the registrant's Form 10-Q as filed with the Commission on April 4, 2018, which is incorporated herein by reference.
(92)	Form of Restricted Stock Award Agreement for Directors.	Reference is made to Exhibit 10(iii)A(3) of the registrant's Form 10-Q as filed with the Commission on April 4, 2018, which is incorporated herein by reference.
(93)	Acuity Brands, Inc. Amended and Restated 2012 Omnibus Stock Incentive Compensation Plan Global Performance Unit Notification and Award Agreement.	Filed with the Commission as part of this Form 10-K.

	(94)	Acuity Brands, Inc. Amended and Restated 2012 Omnibus Stock Incentive Compensation Plan Global Restricted Stock Unit Notification and Award Agreement.	Filed with the Commission as part of this Form 10-K.
EXHIBIT 21		List of Subsidiaries.	Filed with the Commission as part of this Form 10-K.
EXHIBIT 23		Consent of Independent Registered Public Accounting Firm.	Filed with the Commission as part of this Form 10-K.
EXHIBIT 24		Powers of Attorney.	Filed with the Commission as part of this Form 10-K.
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-K.
	(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-K.
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-K.
	(b)	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-K.
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-K.
	.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	Filed with the Commission as part of this Form 10-K.
	.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	Filed with the Commission as part of this Form 10-K.
	.LAB	XBRL Taxonomy Extension Label Linkbase Document.	Filed with the Commission as part of this Form 10-K.
	.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	Filed with the Commission as part of this Form 10-K.

Item 16. ***Form 10-K Summary***

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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 BRANDS, INC.

Date: October 29, 2019 By: /S/ VERNON J. NAGEL

Vernon J. Nagel
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ VERNON J. NAGEL **Vernon J. Nagel**	Chairman and Chief Executive Officer	October 29, 2019
/s/ KAREN J. HOLCOM **Karen J. Holcom**	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	October 29, 2019
* **W. Patrick Battle**	Director	October 29, 2019
* **Peter C. Browning**	Director	October 29, 2019
* **G. Douglas Dillard, Jr.**	Director	October 29, 2019
* **James H. Hance, Jr.**	Director	October 29, 2019
* **Robert F. McCullough**	Director	October 29, 2019
* **Julia B. North**	Director	October 29, 2019
* **Dominic J. Pileggi**	Director	October 29, 2019
* **Ray M. Robinson**	Director	October 29, 2019
* **Mary A. Winston**	Director	October 29, 2019
*BY: /s/ KAREN J. HOLCOM **Karen J. Holcom**	Attorney-in-Fact	October 29, 2019

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of October 23, 2019, Acuity Brands, Inc. (“we,” “our,” “us,” “Acuity,” the “Company,” or other such similar references) has one class of securities registered under Section 12 of the Securities Exchange Act of 1934 (the “Act”): our common stock.

Description of Common Stock

The following summary of certain terms of our common stock describes material provisions of, but does not purport to be complete and is subject to, and qualified in its entirety by, our Restated Certificate of Incorporation (as amended, the “Certificate of Incorporation”), our Amended and Restated Bylaws (the “Bylaws”), the forms of which are included as exhibits to the Annual Report on Form 10-K of which this Exhibit 4(d) is also included, as well as the relevant portions of the Delaware General Corporation Law (“DGCL”).

Authorized Capital Stock

Under our Articles of Incorporation, the total number of shares of all classes of stock that we have the authority to issue is 550,000,000, of which 500,000,000 are shares of common stock, par value $.01 per share, and 50,000,000 are shares of preferred stock, par value $.01 per share. Our outstanding shares are fully paid and non-assessable. Holders of shares of our common stock do not have subscription, redemption, or conversion rights. There are no sinking fund provisions applicable to our common stock.

Voting Rights

The holders of our common stock are entitled to one vote for each share on all matters voted on by stockholders, and the holders of such shares will possess all voting power, except as otherwise required by law or provided in any resolution adopted by our Board of Directors (the “Board”) with respect to any series of preferred stock of Acuity. There are no cumulative voting rights. Accordingly, the holders of a majority of the common stock voting for the election of directors in an uncontested election can elect all of the directors, if they choose to do so, subject to any rights of the holders of preferred stock to elect directors.

Dividend Rights

Subject to any preferential or other rights of any outstanding series of preferred stock of Acuity that may be designated by the Board, the holders of the common stock are entitled to receive ratably any dividends as may be declared from time to time by the Board from funds available.

Liquidation Rights

Subject to any preferential or other rights of any outstanding series of preferred stock of Acuity that may be designated by the Board, upon liquidation, holders of our common stock are entitled to receive pro rata all assets of Acuity available for distribution to such holders.

No Preemptive Rights

No holder of any stock of Acuity of any class have any preemptive right to subscribe to any securities of Acuity of any kind or class.

Transfer Agent and Registrar

The Transfer Agent and Registrar for Acuity is Computershare Trust Company N.A.

Preferred Stock

The Board is authorized without further stockholder approval (except as may be required by applicable law or New York Stock Exchange regulations) to provide for the issuance of shares of preferred stock, in one or more series, and to fix for each such series such voting powers, designations, preferences and relative, participating, optional and other special rights, and such qualifications, limitations or restrictions, as are stated in the resolution adopted by the Board providing for the issuance of such series and as are permitted by the DGCL. The terms and rights of any such series may include:

- the designation of the series;
- the number of shares of the series, which number the Board may thereafter, except where otherwise provided in the applicable certificate of designation, increase or decrease, but not below the number of shares thereof then outstanding;
- any dividend rights;
- any liquidation preferences;
- any redemption rights;
- any sinking fund terms;
- any conversion rights;
- any voting rights; and
- any other relative rights, preferences and limitations of such series.

Should the Board elect to exercise this authority, the rights and privileges of holders of shares of the Company's common stock could be made subject to the rights and privileges of any such series of preferred stock. Presently, Acuity has no plans to issue any preferred stock.

Certain Anti-takeover Provisions of Acuity's Certificate of Incorporation, Bylaws and Delaware Law

Our Certificate of Incorporation, Bylaws, and the DGCL contain certain provisions that could delay or make more difficult an acquisition of control of Acuity not approved by the Board, whether by means of a tender offer, open market purchases, a proxy contest, or otherwise. These provisions, which are summarized below, could have the effect of discouraging third parties from making proposals involving an acquisition or change of control of Acuity, although such a proposal, if made, might be considered desirable by a majority of Acuity's stockholders.

Election and Removal of Directors. In accordance with our Certificate of Incorporation, the Board is currently divided into three classes serving staggered three-year terms, with one class being elected each year. However, the division of directors into classes will terminate at the annual meeting of stockholders for fiscal year 2019, and each director elected at the annual meeting of stockholders for fiscal year 2019 and thereafter will be elected for a one-year term expiring at the next annual meeting after their election. Our Certificate of Incorporation also provides that directors may be removed only for cause and then only by the affirmative vote of the holders of 80% or more of the shares then entitled to vote at an election of directors. Furthermore, any vacancy on the Board, however occurring, including a vacancy resulting from an increase in the size of the Board (other than vacancies and newly created directorships which the holders of any class or classes of stock are expressly entitled by the Certificate of Incorporation to fill), may only be filled by the affirmative vote of a majority of our directors then in office, even if less than a quorum, or by the sole remaining director (and not by stockholders). This system of electing and removing directors generally makes it more difficult for stockholders to replace a majority of our directors.

Stockholder Action, Advance Notification of Stockholder Nominations, and Proposals. Our Certificate of Incorporation provides that stockholder action may be taken only at an annual or special meeting of stockholders and that stockholders may not act by written consent. Our Certificate of Incorporation and Bylaws provide that special meetings of stockholders may be called only by resolution adopted by the whole Board. Stockholders are not permitted to call a special meeting or to require the Board to call a special meeting of stockholders.

Our Bylaws establish advance notice procedures for stockholder proposals to be brought before any annual or special meeting of stockholders and for nominations by stockholders of candidates for election as directors at an annual meeting or a special meeting at which directors are to be elected. Subject to any other applicable requirements, these procedures provide that notice of stockholder proposals must be timely given in writing to our corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not less than 90 days or more than 120 days prior to the first anniversary of the preceding year's annual meeting of stockholders. The notice must contain certain information specified in our Bylaws.

These provisions could have the effect of delaying until the next stockholder meeting any stockholder actions, even if they are favored by the holders of a majority of our outstanding voting securities.

Authorized but Unissued Capital Stock. The authorized but unissued shares of our common stock and preferred stock will be available for future issuance without any further vote or action by our stockholders. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions, and employee benefit plans. The existence of authorized but unissued shares of our common stock and our preferred stock could render more difficult or discourage an attempt to obtain control over us by means of a proxy contest, tender offer, merger, or otherwise. For example, if in the due exercise of its fiduciary obligations, the Board were to determine that a takeover proposal is not in the best interests of us or our stockholders, the Board could cause shares of preferred stock to be issued without stockholder approval in one or more private offerings or

other transactions that might dilute the voting or other rights of the proposed acquirer or insurgent stockholder or stockholder group.

Amendment to Certificate of Incorporation and Bylaws. The DGCL provides generally that the affirmative vote of a majority of the outstanding stock entitled to vote on amendments to a corporation's certificate of incorporation or bylaws is required to approve such amendment, unless a corporation's certificate of incorporation or bylaws, as the case may be, requires a greater percentage. Our Bylaws may be amended or repealed by a majority vote of the Board or, in addition to any other vote otherwise required by law, the holders of at least 80% of the voting power of all of the then outstanding shares of the capital stock entitled to vote generally in the election of directors, voting together as a single class.

Additionally, the approval by holders of at least 80% of the voting power of all of the then outstanding shares of the capital stock entitled to vote on such matter, voting together as a single class, is required to amend or repeal or to adopt any provision inconsistent with Article V, Article VII, Article VIII, Article X or Article XI of our Certificate of Incorporation. These provisions may have the effect of deferring, delaying, or discouraging the removal of any anti-takeover defenses provided for in our Certificate of Incorporation and our Bylaws.

No Cumulative Voting. The DGCL provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless our certificate of incorporation provides otherwise.

Delaware Takeover Statute. We are subject to the provisions of Section 203 of the DGCL and have adopted additional provisions in our Certificate of Incorporation for the approval, adoption, or authorization of business combinations. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner.

Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, lease, pledge, exchange, mortgage or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;
- subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- subject to exceptions, any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges, or other financial benefits provided by or through the corporation.

In general, Section 203 defines an "interested stockholder" as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by the entity or person.

Pursuant to our Certificate of Incorporation, a "business combination" with an "interested person" requires the affirmative vote or consent of the holders of a majority of the shares of stock entitled to vote in elections of directors, which are not beneficially owned, directly or indirectly, by such interested person. This voting requirement will not be applicable if certain conditions described in our Bylaws are met with respect to a particular business combination.

Our Certificate of Incorporation defines a "business combination" as (a) any merger or consolidation of Acuity or any of its subsidiaries with or into any interested person (regardless of the identity of the surviving corporation); (b) any sale, lease, or other disposition of all or any substantial part of the assets of Acuity or any of its subsidiaries to any interested person for cash or securities or both; or (c) any issuance or delivery of securities of Acuity or any of its subsidiaries (which the beneficial owner shall have the right to vote, or to vote upon exercise, conversion, or by contract) to an interested person in consideration for or in exchange of any securities or other property (including cash).

An "interested person" is defined in our Certificate of Incorporation as any person who beneficially owns, directly or indirectly, 5% or more of the shares of stock of Acuity entitled to vote in elections of directors at the relevant record date.

Limitations of Liability and Indemnification Matters

Our Bylaws limit the liability of our directors to the fullest extent permitted by applicable law and provide that we will indemnify them to the fullest extent permitted by such law. We have also entered into indemnification agreements with our current directors and executive officers and expect to enter into a similar agreement with any new director or executive officer.

ACUITY BRANDS LIGHTING, INC.
SEVERANCE AGREEMENT

THIS SEVERANCE AGREEMENT (the "Agreement") is made and entered into as of this 28th day of March, 2018, by and between ACUITY BRANDS LIGHTING, INC., a Delaware corporation (the "Company"), and **Karen J. Holcom** ("Executive").

W I T N E S S E T H:

WHEREAS, Executive is a key employee of the Company and an integral part of the Company's management;

WHEREAS, the Company desires to provide the Executive with certain benefits if the Executive's employment is terminated involuntarily under certain circumstances;

WHEREAS, the Company and the Executive have determined it is in their mutual best interests to enter into this Agreement; and

NOW, THEREFORE, the parties hereby agree as follows:

1. **TERM OF AGREEMENT.**

This Agreement shall commence on the date hereof and shall continue unless or until terminated as provided herein. This Agreement shall not be considered an employment agreement and in no way guarantees Executive the right to continue in the employment of the Company or its affiliates. Executive's employment is considered employment at will, subject to Executive's right to receive payments and benefits upon certain terminations of employment as provided below.

As of the date hereof, to the extent that the Executive and the Company have previously entered into a severance agreement related to the terms and conditions addressed in this Agreement, such agreement is superseded and replaced in its entirety by this Agreement. Unless it is specifically provided otherwise, this Agreement does not supersede any Change in Control Agreement between the parties that relates specifically to termination and severance benefits in connection with a "change in control" (as defined in such Change in Control Agreement) of the Company.

2. **DEFINITIONS.**

For purposes of this Agreement, the following terms shall have the meanings specified below:

2.1. **"Board" or "Board of Directors"**. The Board of Directors of Acuity Brands, Inc., or its successor.

2.2. **"Cause"**. The involuntary termination of Executive by the Company for the following reasons shall constitute a termination for Cause:

(a) If termination shall have been the result of an act or acts by the Executive which have been found in an applicable court of law to constitute a felony (other than traffic-related offenses);

(b) If termination shall have been the result of an act or acts by the Executive which are in the good faith judgment of the Company to be in violation of law or of written policies of the Company and which result in material injury to the Company;

(c) If termination shall have been the result of an act or acts of dishonesty by the Executive resulting or intended to result directly or indirectly in gain or personal enrichment to the Executive at the expense of the Company; or

(d) Upon the continued failure by the Executive substantially to perform the duties reasonably assigned to Executive given Executive's training and experience (other than any such failure resulting from incapacity due to mental or physical illness not constituting a Disability, as defined herein), after a demand in writing for substantial performance of such duties is delivered by the Company, which demand specifically identifies the manner in which the Company believes that the Executive has not substantially performed his/her duties and such failure results in material injury to the Company.

If Executive's employment is terminated for any reason, the supervising executive to whom Executive directly reports (the "Supervising Executive") shall make a determination whether or not the termination was for Cause. If the Supervising Executive determines that the termination was for Cause, then, within thirty (30) days of such termination, the Company shall provide written notice to the Executive indicating that the termination was for Cause and noting that benefits will not be made available to the Executive pursuant to this Agreement.

2.3. **"Change in Control Agreement".** An agreement between Executive and the Company providing for the payment of compensation and benefits to Executive in the event of Executive's termination of employment under certain circumstances following a "change in control" of the Company (as defined in such agreement).

2.4. **Company**". Acuity Brands Lighting, Inc., a Delaware corporation, or any successor to its business and/or assets.

2.5. "**Date of Termination**". The date specified in the Notice of Termination (which may be immediate) as the date upon which the Executive's employment with the Company is to cease.

2.6. "**Disability**". Disability shall have the meaning ascribed to such term in the Company's long-term disability plan covering the Executive, or in the absence of such plan, a meaning consistent with Section 22(e)(3) of the Code. The determination of Disability shall be made by the Company in a manner consistent with the requirements of Section 409A.

2.7. "**Notice of Termination**". A written notice from the Company to the Executive specifying the Date of Termination.

2.8. "**Section 409A**". Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and rulings thereunder.

2.9. "**Severance Period**". A period equal to the lesser of (i) twelve (12) months from the Executive's Date of Termination or (ii) the number of months (rounded to the nearest month) from the Executive's Date of Termination until the date he/she attains age 65; provided, however, that the Severance Period shall in no event be less than six (6) months or extend beyond December 31 of the second year following the year in which the Date of Termination occurs.

3. **SCOPE OF AGREEMENT.**

This Agreement provides for the payment of compensation and benefits to Executive in the event his/her employment is involuntarily terminated by the Company without Cause. If Executive is terminated by the Company for Cause, dies, incurs a Disability or voluntarily terminates employment, this Agreement shall terminate (except that the restrictive covenants contained herein shall survive termination of this Agreement), and Executive shall be entitled to no payments of compensation or benefits pursuant to the terms of this Agreement; provided that in such events, Executive will be entitled to whatever benefits are payable pursuant to the terms of any health, life insurance, disability, welfare, retirement, deferred compensation, or other plan or program maintained by the Company.

If, as a result of Executive's termination of employment, Executive becomes entitled to compensation and benefits under this Agreement and under a Change in Control Agreement, Executive shall be entitled to receive benefits under whichever agreement provides Executive the greater aggregate compensation and benefits (and not under the other agreement) and there shall be no duplication of benefits.

4. **BENEFITS UPON INVOLUNTARY TERMINATION WITHOUT CAUSE BY THE COMPANY**

If Executive's employment is involuntarily terminated by the Company during the term of this Agreement without Cause (and such termination does not arise as a result of Executive's death or Disability), the Executive shall be entitled to the compensation and benefits described below, provided that Executive timely executes and does not revoke a valid release of claims in such form as may be required by the Company, and Executive abides by the provisions of this Agreement. If the Executive's release execution period begins in one taxable year and ends in another taxable year, payments under this Section 4 shall not be made until the beginning of the second taxable year.

4.1. Base Salary. Executive shall continue to receive his/her Base Salary (subject to withholding of all applicable taxes) for the entire Severance Period (as defined in Section 2 above), payable in the same manner as it was being paid on his/her Date of Termination.

4.2. Annual Bonus. Executive shall be paid an amount equal to the greater of (i) 55% of employee's gross salary, multiplied by a fraction (the "Pro Rata Fraction"), the numerator of which is the number of days that have elapsed in the then current fiscal year through Executive's Date of Termination and the denominator of which is 365, or (ii) the annual incentive bonus that would be paid or payable to Executive under the Incentive Plan based upon the Company's actual performance for such fiscal year, multiplied by the Pro Rata Fraction. The bonus amount determined pursuant to this Section 4.2(i) shall be paid to Executive within thirty (30) days after the effective date of a confidential severance agreement and release entered into between Executive and Company referenced in Section 4.8, and any additional amount payable pursuant to Section 4.2(ii) shall be payable at the same time as bonuses are payable to other executives under the Incentive Plan. "Incentive Plan" shall mean the Acuity Brands, Inc. Management Cash Incentive Plan for the fiscal year in which the Executive's Termination of Employment occurs. Terms used in this Section 4.2 shall have the meaning ascribed them in the Incentive Plan. The bonus amount determined pursuant to this section shall be subject to withholding of all applicable taxes. In the event Executive becomes entitled to a bonus under this Section 4.2 and under the Incentive Plan in connection with a change in control (as defined in the Incentive Plan), Executive shall be entitled to receive whichever bonus amount is greater and Executive shall not receive a duplicate bonus for the same fiscal year (or portion of a fiscal year).

4.3. Accrued Vacation. Executive shall be paid an amount equal to Executive's accrued but unused vacation (determined in accordance with Company policy) as of his/her Date of Termination. The amount (subject to withholding of all applicable taxes) shall be paid pursuant to applicable law.

4.4. Stock Options, Restricted Stock and Restricted Stock Units. As of the first day of the Severance Period, the vesting and exercisability of all outstanding Stock Options, Restricted Stock, Restricted Stock Units and any other equity awards held by Executive shall be determined in accordance with the agreements and plans governing such awards.

4.5. Health Care and Life Insurance Benefits. Subject to the terms of the group insurance contract and plan documents, the term life insurance coverage provided to Executive prior to the start of the Severance Period shall be continued at the same level as for active executives and in the same manner as received prior to the Severance Period, beginning on the first day of the Severance Period and ending on the last day of the Severance Period. If the terms of such plan or the laws applicable to such plan do not permit continued participation by Executive, then the Company will arrange for other coverage satisfactory to Executive at the Company's expense which provides substantially similar benefits or, at the Company's election, the Company will pay Executive a lump sum amount equal to the annual costs of such coverage(s) for the Severance Period, less applicable withholding. A benefit provided under this Section 4.5 shall cease if Executive obtains other employment and, as a result of such employment, life insurance benefits are available to Executive.

If Executive timely elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") under the Company's group medical plan following termination of his/her employment, the Company will pay Executive a monthly amount equal to the Company's subsidy towards the cost of medical coverage for similarly-situated active employees enrolled in the same coverage in which the Executive was enrolled on the Date of Termination (the "COBRA Subsidy"), as reduced by any applicable withholding. The Company shall pay the COBRA Subsidy until the earliest of (a) the date Executive qualifies under another employer-sponsored medical plan, or (b) the end of eighteen (18) months of COBRA continuation coverage, or (c) the date on which the Severance Period ends.

4.6. Outplacement Services. Executive will be provided with customary outplacement services by an outplacement firm selected by the Company for the Severance Period, provided that the Company's total cost for such services shall not exceed an amount equal to ten percent (10%) of Executive's Base Salary.

4.7. Other Benefits. Except as expressly provided herein, all other fringe benefits provided to Executive as an active employee of the Company (e.g., car allowance, club dues, etc.), shall cease on the Date of Termination, provided that any conversion or extension rights applicable to such benefits shall be made available to Executive at his/her Date of Termination or when such coverages otherwise cease at the end of the Severance Period. Except as

expressly provided herein, for all other benefit plans sponsored by the Company, the Executive's employment shall be treated as terminated on his/her Date of Termination, and Executive's right to benefits shall be determined under the terms of such plans; provided, however, in no event will Executive be entitled to severance payments or benefits under any other severance plan, policy, program or agreement of the Company, except to the extent Executive is covered by a Change in Control Agreement.

4.8. Release of Claims. To be entitled to any of the compensation and benefits described above in this Section 4 (except for accrued vacation, which would be paid pursuant to applicable law), Executive shall sign a release of claims substantially in the form attached hereto as Exhibit A. No payments shall be made under this Section 4 until such release has been properly executed and delivered to the Company and until the expiration of the revocation period, if any, provided under the release. If the release is not properly executed by the Executive and delivered to the Company within the reasonable time periods specified in the release, the Company's obligations under this Section 4 will terminate.

4.9. Section 409A. All payments hereunder are intended to satisfy the "short-term deferral" exemption under Treas. Reg. §1.409-1(b)(4) in tandem with the "separation pay" exemption under Treas. Reg. §1.409-1(b)(9) such that no payment hereunder shall be deemed "deferred compensation" within the meaning of Code Section 409A. Therefore, to the extent the amounts described in Sections 4.1, 4.2 and 4.5 which are payable after March 15 of the year following the Date of Termination exceed the "separation pay" limit prescribed under Treas. Reg. § 1.409A-1(b)(9) (generally, the lesser of two times the Code § 401(a)(17) limit or two times the Executive's annual compensation), then the payment of such excess amounts shall be accelerated and paid in equal installment payments commencing with the start of the Severance Period and ending on the payroll period preceding the March 15 of the year following the Date of Termination. Each installment payment under this Agreement shall be treated as a separate payment for purposes of Code Section 409A.

EXAMPLE: Solely for illustration purposes, if Executive terminates without Cause on November 1, 2017 and becomes entitled to Separation Pay totaling $1 million, with $700,000 of the Severance Pay otherwise scheduled to be paid after March 15, 2018, then $160,000 ($700,000 - $540,000 (Code § 401(a)(17) limit)) of the post-March 15, 2018 Severance Pay will be accelerated and paid ratably for the payroll period following the Executive's Date of Termination and ending on the last payroll period preceding March 15, 2018. (Such example assumes the Executive's annual compensation was equal to or greater than the Code § 401(a)(17) limit.)

Notwithstanding any provision of this Agreement to the contrary, no payments under Sections 4.1, 4.2 or 4.5 shall commence until the Executive has incurred a "Separation from Service." For these purposes, "Separation from Service" means the termination of the Executive's employment with the Company for reasons other than death or Disability. Whether a Separation from Service takes place is determined based on the facts and circumstances surrounding the termination of the Executive's employment and whether the Company and the Executive intended for the Executive to provide significant services for the Company following such termination. A change in the Executive's employment status will not be considered a Separation from Service if:

a. the Executive 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 Executive 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).

The Company makes no representations that the payments and benefits provided under this Agreement comply with Code Section 409A, and in no event shall the Company be liable for all or any portion of any taxes, penalties,

interest, or other expenses that may be incurred by the Executive on account of non-compliance with Code Section 409A

5. **CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETITION**

5.1. Purpose and Reasonableness of Provisions. Executive acknowledges that, during the term of his/her employment with the Company and during the Severance Period, the Company and its affiliates have furnished and may continue to furnish to Executive Trade Secrets and Confidential Information, which, if used by Executive on behalf of, or disclosed to, a competitor of the Company and its affiliates, or other person, could cause substantial detriment to the Company and its affiliates. Moreover, the parties recognize that Executive, during the term of his/her employment with the Company, has and will develop important relationships with customers, agents and others having valuable business relationships with the Company, and that these relationships may continue to develop during the Severance Period. In view of the foregoing, Executive acknowledges and agrees that the restrictive covenants contained in this Section 5 are reasonably necessary to protect the Company's and its affiliates' legitimate business interests, Confidential Information, and good will.

5.2. Trade Secrets and Confidential Information. Executive agrees that he/she shall protect the Company's and its affiliates' Trade Secrets (as defined below) and Confidential Information (as defined below) and shall not disclose to any person or entity, or otherwise use or disseminate, except in connection with the performance of his/her duties for the Company, any Trade Secrets or Confidential Information; provided, however, that Executive may make disclosures required by a valid order or subpoena issued by a court or administrative agency of competent jurisdiction, in which event Executive will promptly notify the Company or its affiliates of such order or subpoena to provide the Company or its affiliates an opportunity to protect their interests. Executive's obligations under this Section 5.2 shall apply during his/her employment and after his/her termination of employment, shall continue through the Severance Period, and shall survive any expiration or termination of this Agreement, so long as the information or material remains Confidential Information or a Trade Secret, as applicable.

Executive further confirms that during his/her employment with the Company, he/she has not and will not offer, disclose or use on Executive's own behalf or on behalf of the Company, any information Executive received prior to employment by the Company which was supplied to Executive confidentially or which Executive should reasonably know to be confidential.

Nothing in this Agreement prohibits Executive from reporting possible violations of federal law or regulation to any governmental agency or entity including but not limited to the Department of Justice, the Securities and Exchange Commission, Congress, or any Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. Executive does not need the prior authorization of Company to make any such reports or disclosures, and Executive is not required to notify Company that Executive has made such reports or disclosures.

5.3. Return of Property. On or before the start of the Severance Period, Executive agrees to deliver promptly to the Company all files, customer lists, management reports, memoranda, research, Company forms and documents, financial data and reports and other documents (including all such data and documents in electronic form or on flash or external hard drives) of the Company or its affiliates, supplied to or created by him/her in connection with his/her employment hereunder (including all copies of the foregoing) in his/her possession or control, and all of the Company's equipment (e.g., mobile devices, laptop, computer, flash or hard drives, etc.) and other materials in his/her possession or control. Executive's obligations under this Section 5.3 shall survive any expiration or termination of this Agreement. Executive agrees and covenants to permanently delete any such information residing in electronic format to the best of his/her ability and to not attempt to retrieve it.

5.4. Inventions. Executive does hereby assign to the Company the entire right, title and interest in any Invention which is or was made or conceived, either solely or jointly with others, during his/her employment with the Company. Executive attests that he/she has disclosed (or promptly will disclose, if during the Severance Period) to the Company all such Inventions. Executive will, if requested, promptly execute and deliver to the Company a specific assignment of title for any such Invention and will at the expense of the Company, take all reasonably required action by the Company to patent, copyright or otherwise protect the Invention.

5.5. Non-Competition. Executive acknowledges and agrees that both during his/her employment and for twelve (12) months after the last day of his/her employment with the Company, he/she has not and will not, directly or indirectly, engage in, provide, or perform any duties or services of the type conducted, authorized, offered, or provided by Executive in his/her capacity as an employee on behalf of the Company within twelve (12) months prior to the start of the Severance Period, on behalf of any person or entity (or in the case of an entity that is organized into divisions or units, any distinct division or operating unit of such entity) in the Territory (as defined in 5.10(g) below) that derives income from providing goods or services substantially similar to those which comprise the Company's Business.

5.6. Non-Solicitation of Customers and Sales Agents. Executive acknowledges and agrees that both during his/her employment and for twenty-four (24) months after the last day of his/her employment with the Company, Executive has not and will not directly or indirectly solicit Customers (as defined below) or Sales Agents (as defined below) with whom he/she had Material Contact (as defined below) for the purpose of providing goods and/or services competitive with the Company's Business. Notwithstanding the foregoing, this Section shall not prevent Executive, during the course of his/her Severance Period, from soliciting a person or entity that has since discontinued all business communications with the Company.

5.7. Non-Solicitation of Employees and Agents. Executive acknowledges and agrees that both during his/her employment and for twenty-four (24) months after the last day of his/her employment with the Company, Executive has not and will not, directly or indirectly, whether on behalf of Executive or others, solicit, lure or attempt to hire away any of the Company's or its affiliates' employees or agents. Notwithstanding the foregoing, this Section shall not prevent Executive from soliciting an employee or agent that has since discontinued all business dealings with the Company.

5.8. Non-Disparagement. Executive agrees that he/she will not make any disparaging statements or comments to any person or entity by any medium, whether oral or written, about Company, any of its affiliates or any of its respective officers, directors, employees, shareholders, agents, representatives or independent contractors. Nor shall Executive communicate to any person or entity by any medium, whether oral or written, any information harmful or adverse to Company, any of its affiliates or any of its respective officers, directors, employees, shareholders, agents, representatives or independent contractors. Nothing in this Section shall prevent Executive from providing truthful testimony pursuant to a lawful subpoena or other court order.

5.9. Injunctive Relief. Executive acknowledges that if he/she breaches or threatens to breach any of the provisions of this Section 5, his/her actions may cause irreparable harm and damage to the Company or its affiliates which could not be compensated in damages. Accordingly, if Executive breaches or threatens to breach any of the provisions of this Section 5, the Company (or, if applicable, an affiliate) shall be entitled to seek injunctive relief, in addition to any other rights or remedies the Company (or, if applicable, an affiliate) may have. The existence of any claim or cause of action by Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company (or, if applicable, an affiliate) of Executive's agreements under this Section 5.

5.10. Definitions. For purposes of this Section 5, the following definitions shall apply:

a. "Confidential Information" means:

i. Data and information relating to the Company's Business; disclosed to Executive or of which Executive became aware of as a consequence of Executive's relationship with the Company; having value

to the employer; not generally known to the competitors for the employer; and which includes trade secrets, methods of operation, names of customers, price lists, financial information and projections, route books, personnel data, and similar information For purposes of this Agreement, subject to the foregoing, and according to terminology commonly used by the Company, the Company's Confidential Information shall include, but not be limited to, information pertaining to: (1) Business Opportunities (as defined below); (2) data and compilations of data relating to the Company's Business (as defined below); (3) compilations of information about, and communications and agreements with, customers and potential customers of the Company; (4) computer software, hardware, network and internet technology utilized, modified or enhanced by the Company or by Executive in furtherance of Executive's duties with the Company; (5) compilations of data concerning Company products, services, customers, and end users including but not limited to compilations concerning projected sales, new project timelines, inventory reports, sales, and cost and expense reports; (6) compilations of information about the Company's employees and independent contracting consultants; (7) the Company's financial information, including, without limitation, amounts charged to customers and amounts charged to the Company by its vendors, suppliers, and service providers; (8) proposals submitted to the Company's customers, potential customers, wholesalers, distributors, vendors, suppliers and service providers; (9) the Company's marketing strategies and compilations of marketing data; (10) compilations of data or information concerning, and communications and agreements with, vendors, suppliers and licensors to the Company and other sources of technology, products, services or components used in the Company's Business; (11) any information concerning services requested and services performed on behalf of customers of the Company, including planned products or services; and (12) the Company's research and development records and data. Confidential Information also includes any summary, extract or analysis of such information together with information that has been received or disclosed to the Company by any third party as to which the Company has an obligation to treat as confidential.

ii. Confidential Information shall not include:

A. Information generally available to the public other than as a result of improper disclosure by Executive;

B. Information that becomes available to Executive from a source other than the Company (provided Executive has no knowledge that such information was obtained from a source in breach of a duty to the Company);

C. Information disclosed pursuant to law, regulations or pursuant to a subpoena, court order or legal process; and/or

iii. Information obtained in filings with the Securities and Exchange Commission.

b. "Trade Secrets" means Confidential Information constituting a trade secret under Georgia Law, O.C.G.A. §§ 10-1-760, *et seq*.

c. "Inventions" means contributions, discoveries, improvements and ideas and works of authorship, whether or not patentable or copyrightable, and: (i) which relate directly to the business of the Company, or (ii) which result from any work performed by Executive or by Executive's fellow employees for the Company, or (iii) for which equipment, supplies, facilities, Confidential Information or Trade Secrets of the Company or its affiliates are used, or (iv) which is developed on the Company's time.

d. "Customers" means those entities and/or individuals who are customers of the Company and/or its affiliates with respect to which, within the two-year period preceding the start of the Severance Period: (i) Executive had Material Contact on behalf of the Company; (ii) Executive acquired, directly or indirectly, Confidential Information or Trade Secrets as a result of his employment with the Company; and/or (iii) Executive exercised oversight or responsibility of subordinates who engaged in Material Contact on behalf of the Company.

e. "Company's Business" means the design, manufacture, installation, servicing, and/or sale of one or more of the following and any related products and/or services: lighting fixtures and systems; lighting control components and systems (including but not limited to dimmers, switches, relays, programmable lighting controllers, sensors, timers, and range extenders for lighting and energy management and other purposes); building management and/or control systems; commercial building lighting controls; intelligent building automation and energy management technologies, products, software and solutions with respect to HVAC systems and HVAC controls and sensors;

motorized shading and blind controls; building security and access control and monitoring for fire and life safety; emergency lighting fixtures and systems (including but not limited to exit signs, emergency light units, inverters, back-up power battery packs, and combinations thereof); battery powered and/or photovoltaic lighting fixtures; electric lighting track units; hardware for mounting and hanging electrical lighting fixtures; aluminum, steel and fiberglass fixture poles for electric lighting; light fixture lenses; sound and electromagnetic wave receivers and transmitters; flexible and modular wiring systems and components (namely, flexible branch circuits, attachment plugs, receptacles, connectors and fittings); LED drivers and other power supplies; daylighting systems including but not limited to prismatic skylighting and related controls; organic LED products and technology; medical and patient care lighting devices and systems; indoor positioning products and technology; sensor based information networks; distributed software services; and any wired or wireless communications and monitoring hardware or software related to any of the above.

f. "Territory" means the United States. Executive acknowledges that the Company is licensed to do business and in fact does business in all fifty states in the United States. Executive further acknowledges that the services he has performed and may continue to perform on behalf of the Company or its affiliates, including executive services, are at a senior managerial level and are not limited in their territorial scope to any particular city, state, or region, but instead affect the Company's activity within the entire United States. Specifically, Executive provides executive services on the Company's behalf, travels throughout the United States to attend Company meetings, visit Company factories and distribution centers, meet with Company agents and distributors, and attend trade shows. Accordingly, Executive agrees that these restrictions are reasonable and necessary to protect the Confidential Information, trade secrets, business relationships, and goodwill of the Company.

g. "Material Contact" shall have the meaning set forth in O.C.G.A. § 13-8-51(10), which includes contact between an employee and each customer or potential customer: with whom or which the employee dealt on behalf of the employer; whose dealings with the employer were coordinated or supervised by the employee; about whom the employee obtained confidential information in the ordinary course of business as a result of such employee's association with the employer; or who receives products or services authorized by the employer, the sale or provision of which results of resulted in compensation, commissions, or earnings for the employee within two years prior to the date of the start of the Severance Period.

h. "Sales Agent" is any third-party agency, and/or its representatives, with which or whom the Company has contracted for the purpose of facilitating the sale of the Company's products.

6. MISCELLANEOUS

6.1. No Obligation to Mitigate. Executive shall not be required to mitigate the amount of any payment provided for under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as a result of employment by another employer after the Date of Termination or otherwise, except as provided in Section 4 with respect to benefits coverages.

6.2. Contract Non-Assignable. The parties acknowledge that this Agreement has been entered into due to, among other things, the special skills and knowledge of Executive, and agree that this Agreement may not be assigned or transferred by Executive.

6.3. Successors; Binding Agreement.

a. 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 all or substantially all of the business and/or assets of the Company, or who acquires the stock of the Company, to

expressly assume and agree to perform this Agreement, in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

b. This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representative, executors, administrators, successors, heirs, distributees, devisees and legatees.

6.4. Notices. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when delivered or seven days after mailing if mailed first class, certified mail, postage prepaid, addressed as follows:

If to the Company:	Acuity Brands Lighting, Inc. Attention: General Counsel One Lithonia Way Conyers, GA 30012
If to the Executive:	To his/her last known address on file with the Company

Any party may change the address to which notices, requests, demands and other communications shall be delivered or mailed by giving notice thereof to the other party in the same manner provided herein.

6.5. Provisions Severable. If any provision or covenant, or any part thereof, of this Agreement should be held by any court to be invalid, illegal or unenforceable, either in whole or in part, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of the remaining provisions or covenants, or any part thereof, of this Agreement, all of which shall remain in full force and effect.

6.6. Waiver. Failure of either party to insist, in one or more instances, on performance by the other in strict accordance with the terms and conditions of this Agreement shall not be deemed a waiver or relinquishment of any right granted in this Agreement or the future performance of any such term or condition or of any other term or condition of this Agreement, unless such waiver is contained in a writing signed by the party making the waiver.

6.7. Termination, Amendments and Modifications. This Agreement may be terminated, amended or modified only by a writing signed by both parties hereto, which makes specific reference to this Agreement.

6.8. Governing Law. The validity and effect of this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Georgia.

6.9. Legal Fees. Each party shall pay its own legal fees and other expenses associated with any dispute under this Agreement or any Exhibit hereto.

6.10. Integration. This Agreement, along with any Exhibit hereto, encompasses the entire agreement of the parties with respect to the subject matter hereto, including but not limited to prior severance agreements, and supersedes all previous understandings and agreements between them, whether oral or written, except that the restrictive covenants in this Agreement shall not supersede any restrictive covenants set forth in any other agreement between the Company and Executive ("Other Restrictive Covenants"). To the extent that the Other Restrictive Covenants conflict with the provisions contained in this Agreement, the provisions that are more restrictive on Executive will control. The parties hereby acknowledge and represent, that they have not relied on any representation, assertion, guarantee, warranty, collateral contract or other assurance, except those set out in this Agreement, made by or on behalf of any other party or any other person or entity whatsoever, prior to the execution of this Agreement.

6.11. Tender Back Provision. In the event that any provisions of Section 5 are found void, invalid, illegal, or otherwise unenforceable, or, if Executive or any other person or entity commences an action seeking to have a declaration that any of the provisions of Section 5 are void, invalid, illegal, or otherwise unenforceable, the Company's obligation to pay 70% of the compensation set forth in Sections 4.1 and 4.2, and the outplacement benefits in Section 4.6 shall terminate immediately. Further, in the event Executive breaches or threatens to breach any provisions of Section 4, he/she shall be required to immediately return to the Company 70% of all such benefits set forth in Sections 4.1 and 4.2 that were previously paid, as well as the cash value of all benefits provided pursuant to Section 4.6.

6.12. Tolling Period. If Executive is found by a court to have violated any restriction in Section 6 of this Agreement, he/she agrees that the time period for such restriction shall be extended by one day for each day that he/she is found to have violated the restriction, up to a maximum of 18 months.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

ACUITY BRANDS, INC.

By: /s/ Vernon J. Nagel
Vernon J. Nagel
Chairman, President & Chief Executive Officer

EXECUTIVE

/s/ Karen J. Holcom
Karen J. Holcom

Exhibit A

Form of Release of Claims

CONFIDENTIAL SEVERANCE AGREEMENT AND RELEASE

_____ ("Employee") and _____ ("Employer" or the "Company") (collectively referred to as "the Parties") are entering into this **CONFIDENTIAL SEVERANCE AGREEMENT AND RELEASE** (the "Agreement").

RECITALS

A. Employee has previously been employed with the Company and Employee's employment with the Company is being terminated.

B. The Company has agreed to provide severance compensation to Employee in an amount not normally provided to employees, assuming Employee upholds certain ongoing obligations, and the Parties to this Agreement desire to resolve all issues between them including but not limited to Employee's employment and the termination of that employment.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises, obligations and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree to be bound as follows:

Section 1 - Benefits

(a) **Payment and Consideration to Employee:**

(i) **Benefits to Employee:**

(ii) **Section 409A:** The Company will have the authority to delay the commencement of payments under this Section 1 to "key employees" of the Company (as determined by the Company in accordance with procedures established by the Company that are consistent with Section 409A) to a date which is six months after the Separation Date (and on such date, the payments that would otherwise have been made during such six-month period shall be made) to the extent such delay is required under the provisions of Section 409A, provided that the Company and Employee may agree to take into account any transitional rule available under Section 409A.

SECTION 2 - RELEASE BY EMPLOYEE

(a) **Released Claims**: **Released Claims**: Employee irrevocably and unconditionally fully and finally releases, acquits and forever discharges all the claims described herein that he/she may now have against the Released Parties listed in Section (b), below, except that he/she is not releasing any claim that relates to: (1) his/her right to enforce this Agreement; (2) any rights or claims that arise after the execution of this Agreement; or (3) any rights or claims that he/she cannot lawfully release. Subject only to the exceptions just noted, Employee is releasing any and all claims, demands, actions, causes of action, liabilities, debts, losses, costs, expenses, or proceedings of every kind and nature, whether direct, contingent, or otherwise, known or unknown, past, present, or future, suspected or unsuspected, accrued or unaccrued, whether in law, equity, or otherwise, and whether in contract, warranty, tort, strict liability, or otherwise, which he/she now has, may have had at any time in the past, or may have at any time in the future arising or resulting from, or in any matter incidental to, any and every matter, thing, or event occurring or failing to occur at any time in the past up to and including the date of this agreement. Employee understands that the claims he/she is releasing might arise under many different laws (including statutes, regulations, other administrative guidance, and common law doctrines), such as, but not limited to, the following:

Anti-discrimination and retaliation statutes, such as Title VII of the Civil Rights Act of 1964, which prohibits discrimination and harassment based on race, color, national origin, religion, and sex and prohibits retaliation; **[If Executive is 40+-years-old:** the Age Discrimination in Employment Act ("ADEA"), which prohibits age discrimination in employment**]**; the Equal Pay Act, which prohibits paying men and women unequal pay for equal work; the Americans With Disabilities Act and Sections 503 and 504 of the Rehabilitation Act of 1973, which prohibit discrimination based on disability; Sections 1981 and 1983 of the Civil Rights Act of 1866, which prohibit discrimination and harassment on the basis of race, color, national origin, religion or sex; the Genetic Information Nondiscrimination Act of 2008, which prohibits discrimination on the basis of genetic information; the Family and Medical Leave Act of 1993, which extends certain rights to leave and reinstatement; the Sarbanes-Oxley Act of 2002, which prohibits retaliation against employees who participate in any investigation or proceeding related to an alleged violation of mail, wire, bank, or securities laws; Georgia anti-discrimination statutes, which prohibit retaliation and discrimination on the basis of age, disability, gender, race, color, religion, and national origin; and any other federal, state, or local laws prohibiting employment discrimination or retaliation.

Federal employment statutes, such as the WARN Act, which requires that advance notice be given of certain work force reductions; the Employee Retirement Income Security Act of 1974, which, among other things, protects employee benefits; the Family and Medical Leave Act of 1993, which requires employers to provide leaves of absence under certain circumstances; and any other federal laws relating to employment, such as veterans' reemployment rights laws.

Other laws, such as any federal, state, or local laws providing workers' compensation benefits (except as otherwise prohibited by law), restricting an employer's right to terminate employees, or otherwise regulating employment; any federal, state, or local law enforcing express or implied employment contracts or requiring an employer to deal with employees fairly or in good faith; any state and federal whistleblower laws, any other federal, state, or local laws providing recourse for alleged wrongful discharge, improper garnishment, assignment, or deduction from wages, health and/or safety violations, improper drug and/or alcohol testing, tort, physical or personal injury, emotional distress, fraud, negligence, negligent misrepresentation, abusive litigation, and similar or related claims, willful or negligent infliction of emotional harm, libel, slander, defamation and/or any other common law or statutory causes of action.

Examples of released claims, include, but are not limited to the following (except to the extent explicitly preserved by Section 2 (a), above, of this Agreement): (i) claims that in any way relate to allegations of alleged discrimination, retaliation or harassment; (ii) claims that in any way relate to Employee's employment with the Company and/or its conclusion, such as claims for breach of contract, compensation, overtime wages, benefits, promotions, upgrades, bonuses, commissions, lost wages, or unused accrued vacation or sick pay; (iii) claims that in any way relate to any state law contract or

tort causes of action; and (iv) any claims to attorneys' fees, costs and/or expenses or other indemnities with respect to claims Employee is releasing.

(b) **Released Parties**: The Released party/parties is/are Acuity Brands Lighting, Inc., all current, future and former parents, subsidiaries, affiliates, related companies, partnerships, or joint ventures related thereto, and, with respect to each of them, their predecessors and successors; and, with respect to each such entity, all of its past, present, and future employees, officers, directors, stockholders, owners, representatives, assigns, attorneys, agents, and any other persons acting by, through, under or in concert with any of the persons or entities listed in this subsection, and their successors (hereinafter the "Released Parties").

(c) **Unknown Claims**: Employee understands that he/she is releasing the Released Parties from claims that he/she may not know about as of the date of the execution of this Agreement, and that is his/her knowing and voluntary intent even though Employee recognizes that someday he/she might learn that some or all of the facts he/she currently believes to be true are untrue and even though he/she might then regret having signed this Agreement. Nevertheless, Employee is expressly assuming that risk and agrees that this Agreement shall remain effective in all respects in any such case. Employee expressly waives all rights he/she might have under any law that is intended to protect him/her from waiving unknown claims Employee understands the significance of doing so. If Employee resides in California, Employee hereby expressly waives the provisions of California Civil Code Section 1542, which provides as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor." Moreover, this Release does not extend to those rights which, as a matter of law, cannot be waived, including but not limited to, unwaivable rights that Employee may have under the California Labor Code and/or the right to file a charge or complaint with any relevant government agency.

(d) **Ownership of Claims**: Employee represents and warrants that he/she has not sold, assigned or transferred any claim he/she is purporting to release, nor has he/she attempted to do so. Employee expressly represents and warrants that he/she has the full legal authority to enter into this Agreement for himself/herself and his/her estate, and does not require the approval of anyone else to do so.

(e) **Pursuit of Released Claims**: Employee represents that he/she has not filed or caused to be filed any lawsuit, complaint, or charge with respect to any claim this Agreement purports to waive, and he/she promises never to file or prosecute any lawsuit, complaint, or charge based on such claims. This provision shall not apply to any non-waivable charges or claims brought before any governmental agency. With respect to any such non-waivable claims, however, Employee agrees to waive his/her right (if any) to any monetary or other recovery, including but not limited to reinstatement, should any governmental agency or other third party pursue any claims on his/her behalf, either individually or as part of any class or collective action.

SECTION 3 - PROMISES

(f) **Separation Date**: Employee's employment with the Company will terminate effective _____ ("Separation Date").

(g) **Taxes**: Employee understands that Employer will withhold applicable state and federal taxes from the payments referenced in Section 1(a) of this Agreement. Employee agrees that he/she is ultimately and solely responsible for paying the correct amount of taxes on any amounts he/she receives in connection with this Agreement. Employer will issue Employee an IRS Form W-2 in connection with the payments described in Section 1(a), above. Employee agrees not to make any claim against any Released Party based on how Employer reports amounts paid under this Agreement to tax authorities or if an adverse determination is made as to the tax treatment of any amounts payable under this Agreement. Employee understands and agrees that the Released Parties have no duty to try to prevent such an adverse determination. Employee further agrees to fully indemnify and hold the Released Parties harmless from all expenses, penalties, damages, fees and/or interest charges he/she incurs as a result of not paying taxes on, or withholding taxes from amounts paid to him/her and his/her attorneys under this Agreement.

(h) **Implementation**: Employee agrees to promptly sign any documents and do anything else that is necessary in the future to implement this Agreement.

(i) **FMLA and FLSA Rights Honored:** Employee acknowledges that he/she has received all of the leave from work for family and/or personal medical reasons and/or other benefits to which he/she believes he/she is entitled under Employer's policy and the Family and Medical Leave Act of 1993 ("FMLA"), as amended. Employee has no pending request for FMLA leave with Employer; nor has Employer mistreated Employee in any way on account of any illness or injury to Employee or any member of Employee's family. Employee further acknowledges that he/she has received all of the monetary compensation, including hourly wages, salary and/or overtime compensation, to which he/she believes he/she is entitled under the Fair Labor Standards Act ("FLSA"), as amended.

(j) **False Claims Representations, Cooperation, and Promises:** With this Separation Agreement, Employee acknowledges that he/she has disclosed to the Company's General Counsel in writing any information he/she has concerning any conduct involving the Company that he/she has any reason to believe may be unlawful, unethical or otherwise inappropriate, including conduct in violation of the Sarbanes-Oxley Act of 2002. Employee certifies that to the best of his/her knowledge, information and belief, no member of management or any other employee (including himself) who has a significant role in Employer's internal control over financial reporting has committed any fraud or engaged in any act, practice, or course of conduct that operates or would operate as a fraud or deceit upon any person or entity. Employee promises to cooperate fully with the Company in any investigation the Company undertakes into matters which occurred during his/her employment with the Company. If requested by the Company, Employee will promptly and fully respond to all inquiries from the Company and its representatives relating to any claims or lawsuits which relate to matters which occurred during his/her employment with the Company. If Employee is contacted to participate in any way in any claim, investigation or litigation at any time, he/she agrees to provide the Company's General Counsel with prompt notice; and in no event shall such notice be delivered to the Company later than two (2) days after receipt by Employee, providing the Company with the opportunity to object to and/or be present at or participate in the proceeding. This Section does not prohibit Employee's participation as a witness if he/she is compelled to appear through an enforceable subpoena or an enforceable court order, but it does require that he/she provide the Company with notice and the opportunity to object and/or participate. Before Employee discloses any Company information or engages in any other activity that could possibly violate the promises he/she has made herein, Employee promises that he/she will discuss his/her proposed actions with the Company's General Counsel, who will inform him/her within seventy-two (72) hours whether the proposed actions would violate these promises.

(k) **[If Employee is 40+-years-old:] ADEA Release Requirements Have Been Satisfied**: Employee understands that this Agreement has to meet certain requirements to validly release any ADEA claims Employee might have had, and Employee represents and warrants that all such requirements have been satisfied. Employee acknowledges that, before signing this Agreement, he/she was given at least twenty-one (21) days to consider this Agreement. Employee further acknowledges that: (1) he/she took advantage of as much of this period to consider this Agreement as he/she wished before signing it; (2) he/she carefully read this Agreement; (3) he/she fully understands it; (4) he/she entered into this Agreement knowingly and voluntarily (i.e., free from fraud, duress, coercion, or mistake of fact); (5) this Agreement is in writing and is understandable; (6) in this Agreement, Employee waives current ADEA claims; (7) Employee has not waived future ADEA claims; (8) Employee is receiving valuable consideration in exchange for execution of this Agreement that he/she would not otherwise be entitled to receive such consideration; and (9) Employer hereby encourages and advises Employee in writing to discuss this Agreement with his/her attorney (at his/her own expense) before signing it, and that he/she has done so to the extent he/she deemed appropriate.

SECTION 4 - CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETITION

(l) **Purpose and Reasonableness of Provisions.** Employee acknowledges that the Company and the Parent Company (collectively referred to hereinafter, where applicable, as the "Protected Parties") have furnished and may continue to furnish to Employee Trade Secrets and Confidential Information, which, if used by Employee on behalf of, or disclosed to, a competitor of the Protected Parties or other person, could cause substantial detriment to the Protected Parties. Moreover, the parties recognize that Employee, during the term of her employment with the Company, has developed important relationships with customers, agents and others having valuable business relationships with the Company, and that these relationships may continue to develop during the Severance Period. In view of the foregoing, Employee acknowledges and agrees that the restrictive covenants contained in this Section 4 are reasonably necessary to protect the Protected Parties' legitimate business interests, Confidential Information, and good will.

(m) **Trade Secrets and Confidential Information.** Employee agrees that he/she shall protect the Protected Parties' Trade Secrets (as defined in Paragraph 4(k)(ii) below) and Confidential Information (as defined in Paragraph 4(k)(i) below) and shall not disclose to any person or entity, or otherwise use or disseminate, except in connection with the performance of his/her duties for the Company, any Trade Secrets or Confidential Information; provided, however, that Employee may make disclosures required by a valid order or subpoena issued by a court or administrative agency of competent jurisdiction, in which event Employee will promptly notify the Protected Parties of such order or subpoena to provide the Protected Parties an opportunity to protect their interests. Employee's obligations under this Section 4(b) shall apply after his/her Separation Date, shall continue through the Severance Period, and shall survive any expiration or termination of this Agreement, so long as the information or material remains Confidential Information or a Trade Secret, as applicable. Employee further confirms that he/she has not and will not offer, disclose or use on Employee's own behalf or on behalf of the Company, any information Employee received prior to employment by the Company which was supplied to Employee confidentially or which Employee should reasonably know to be confidential.

Nothing in this Agreement prohibits Employee from reporting possible violations of federal law or regulation to any governmental agency or entity including but not limited to the Department of Justice, the Securities and Exchange Commission, Congress, or any Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. Employee does not need the prior authorization of Employer to make any such reports or disclosures, and Employee is not required to notify Employer that Employee has made such reports or disclosures.

(n) **Return of Property.** Employee agrees to deliver promptly to the Company all files, customer lists, management reports, memoranda, research, Company forms and documents, financial data and reports and other documents (including all such data and documents in electronic form or on flash or external hard drives) of the Protected Parties, supplied to or created by him/her in connection with his/her employment hereunder (including all copies of the foregoing) in his/her possession or control, and all of the Company's equipment (e.g., mobile devices, laptop, computer, flash or hard drives, etc.) and other materials in his/her possession or control. Employee's obligations under this Section 4(c) shall survive any expiration or termination of this Agreement. Employee agrees and covenants to permanently delete any such information residing in electronic format to the best of his/her ability and to not attempt to retrieve it.

(o) **Inventions.** Employee does hereby assign to the Company the entire right, title and interest in any Invention which is or was made or conceived, either solely or jointly with others, during his/her employment with the Company, including during the Severance Period. Employee attests that he/she has disclosed (or promptly will disclose, if during the Severance Period) to the Company all such Inventions. Employee will, if requested, promptly execute and deliver to the Company a specific assignment of title for any such Invention and will at the expense of the Company, take all reasonably required action by the Company to patent, copyright or otherwise protect the Invention.

(p) **Non-Competition.** Employee acknowledges and agrees that, for twelve (12) months after the last day of his/her employment with the Company, he/she will not, directly or indirectly, engage in, provide, or perform any Executive Services on behalf of any person or entity -- or in the case of an entity that is organized into divisions or units, any distinct division or operating unit of such entity -- in the Territory (as defined in Section 4(k)(vii) below) that derives income from providing goods or services substantially similar to those which comprise the Company's Business.

(q) **Non-Solicitation of Customers and Sales Agents.** Employee acknowledges and agrees that, for twenty-four (24) months after the last day of his/her employment with the Company, Employee will not directly or indirectly solicit Customers (as defined in Section 4(k)(v) below) or Sales Agents (as defined in Section 4(k)(ix) below) of the Company and its affiliates with whom he/she had Material Contact (as defined in Section 4(k)(viii) below) for the purpose of providing goods and/or services competitive with the Company's Business. Notwithstanding the foregoing, this Section shall not prevent Employee, during the course of his/her Severance Period, from soliciting a person or entity that has since discontinued all business communications with the Company.

(r) **Non-Solicitation of Employees and Agents.** Employee acknowledges and agrees that, for twenty-four (24) months after the last day of his/her employment with the Company, Employee will not, directly or indirectly, whether on behalf of Employee or others, solicit, lure or attempt to hire away any of the Company's or its

affiliates' employees or agents. Notwithstanding the foregoing, this Section shall not prevent Employee from soliciting an employee or agent that has since discontinued all business dealings with the Company.

(s) **Non-Disparagement**: Employee agrees that he/she will not make any disparaging statements or comments to any person or entity by any medium, whether oral or written, about Employer, any of its affiliates or any of its respective officers, directors, employees, shareholders, agents, representatives or independent contractors. Nor shall Employee communicate to any person or entity by any medium, whether oral or written, any information harmful or adverse to Employer, any of its affiliates or any of its respective officers, directors, employees, shareholders, agents, representatives or independent contractors. Nothing in this section shall prevent Employee from providing truthful testimony pursuant to a lawful subpoena or other court order.

(t) **Injunctive Relief.** Employee acknowledges that if he/she breaches or threatens to breach any of the provisions of this Section 4, his/her actions may cause irreparable harm and damage to the Protected Parties which could not be compensated in damages. Accordingly, if Employee breaches or threatens to breach any of the provisions of this Section 4, the Company (or, if applicable, the Protected Parties) shall be entitled to seek injunctive relief, in addition to any other rights or remedies the Company (or, if applicable, the Protected Parties) may have. The existence of any claim or cause of action by Employee against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company (or, if applicable, the Protected Parties) of Employee's agreements under this Section 4.

(u) **Provisions Severable.** If any provision in this Section 4 is determined to be in violation of any law, rule or regulation or otherwise unenforceable, and cannot be modified to be enforceable, such determination shall not affect the validity of any other provisions of this Agreement, but such other provisions shall remain in full force and effect. Each and every provision, paragraph and subparagraph of this Section 4 is severable from the other provisions, paragraphs and subparagraphs and constitutes a separate and distinct covenant.

(v) Definitions:

(i) "Confidential Information" means:

(A) Data and information relating to the Company's Business; disclosed to Employee or of which Employee became aware of as a consequence of Employee's relationship with the Company; having value to the employer; not generally known to the competitors for the employer; and which includes trade secrets, methods of operation, names of customers, price lists, financial information and projections, route books, personnel data, and similar information. For purposes of this Agreement, subject to the foregoing, and according to terminology commonly used by the Company, the Company's Confidential Information shall include, but not be limited to, information pertaining to: (1) Business Opportunities (as defined below); (2) data and compilations of data relating to the Company's Business; (3) compilations of information about, and communications and agreements with, customers and potential customers of the Company; (4) computer software, hardware, network and internet technology utilized, modified or enhanced by the Company or by Employee in furtherance of Employee's duties with the Company; (5) compilations of data concerning Company products, services, customers, and end users including but not limited to compilations concerning projected sales, new project timelines, inventory reports, sales, and cost and expense reports; (6) compilations of information about the Company's employees and independent contracting consultants; (7) the Company's financial information, including, without limitation, amounts charged to customers and amounts charged to the Company by its vendors, suppliers, and service providers; (8) proposals submitted to the Company's customers, potential customers, wholesalers, distributors, vendors, suppliers and service providers; (9) the Company's marketing strategies and compilations of marketing data; (10) compilations of data or information concerning, and communications and agreements with, vendors, suppliers and licensors to the Company and other sources of technology, products, services or components used in the Company's Business; (11) any information concerning services requested and services performed on behalf of customers of the Company, including planned products or services; and (12) the Company's research and development records and data. Confidential Information also includes any summary, extract or analysis of such information together with information that has been received or disclosed to the Company by any third party as to which the Company has an obligation to treat as confidential.

(B) Confidential Information shall not include:

i. Information generally available to the public other than as a result of improper disclosure by Employee;

ii. Information that becomes available to Employee from a source other than the Company (provided Employee has no knowledge that such information was obtained from a source in breach of a duty to the Company);

iii. Information disclosed pursuant to law, regulations or pursuant to a subpoena, court order or legal process; and/or

iv. Information obtained in filings with the Securities and Exchange Commission.

(ii) "Trade Secrets" means Confidential Information constituting a trade secret under Georgia Law, O.C.G.A. §§ 10-1-760, *et seq*.

(iii) "Executive Services" shall mean the duties and services the Employee performed in his/her executive capacity on behalf of the Company, including anything of the type conducted, authorized, offered, or provided by the Employee in his/her Executive Capacity, within twelve (12) months prior the start of the Severance Period. Employee acknowledges that through the Company's investment of time, training, money, trust, exposure to the public or exposure to customers, vendors or other business relationships during the course of Employee's employment with the Company, Employee was an employee who gained a degree of notoriety, fame, reputation as the Company's representative, as well as a degree of influence or credibility with the employer's customers, vendors, or other business relationships and is intimately involved in the planning for the direction of the Company's business or a defined unit of the business of the Company.

(iv) "Inventions" means contributions, discoveries, improvements and ideas and works of authorship, whether or not patentable or copyrightable, and: (i) which relate directly to the business of the Company, or (ii) which result from any work performed by Employee or by Employee's fellow employees for the Company, or (iii) for which equipment, supplies, facilities, Confidential Information or Trade Secrets of the Protected Parties are used, or (iv) which was developed on the Company's time.

(v) "Customers" means those entities and/or individuals who are customers of Company and/or its affiliates with respect to which, within the two-year period preceding the start of the Severance Period: (i) Employee had Material Contact on behalf of the Company; (ii) Employee acquired, directly or indirectly, Confidential Information or Trade Secrets as a result of his employment with the Company; and/or (iii) Employee exercised oversight or responsibility of subordinates who engaged in Material Contact on behalf of the Company.

(vi) **[To be updated as the business evolves during Executive's tenure with the Company:]** "Company's Business" means the design, manufacture, installation, servicing, and/or sale of one or more of the following and any related products and/or services: lighting fixtures and systems; lighting control components and systems (including but not limited to dimmers, switches, relays, programmable lighting controllers, sensors, timers, and range extenders for lighting and energy management and other purposes); building management and/or control systems; commercial building lighting controls; intelligent building automation and energy management technologies, products, software and solutions with respect to HVAC systems and HVAC controls and sensors; motorized shading and blind controls; building security and access control and monitoring for fire and life safety; emergency lighting fixtures and systems (including but not limited to exit signs, emergency light units, inverters, back-up power battery packs, and combinations thereof); battery powered and/or photovoltaic lighting fixtures; electric lighting track units; hardware for mounting and hanging electrical lighting fixtures; aluminum, steel and fiberglass fixture poles for electric lighting; light fixture lenses; sound and electromagnetic wave receivers and transmitters; flexible and modular wiring systems and components (namely, flexible branch circuits, attachment plugs, receptacles, connectors and fittings); LED drivers and other power supplies; daylighting systems including but not limited to prismatic skylighting and related controls; organic LED products and technology; medical and patient care lighting devices and systems; indoor positioning products and technology; sensor based information networks; distributed software services; and any wired or wireless communications and monitoring hardware or software related to any of the above.

(vii) **[To be updated based on the scope of geography for which Executive worked while at the Company:]** "Territory" means _____. Employee acknowledges that the Company is licensed to do business and in fact does business in all fifty states in the United States and all provinces in Canada. Employee further acknowledges that the services he/she has performed on behalf of the Company and its affiliates, including Executive Services, have been at a senior managerial level and were not limited in their territorial scope to any particular city, state, or region, but instead affected the Company's activity within the entire United States and Canada. Specifically, Employee provided Executive Services on the Company's behalf, traveled throughout the United States and Canada to attend Company meetings, visited Company factories and distribution centers, met with Company agents and distributors, and attended trade shows. Accordingly, Employee agrees that these restrictions are reasonable and necessary to protect the Confidential Information, trade secrets, business relationships, and goodwill of the Company.

(viii) "Material Contact" shall have the meaning set forth in O.C.G.A. § 13-8-51(10), which includes contact between an employee and each customer or potential customer: with whom or which the employee dealt on behalf of the employer; whose dealings with the employer were coordinated or supervised by the employee; about whom the employee obtained confidential information in the ordinary course of business as a result of such employee's association with the employer; or who receives products or services authorized by the employer, the sale or provision of which results of resulted in compensation, commissions, or earnings for the employee within two years prior to the date of the start of the Severance Period.

(ix) "Sales Agent" is any third-party agency and/or systems integrator, and/or its representatives, with which or whom the Company or its affiliates has contracted for the purpose of facilitating the sale of the Company's or its affiliates' products or services during the last two years of Employee's employment with the Company.

SECTION 5 - CONFIDENTIALITY AND DAMAGES FOR BREACH

(w) Employee represents and warrants that he/she has kept and will keep the nature and content of the discussions related to this Agreement, the existence and/or content of this Agreement, the amount of payment and consideration paid to Employee, and all terms of this Agreement completely confidential. Employee represents and warrants that he/she will not hereafter disclose any information concerning the fact, nature and/or content of the discussions related to this Agreement, the existence and/or content of this Agreement, the amount of payment and consideration paid to Employee, and/or terms of this Agreement to any other person or entity.

(x) Excepted from Section 5(a) for Employee shall be: (i) disclosure under seal in an arbitration to enforce this Agreement, but even then only the paragraph(s) at issue in the proceeding; (ii) legal counsel and tax advisors for the purpose of complying with tax laws and regulations for the preparation and filing of all relevant tax returns; and (iii) his/her spouse. Prior to disclosing any information permitted by this Paragraph, Employee must obtain the agreement by the person or entity permitted hereunder to maintain the information as Confidential. Any breach of this Confidentiality agreement by any person or entity shall be deemed a breach by Employee.

(y) Employee and his/her agents shall not under any circumstances bring to the attention of, solicit or otherwise encourage any person or entity, to solicit or otherwise encourage any inquiry into the fact, nature, and/or content of the discussions related to this Agreement, the existence and/or content of this Agreement, the amount of payment and consideration paid to Employee, and/or any of the terms of this Agreement. If contacted or asked by any person or entity as to the status of the Agreement, the disposition, fact, nature, or content of the discussions related to this Agreement, the existence and/or content of this Agreement, the amount of payment and consideration paid to Employee, and/or any of the terms of this Agreement, Employee agrees that he/she will say only that "I will not comment."

(z) Employee agrees that he/she will not solicit or otherwise encourage any person or entity to seek this Agreement or the terms of this Agreement in any proceeding, agency investigation, litigation or arbitration. Likewise, Employee will not voluntarily participate in any proceeding, litigation or arbitration against Employer. Should Employee receive an enforceable subpoena or an enforceable court order, he/she agrees to provide Employer with prompt notice; and in no event shall such notice be delivered to the Company later than two (2) days after receipt by Employee, providing Employer with the opportunity to object to and/or be present at or participate in the proceeding.

Employee agrees to fully cooperate with Employer in opposing any effort by any person or entity to obtain this Agreement or its terms and to refrain from responding or otherwise participating with respect to the disclosure of this Agreement or its terms until a Court of competent jurisdiction has ruled on Employer's and Employee's joint objections. Nothing in this Paragraph shall require Employee to disobey a final Court or other final enforceable order to produce this Agreement or disclose its terms.

(aa) Any disclosure of the terms of this Agreement by Employee or anyone permitted hereunder to any person or entity not permitted by this Agreement shall be deemed a violation by Employee of this Agreement and subject to the damages articulated in Section 5(f) of this Agreement.

(bb) In addition to any other remedies or relief that may be available, Employee agrees that Employer will be irreparably harmed by any actual or threatened violation of the Sections 5(a) - 5(d) of this Agreement, and that Employer will be entitled to an injunction prohibiting Employee from committing any such violation. Employee agrees that damages to Employer arising from a breach of this Agreement are likely to be difficult to quantify, and therefore agree that if an arbitrator determines that there has been a breach of this Agreement by Employee, Employer will necessarily have suffered some injury and will be entitled to liquidated minimum damages in the amount of fifteen percent (15%) of the amount paid by Employer to Employee following the execution of this Agreement, **per breach**, unless Employer proves greater damages. Employee agrees that the amount set forth as liquidated damages is not a penalty, but is instead a minimum amount of damages per incident for a breach of this Agreement. Employee is solely liable and responsible for his/her breach of the Agreement. The amount shall be payable to Employer. In addition, if an arbitrator finds that Employee breached any of the Confidentiality provisions, Sections 5(a) - 5(d), Employee agrees to pay the reasonable attorneys' fees incurred by each affected entity bringing the action.

SECTION 6 - ARBITRATION

(cc) Any dispute relating to the interpretation or enforcement of this Agreement, Employee's employment with Employer, or the termination thereof will be subject to confidential, binding arbitration under the Federal Arbitration Act and the rules of the American Arbitration Association. Such arbitration will occur in Conyers, GA. Judgment upon the award rendered may be entered in any court of competent jurisdiction. The arbitrator's fee will be paid by Employer, except that if Employee is the initiating party, he/she will pay $250.00 towards the cost of arbitration. Each side shall otherwise bear their own attorneys' fees, costs, and expenses incurred during the arbitration. Nothing in this section limits the right of Employer to enjoin in a court of competent jurisdiction any breach of Sections 4 and 5 under this Agreement.

SECTION 7 - MISCELLANEOUS

(dd**)** **Entire Agreement**: This is the entire agreement between the Parties with respect to the subject matter hereto. This Agreement may not be changed, modified, waived, discharged or terminated orally, or in any manner other than by an instrument in writing signed by Employee and an authorized official of Employer. Employee acknowledges that neither Employer nor any of its agents, representatives or attorneys has made any representations or promises to him/her other than those in or expressly referred to by this Agreement.

(ee) **Nonadmission of Liability**: Employee agrees that this Agreement shall not in any way be construed or interpreted as an admission of liability or wrongdoing by Employer, any such liability or wrongdoing being expressly denied.

(ff) **Successors**: Employee agrees that this Agreement binds all of his/her heirs, administrators, representatives, executors, successors, attorneys and assigns, and will inure to the benefit of all Released Parties and their respective heirs, administrators, representatives, executors, successors, and assigns.

(gg) **Interpretation**: This Agreement shall be construed as a whole according to its fair meaning. It shall not be construed strictly for or against Employee or Employer. Unless the context indicates otherwise, the term "or" shall be deemed to include the term "and" and the singular or plural number shall be deemed to include the other. Captions are intended solely for convenience of reference and shall not be used in the interpretation of this Agreement.

(hh) **Waiver**: The failure of any party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

(ii) **Severability**: In the event any section, paragraph, clause, phrase or word of this Agreement is declared or adjudged to be invalid or unenforceable, such declaration or adjudication shall not affect the remaining sections of this Agreement. If any waiver or release contained in this Agreement is determined to be contrary to any applicable law or public policy, such waiver or release shall be effective to the maximum extent permitted by law.

(jj) Counterparts: This Agreement may be signed in two or more identical counterparts, each of which shall be deemed an original and all of which, together, shall be deemed one and the same instrument. A signature transmitted by facsimile shall be deemed the equivalent of an original signature. This Agreement will not be effective until all parties have duly executed it. The effective date of this Agreement will be the date on which the last of the parties executes it.

(kk) Governing Law: Except to the extent governed by federal law, this Agreement shall be deemed to have been executed in the State of Georgia without giving effect to its conflict of law principles, and all matters pertaining to the validity, construction, interpretation, and effect of this Agreement shall be governed by the laws of the State of Georgia. The language contained in this Agreement shall be deemed to be that negotiated and approved by both Parties and no rule of strict construction shall be applied against either party.

(ll) **[If Employee is 40+-years-old:] Revocation:** For a period of at least seven (7) days following the execution of such agreement, Employee may revoke this Agreement. If Employee wishes to revoke this Agreement in its entirety, he/she must make a revocation in writing which must be delivered by hand or confirmed facsimile before 5:00 p.m. of the seventh day of the revocation period to Carrie Russell, One Lithonia Way, Conyers, Georgia 30012, otherwise the revocation will not be effective. If Employee timely revokes this Agreement, Employer shall retain payments and benefits otherwise payable to Employee under this Agreement. Employee's employment shall be immediately terminated, and no further remuneration shall be paid to Employee.

(mm) **Access to Independent Legal Counsel; Knowing and Voluntary Execution:**

EMPLOYEE ACKNOWLEDGES THAT HE/SHE HAS BEEN ADVISED TO SEEK INDEPENDENT LEGAL COUNSEL OF HIS/HER OWN CHOOSING IN CONNECTION WITH ENTERING INTO THIS AGREEMENT. EMPLOYEE FURTHER ACKNOWLEDGES THAT IF DESIRED, HIS/HER LEGAL COUNSEL HAS REVIEWED THIS AGREEMENT, THAT EMPLOYEE FULLY UNDERSTANDS THE TERMS AND CONDITIONS OF THIS AGREEMENT AND THAT EMPLOYEE AGREES TO BE FULLY BOUND BY AND SUBJECT THERETO. EMPLOYEE HAS CAREFULLY READ THIS AGREEMENT AND KNOWS AND UNDERSTANDS THE CONTENTS THEREOF, AND THAT HE/SHE EXECUTES THE SAME AS HIS/HER OWN FREE ACT AND DEED.

AMENDMENT NO. 1
TO
ACUITY BRANDS LIGHTING, INC.
SEVERANCE AGREEMENT

THIS AMENDMENT made and entered into as of May 28, 2019, by and between ACUITY BRANDS LIGHTING, INC. (the "Company") and Karen J. Holcom ("Executive");

W I T N E S S E T H

WHEREAS, the Company and Executive entered into a Severance Agreement, dated as of March 28, 2018 ("Severance Agreement"), providing for the payment of certain compensation and benefits to Executive if Executive's employment is terminated under certain circumstances; and

WHEREAS, the parties now desire to amend the Severance Agreement in the manner hereinafter provided;

NOW, THEREFORE, the Severance Agreement is hereby amended, as follows:

1. Section 2.9 is hereby replaced in its entirety by the following:
   2.9 "Severance Period" - A period equal to twelve (12) months from the Executive's Date of Termination.

2. This Amendment to the Severance Agreement shall be effective as of the date of this Amendment. Except as hereby modified, the Severance Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

COMPANY

EXECUTIVE

/s/ Karen J. Holcom

Karen J. Holcom

ACUITY BRANDS LIGHTING, INC.

By: /s/ Vernon J. Nagel

VERNON J. NAGEL

Chairman, President and CEO

AMENDMENT NO. 2
TO
ACUITY BRANDS LIGHTING, INC.
SEVERANCE AGREEMENT

THIS AMENDMENT made and entered into on the dates set forth below, by and between ACUITY BRANDS LIGHTING, INC. (the "Company") and Karen J. Holcom ("Executive");

W I T N E S S E T H

WHEREAS, the Company and Executive entered into a Severance Agreement, dated as of March 28, 2018 ("Severance Agreement") and amended as of May 28, 2019, providing for the payment of certain compensation and benefits to Executive if Executive's employment is terminated under certain circumstances; and

WHEREAS, the parties now desire to amend the Severance Agreement in the manner hereinafter provided;

NOW, THEREFORE, the Severance Agreement is hereby amended, as follows:

1. Section 4.2 is hereby amended by deleting "55%" from clause (i) and substituting "75%" in lieu thereof.
2. The following Section 4.10 is appended to the end of Section 4 thereof:
   4.10 "Supplemental Executive Retirement Plan" - If Executive is a participant of the Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan, as Amended and Restated Effective July 1, 2019, except as otherwise noted (the "SERP") and Executive's Date of Termination occurs prior to the date that Executive has three (3) Years of Credited Service (as defined in the SERP), Executive shall be deemed to have earned three (3) years of Credited Service thereunder.

3. This Amendment to the Severance Agreement shall be effective as of August 20, 2019. Except as hereby modified, the Severance Agreement shall remain in full force and effect.
   IN WITNESS WHEREOF, the parties have executed this Amendment on the date(s) written below.

COMPANY

EXECUTIVE

/s/ Karen J. Holcom

Karen J. Holcom

Date: 8/22/2019

ACUITY BRANDS LIGHTING, INC.

By: /s/ Vernon J. Nagel

VERNON J. NAGEL

Chairman, President and CEO

Date: 8/20/2019

CHANGE IN CONTROL AGREEMENT

THIS CHANGE IN CONTROL AGREEMENT "(Agreement") is made as of this 28th day of March, 2018, by and between Acuity Brands, Inc. (the "Company") and **Karen J. Holcom** (the "Executive").

WHEREAS, Executive is a key management employee of the Company; and

WHEREAS, the Board of Directors of the Company (the "Board") recognizes that the possibility of a Change in Control (as hereinafter defined) exists and can result in significant distractions of its key management personnel because of the uncertainties inherent in such a situation; and

WHEREAS, the Board has determined that it is essential and in the best interest of the Company and its stockholders to retain the services of the Executive in the event of a Change in Control and to ensure Executive's continued dedication and efforts in such event without undue concern for Executive's personal financial and employment security; and

WHEREAS, in order to continue to induce the Executive to provide services to the Company (including its subsidiary corporations), particularly in the event of a Change in Control, the Company desires to enter into this Agreement with the Executive to provide the Executive with certain benefits in the event Executive's employment is terminated as a result of, or in connection with, a Change in Control and to provide the Executive with certain other benefits whether or not the Executive's employment is terminated; and

WHEREAS, this Agreement is not intended to provide for the deferral of compensation within the meaning of Section 409A of the Code, but rather, is intended to satisfy the short-term deferral exemption under Treasury Regulation ("Treas. Reg.") §1.409A-1(b)(4) in tandem with the separation pay exemption under Treas. Reg. §1.409A-1(b)(9); and

NOW, THEREFORE, in consideration of the respective agreements of the parties contained herein, it is agreed as follows:

1. Term of Agreement.

1.1. This Agreement shall commence on the date hereof and shall continue unless or until terminated as provided herein. This Agreement shall not be considered an employment agreement and in no way guarantees Executive the right to continue in the employment of the Company or its affiliates. Executive's employment is considered employment at will, subject to Executive's right to receive payments and benefits upon certain terminations of employment as provided below.

1.2. Each place in this Agreement where a reference to the "Company" appears that relates to the Executive's employment, restrictive covenants, termination of employment, or performing services, including the definitions of "Cause" and "Good Reason," such reference shall mean and include any subsidiary of the Company which is the primary service recipient of the Executive's services. Further, in each place where this Agreement refers to a benefit plan or program, payment of compensation, compensation arrangement or other similar plan or program maintained by the Company, such reference shall include any plan, program or arrangement maintained or established by a subsidiary of the Company. Notwithstanding the foregoing, the references in the definition of "Change in Control," and similar references to changes in ownership and control of the Company shall mean and refer only to Acuity Brands, Inc., a Delaware corporation.

2. Definitions.

2.1. Cause. For purposes of this Agreement, "Cause" shall mean a reasonable determination by the Company that the Executive (a) intentionally and continually failed to substantially perform Executive's duties with the Company (other than a failure resulting from the Executive'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 Executive specifying the manner in which the Executive has failed to substantially perform, or (b) intentionally engaged in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise or was convicted of a misdemeanor or felony involving moral turpitude; provided, however that Executive shall not be considered to be terminated for Cause unless the Board has duly adopted a resolution finding that, in the good faith opinion of the Board, the Executive has engaged in the conduct set forth in clauses (a) or (b) and Executive has been provided written notice of the adoption of such resolution. No act, nor failure to act, on the Executive's part, shall be considered "intentional" unless he has acted, or failed to act, with a lack of good faith and without a reasonable belief that Executive's action or failure to act was in the best interest of the Company. Notwithstanding anything contained in this Agreement to the contrary, no failure to perform by the Executive after a Notice of Termination is given by the Executive shall constitute Cause for purposes of this Agreement.

2.2. Change in Control. For purposes of this Agreement, a "Change in Control" shall mean 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 thirty percent (30%) or more of the combined voting power of the Company's then outstanding voting securities; or

b. The individuals who, as of the date of this Agreement, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least fifty percent (50%) 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. 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 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;

d. Consummation of a complete liquidation or dissolution of the Company or of the sale or other disposition of all or substantially all of the assets of the Company; or

e. The stockholders of the Company approve the sale of all or substantially all of the assets of the Company or any merger, consolidation, issuance of securities or purchase of assets, the result of which would be the occurrence of any event described in clause (c) or (d) above.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur pursuant to Section 2.2(a), solely because thirty percent (30%) 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 (hereinafter referred to as "Related Persons").

2.3. Code. For purposes of this Agreement, "Code" means the Internal Revenue Code of 1986, as amended.

2.4. Company's Business. For purposes of this Agreement, "Company's Business" means the design, manufacture, installation, servicing, and/or sale of one or more of the following and any related products and/or services: lighting fixtures and systems; lighting control components and systems (including but not limited to dimmers, switches, relays, programmable lighting controllers, sensors, timers, and range extenders for lighting and energy management and other purposes); building management and/or control systems; commercial building lighting controls; intelligent building automation and energy management technologies, products, software and solutions with respect to HVAC systems and HVAC controls and sensors; motorized shading and blind controls; building security and access control and monitoring for fire and life safety; emergency lighting fixtures and systems (including but not limited to exit signs, emergency light units, inverters, back-up power battery packs, and combinations thereof); battery powered and/or photovoltaic lighting fixtures; electric lighting track units; hardware for mounting and hanging electrical lighting fixtures; aluminum, steel and fiberglass fixture poles for electric lighting; light fixture lenses; sound and electromagnetic wave receivers and transmitters; flexible and modular wiring systems and components (namely, flexible branch circuits, attachment plugs, receptacles, connectors and fittings); LED drivers and other power supplies; daylighting systems including but not limited to prismatic skylighting and related controls; organic LED products and technology; medical and patient care lighting devices and system; indoor positioning products and technology; sensor based information networks; distributed software services; and any wired or wireless communications and monitoring hardware or software related to any of the above.

2.5. Confidential Information. For purposes of this Agreement, "Confidential Information" means:

a. Data and information relating to the Company's Business; disclosed to Executive or of which Executive became aware of as a consequence of Executive's relationship with the Company; having value to the employer; not generally known to the competitors for the employer; and which includes trade secrets, methods of operation, names of customers, price lists, financial information and projections, route books, personnel data, and similar information For purposes of this Agreement, subject to the foregoing, and according to terminology commonly used by the Company, the Company's Confidential Information shall include, but not be limited to, information pertaining to: (1) business opportunities; (2) data and compilations of data relating to the Company's Business; (3) compilations of information about, and communications and agreements with, customers and potential customers of the Company; (4) computer software, hardware, network and internet technology utilized, modified or enhanced by the Company or by Executive in furtherance of Executive's duties with the Company; (5) compilations of data concerning Company products, services, customers, and end users including but not limited to compilations concerning projected sales, new project timelines, inventory reports, sales, and cost and expense reports; (6) compilations of information about the Company's employees and independent contracting consultants; (7) the Company's financial information, including, without limitation, amounts charged to customers and amounts charged to the Company by its vendors, suppliers, and service providers; (8) proposals submitted to the Company's customers, potential customers, wholesalers, distributors, vendors, suppliers and service providers; (9) the Company's marketing strategies and compilations of marketing data; (10) compilations of data or information concerning, and communications and agreements with, vendors, suppliers and licensors to the Company and other sources of technology, products, services or components used in the Company's Business; (11) any information concerning services requested and services performed on behalf of customers of the Company, including planned products or services; and (12) the Company's research and development records and data. Confidential Information also includes any summary, extract or analysis of such information

together with information that has been received or disclosed to the Company by any third party as to which the Company has an obligation to treat as confidential.

b. Confidential Information shall not include:

i. Information generally available to the public other than as a result of improper disclosure by Executive;

ii. Information that becomes available to Executive from a source other than the Company (provided Executive has no knowledge that such information was obtained from a source in breach of a duty to the Company);

iii. Information disclosed pursuant to law, regulations or pursuant to a subpoena, court order or legal process; and/or

iv. Information obtained in filings with the Securities and Exchange Commission.

2.6. Covered Period. For purposes of this Agreement, "Covered Period" means the period of time beginning on the first occurrence of a Change in Control and lasting through the twenty-four month anniversary of the occurrence of the Change in Control. The Covered Period shall also include the six-month period before the occurrence of the Change in Control if a Qualifying Termination occurs during such period at the request of a Third Party in anticipation of the Change in Control and the Change in Control occurs.

2.7. Customers. For purposes of this Agreement, "Customers" means those entities and/or individuals who are customers of the Company and/or its affiliates with respect to which, within the two-year period preceding Executive's Termination Date: (i) Executive had Material Contact on behalf of the Company; (ii) Executive acquired, directly or indirectly, Confidential Information or Trade Secrets as a result of Executive's employment with the Company; and/or (iii) Executive exercised oversight or responsibility of subordinates who engaged in Material Contact on behalf of the Company

2.8. Disability. For purposes of this Agreement, "Disability" shall have the meaning ascribed to such term in the Company's long-term disability plan or policy covering the Executive, or in the absence of such plan or policy, a meaning consistent with Code Section 22(e)(3).

2.9. Good Reason. For purposes of this Agreement, "Good Reason" shall mean the Executive terminated his/her employment with the Company and its subsidiaries because, during the Covered Period, one or more of the following conditions arose and the Executive notified the Company of such condition within ninety (90) days of its occurrence and the Company did not remedy such condition within thirty (30) days:

a. a material diminution in the Executive's authority, duties, or responsibilities (including reporting responsibilities) which, in the Executive's reasonable judgment, represents an adverse change from Executive's status, title, position or responsibilities as in effect immediately prior thereto;

b. the Company's requiring Executive to be based more than 50 miles from the primary workplace where Executive is based immediately prior to the Change in Control, except for reasonably required travel on the Company's business which is not greater than such travel requirements prior to the Change in Control;

c. more than a ten percent (10%) reduction, which the parties agree is a material reduction, in Executive's base salary below the level in effect immediately prior to the Change in Control; or

d. any material breach by the Company of any provision of this Agreement.

Any event or condition described in Section 2.9 which occurs during the Covered Period and which the Executive reasonably demonstrates was at the request of a third party who has indicated an intention or

taken steps reasonably calculated to effect a Change in Control (a "Third Party"), shall constitute Good Reason for purposes of this Agreement. The Executive's right to terminate Executive's employment pursuant to this Section 2.9 shall not be affected by Executive's incapacity due to physical or mental illness.

2.10. Inventions. For purposes of this Agreement, "Inventions" means contributions, discoveries, improvements and ideas and works of authorship, whether or not patentable or copyrightable, and: (i) which relate directly to the business of the Company, or (ii) which result from any work performed by Executive or by Executive's fellow employees for the Company, or (iii) for which equipment, supplies, facilities, Confidential Information or Trade Secrets of the Company or its affiliates are used, or (iv) which is developed on the Company's time.

2.11. Material Contact. For purposes of this Agreement, "Material Contact" shall have the meaning set forth in O.C.G.A. § 13-8-51(10), which includes contact between an employee and each customer or potential customer: with whom or which the Executive dealt on behalf of the Company; whose dealings with the Company were coordinated or supervised by the Executive; about whom the Executive obtained Confidential Information in the ordinary course of business as a result of Executive's association with the Company; or who receives products or services authorized by the Company, the sale or provision of which results of resulted in compensation, commissions, or earnings for the Executive within two years prior to the Executive's Termination Date.

2.12. Sales Agent. For purposes of this Agreement, "Sales Agent" is any third-party agency, and/or its representatives, with which or whom the Company has contracted for the purpose of facilitating the sale of the Company's products.

2.13. Termination Date. For purposes of this Agreement, "Termination Date" shall mean the date the Executive ceases employment with the Company and its subsidiaries and has incurred a "Separation from Service" as such is defined under Treas. Reg. § 1.409A-1(h) which means the termination of the Executive's employment with the Company for reasons other than death or Disability. Whether a Separation from Service takes place is determined based on the facts and circumstances surrounding the termination of the Executive's employment and whether the Company and the Executive intended for the Executive to provide significant services for the Company following such termination. A change in the Executive's employment status will not be considered a Separation from Service if:

a. the Executive 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 Executive 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).

For purposes of determining whether a termination of employment has occurred, a reference to the Company shall also be deemed a reference to any affiliate thereof within the contemplation of Code Sections 414(b) and 414(c).

2.14. Territory. For purposes of this Agreement, "Territory" means the United States. Executive acknowledges that the Company is licensed to do business and in fact does business in all fifty states in the

United States. Executive further acknowledges that the services he has performed and may continue to perform on behalf of the Company or its affiliates, including Executive Services, are at a senior managerial level and are not limited in their territorial scope to any particular city, state, or region, but instead affect the Company's activity within the entire United States. Specifically, Executive provides Executive Services on the Company's behalf, travels throughout the United States to attend Company meetings, visit Company factories and distribution centers, meet with Company agents and distributors, and attend trade shows. Accordingly, Executive agrees that these restrictions are reasonable and necessary to protect the Confidential Information, trade secrets, business relationships, and goodwill of the Company.

2.15. Trade Secrets. For purposes of this Agreement, "Trade Secrets" means Confidential Information constituting a trade secret under Georgia Law, O.C.G.A. §§ 10-1-760, *et seq*.

2.16. 1934 Act. For purposes of this Agreement, "1934 Act" means the Securities Exchange Act of 1934, as amended.

3. Termination of Employment.

3.1. If, during the term of this Agreement, the Executive's employment with the Company shall be terminated during the Covered Period, the Executive shall be entitled to the following compensation and benefits depending upon the circumstances of such termination (in addition to any compensation and benefits provided for under any of the Company's employee benefit plans, policies and practices):

a. If the Executive's employment is terminated (1) by the Company for Cause, (2) due to Disability, (3) by reason of the Executive's death, or (4) by the Executive other than for Good Reason, then the Company shall pay the Executive or his/her estate, as applicable, on the next regular payroll cycle following the Termination Date, all amounts earned or accrued through the Termination Date but not paid as of the Termination Date, including (i) base salary, (ii) reimbursement for reasonable and necessary expenses incurred by the Executive on behalf of the Company during the period ending on the Termination Date, (iii) vacation pay, and (iv) sick leave (collectively, "Accrued Compensation"). In addition to the foregoing, if the Executive's employment is terminated by the Company for Disability or by reason of the Executive's death, the Company shall pay to the Executive or his/her beneficiaries an amount equal to the "Pro Rata Bonus" (as hereinafter defined). The "Pro Rata Bonus" is an amount equal to the Bonus Amount (as hereinafter defined) multiplied by a fraction the numerator of which is the number of days in such fiscal year through the Termination Date and the denominator of which is 365. The term "Bonus Amount" shall mean the greater of (x) the most recent annual bonus paid or payable to the Executive, or, (y) the annual bonus payable at the 100% target level of performance for the fiscal year during which the Termination Date occurs, or, if greater, for the fiscal year during which a Change in Control occurred or (z) the average of the annual bonuses paid or payable during the three full fiscal years ended prior to the Termination Date or, if greater, the three full fiscal years ended prior to the Change in Control (or, in each case, such lesser period for which annual bonuses were paid or payable to the Executive). Executive's entitlement to any other compensation or benefits shall be determined in accordance with the Company's employee benefit plans and other applicable programs and practices then in effect. In the event Executive becomes entitled to the Pro Rata Bonus under this Section 3.1 and also to a bonus under the Company's incentive plan in connection with a Change in Control, Executive shall be entitled to receive whichever bonus amount is greater and Executive shall not receive a duplicate bonus pursuant to such Sections.

b. If during the Covered Period, the Executive's employment with the Company is terminated (1) by the Company other than for Cause, or (2) by the Executive for Good Reason, the Executive shall be entitled to the following:

(1) the Company shall pay the Executive all Accrued Compensation as set forth in Section 3.1(a);

(2) the Company shall pay the Executive as severance pay and in lieu of any further compensation for periods subsequent to the Termination Date, a single payment in an amount (the "Severance Amount") in cash equal to one and one-half (1.5) times the sum of (A) the greater of the Executive's base salary in effect on the Termination Date or at any time during the 90-day period prior to the Change in Control ("Base Salary") and (B) the Bonus Amount;

(3) If Executive elects continuation coverage under the Company's group medical plan following termination of his/her employment, the Company will pay Executive an amount equal to the Company's subsidy toward the cost of medical coverage for similarly-situated active employees enrolled in the same coverage in which the Executive was enrolled at the time of the Termination Date (the "COBRA Subsidy"), as reduced by any applicable withholding. The Company shall pay the COBRA Subsidy until the earliest of (a) the date Executive qualifies under another employer-sponsored medical plan, (b) the Executive's 65th birthday, or (c) the expiration of COBRA continuation coverage.

(4) the Company shall pay in a single payment an amount in cash as if he had remained employed for an additional one and one-half (1.5) years (or until Executive's 65th birthday, if earlier), which amount shall be equal to 1.5 times (A) the Executive's Base Salary; (B) the Executive's most recent Bonus Amount; and (C) the maximum amount of employee the Company contributions that could have been made on Executive's behalf to the Acuity Brands, Inc. 401(k) Plan (assuming Executive participated in such plan at the maximum permissible contribution level) and the Acuity Brands, Inc. 2005 Supplemental Deferred Savings Plan ("SDSP"). For purposes of the SDSP, the Executive shall be credited with a contribution to the Supplemental Subaccount (but not the Matching Subaccount) and to the Make-Up Contribution Credit for such one and one-half (1.5) year period (to the extent Executive is eligible under the SDSP for each such contribution), provided that the requirements of the SDSP that the Executive have a Year of Service for each year and be employed on the last day of the year shall not apply to the eligibility to receive such contributions; and

(5) the restrictions on any outstanding incentive awards (including restricted stock, restricted stock units and granted Performance Shares) granted to the Executive under the Company's 2012 Omnibus Equity Incentive Plan or under any other long-term incentive plans or arrangements shall lapse and such incentive awards shall become one hundred percent (100%) vested, all stock options and stock appreciation rights granted to the Executive shall become immediately exercisable and shall become 100% vested, and Performance Units granted to Executive shall become 100% vested.

c. The amounts provided for in Sections 3.1(a) and 3.1(b)(1), (2) and (4), shall be paid within twenty (20) days after the Executive's Termination Date (and in no event later than March 15th of the year following the Termination Date) and all amounts shall be subject to applicable Federal, state and local tax withholding.

d. The Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise and no such payment shall be offset or reduced by the amount of any compensation or benefits provided to the Executive in any subsequent employment except as provided in Section 3.1(b)(3).

3.2. Code Section 280G.

a. Notwithstanding any other provision of this Agreement or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company or its affiliates to the Executive or for the Executive's benefit pursuant to the terms of this Agreement or otherwise ("Covered Payments") constitute parachute payments ("Parachute Payments") within the meaning of Section 280G of the Code and would, but for this Section 3.2 be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local

law or any interest or penalties with respect to such taxes (collectively, the "Excise Tax"), then prior to making the Covered Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to the Executive of the Covered Payments after payment of the Excise Tax to (ii) the Net Benefit payable to the Executive if the Covered Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (i) above is less than the amount under (ii) above will the Covered Payments be reduced to the minimum extent necessary to ensure that no portion of the Covered Payments is subject to the Excise Tax (that amount, the "Reduced Amount"). "Net Benefit" shall mean the present value of the Covered Payments net of all federal, state, local, foreign income, employment and excise taxes.

b. The Covered Payments shall be reduced in a manner that maximizes the Executive's economic position. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code, and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero.

c. Any determination required under this Section 3.2, including whether any payments or benefits are parachute payments, shall be made by the Company in its sole discretion. The Executive shall provide the Company with such information and documents as the Company may reasonably request in order to make a determination under this Section 3.2. The Company's determination shall be final and binding on the Executive.

d. It is possible that after the determinations and selections made pursuant to this Section 3.2 the Executive will receive Covered Payments that are in the aggregate more than the amount provided under this Section 3.2 (“Overpayment”) or less than the amount provided under this Section 3.2 (“Underpayment”).

i. In the event that it is established pursuant to a final determination of a court or an Internal Revenue Service proceeding that has been finally and conclusively resolved that an Overpayment has been made, then the Executive shall pay any such Overpayment to the Company together with interest at the applicable federal rate (as defined in Section 7872(f)(2)(A) of the Code) from the date of the Executive's receipt of the Overpayment until the date of repayment.

ii. In the event that a court of competent jurisdiction determines that an Underpayment has occurred, any such Underpayment will be paid promptly by the Company to or for the benefit of the Executive together with interest at the applicable federal rate (as defined in Section 7872(f)(2)(A) of the Code) from the date the amount would have otherwise been paid to the Executive until the payment date.

3.3. If, as a result of Executive’s termination of employment, Executive becomes entitled to compensation and benefits under this Agreement and under any Severance Agreement between Executive and the Company or under any severance plan provided by the Company, there shall be no duplication of benefits and Executive shall only be entitled to receive benefits under whichever agreement or plan provides Executive the greater aggregate amount. The Executive will be fully bound by all of the terms and conditions of the agreement under which he receives benefits. Except as provided in the preceding sentences, the severance pay and benefits provided for in Sections 3.1(a) and 3.1(b) shall be in lieu of any other severance pay to which the Executive may be entitled under any Company severance plan, program or arrangement for a termination of employment covered by such circumstances, except that if the severance pay of the type referenced in Section 3.1(b)(2) provided under such other plans, programs or arrangements is greater than the amount calculated under Section 3.1(b)(2), then that greater amount and not the amount under Section 3.1(b)(2) shall be paid.

To the extent applicable, this Agreement is intended to provide for compensation which satisfies the short-term deferral exemption under Treas. Reg. §1.409A-1(b)(4) and/or the separation pay exemption under Treas. Reg. §1.409A-1(b)(9). To the extent any benefits hereunder may be deferred compensation within the meaning of Section 409A, the Company shall have authority to take action, or refrain from taking any action, with respect to the payments of such benefits under this Agreement that is reasonably necessary to comply with Section 409A. Specifically, the Company shall have the authority to delay the commencement of payments to "key employees" of the Company (as determined by the Company in accordance with procedures established by the Company that are consistent with Section 409A) to a date which is six months after the date of Executive's Termination Date (and on such date the payments that would otherwise have been made during such six-month period shall be made) to the extent such delay is required under the provisions of Section 409A.

3.4. Notice of Termination. During the Covered Period, any purported termination by the Company or by the Executive shall be communicated by written Notice of Termination to the other. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which indicates the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated. For purposes of this Agreement, no such purported termination shall be effective without such Notice of Termination.

3.5. Trade Secrets and Confidential Information, Non-Disparagement.

a. Executive agrees that he/she shall protect the Company's and its affiliates' Trade Secrets and Confidential Information and shall not disclose to any person or entity, or otherwise use or disseminate, except in connection with the performance of his/her duties for the Company, any Trade Secrets or Confidential Information; provided, however, that Executive may make disclosures required by a valid order or subpoena issued by a court or administrative agency of competent jurisdiction, in which event Executive will promptly notify the Company or its affiliates of such order or subpoena to provide the Company or its affiliates an opportunity to protect their interests. Executive's obligations under this Section 3.5 shall apply during his/her employment and after his/her Termination Date, shall continue through any severance period, and shall survive any expiration or termination of this Agreement, so long as the information or material remains Confidential Information or a Trade Secret, as applicable.

b. Executive further confirms that during his/her employment with the Company, he/she has not and will not offer, disclose or use on Executive's own behalf or on behalf of the Company, any information Executive received prior to employment by the Company which was supplied to Executive confidentially or which Executive should reasonably know to be confidential.

c. Nothing in this Agreement prohibits Executive from reporting possible violations of federal law or regulation to any governmental agency or entity including but not limited to the Department of Justice, the Securities and Exchange Commission, Congress, or any Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. Executive does not need the prior authorization of Company to make any such reports or disclosures, and Executive is not required to notify Company that Executive has made such reports or disclosures.

d. Executive agrees that he/she will not make any disparaging statements or comments to any person or entity by any medium, whether oral or written, about Company, any of its affiliates or any of its respective officers, directors, employees, shareholders, agents, representatives or independent contractors. Nor shall Executive communicate to any person or entity by any medium, whether oral or written, any information harmful or adverse to Company, any of its affiliates or any of its respective officers,

directors, employees, shareholders, agents, representatives or independent contractors. Nothing in this section shall prevent Executive from providing truthful testimony pursuant to a lawful subpoena or other court order

4. Non-Competition, Non-Solicitation, Inventions.

4.1. Executive acknowledges and agrees that both during his/her employment and for twelve (12) months after the Termination Date, he/she has not and will not, directly or indirectly, engage in, provide, or perform any duties or services of the type conducted, authorized, offered, or provided by Executive in his/her capacity as an employee on behalf of the Company within the twelve (12) months prior to the Termination Date, on behalf of any person or entity (or in the case of an entity that is organized into divisions or units, any distinct division or operating unit of such entity) in the Territory that derives income from providing goods or services substantially similar to those which comprise the Company's Business.

4.2. Executive acknowledges and agrees that both during his/her employment and for twenty-four (24) months after the last day of his/her employment with the Company, Executive has not and will not directly or indirectly solicit Customers or Sales Agents with whom he/she had Material Contact for the purpose of providing goods and/or services competitive with the Company's Business.

4.3. Executive acknowledges and agrees that both during his/her employment and for twenty-four (24) months after the last day of his/her employment with the Company, Executive has not and will not, directly or indirectly, whether on behalf of Executive or others, solicit, lure or attempt to hire away any of the Company's or its affiliates' employees or agents. Notwithstanding the foregoing, this Section shall not prevent Executive from soliciting an employee or agent that has since discontinued all business dealings with the Company.

4.4. Executive does hereby assign to the Company the entire right, title and interest in any Invention which is or was made or conceived, either solely or jointly with others, during his/her employment with the Company. Executive attests that he/she has disclosed to the Company all such Inventions. Executive will, if requested, promptly execute and deliver to the Company a specific assignment of title for any such Invention and will at the expense of the Company, take all reasonably required action by the Company to patent, copyright or otherwise protect the Invention.

5. Successors; Binding Agreement.

5.1. This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and assigns and the Company shall require any successor or assign to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Executive were to terminate the Executive's employment for Good Reason, except that, for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Termination Date. The term "the Company" as used herein shall include such successors and assigns. The term "successors and assigns" as used herein shall mean a corporation or other entity acquiring all or substantially all the assets and business of the Company (including this Agreement), whether by operation of law or otherwise.

5.2. Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Executive, his/her beneficiaries or legal representatives, except by will or by the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal personal representative.

6. Disputes, Legal Fees.

6.1. All claims by Executive for compensation and benefits under this Agreement shall be in writing and shall be directed to and be determined by the Board or a Committee of the Board (the Board or such Committee is hereinafter referred to as the "Administrator"). Any denial by the Administrator of a claim for benefits under this Agreement shall be provided in writing to Executive within thirty (30) days of such decision and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Administrator shall afford a reasonable opportunity to Executive for a review of its decision denying a claim and shall further allow Executive to request in writing that the Administrator reconsider the denial of the claim within sixty (60) days after notification by the Administrator that Executive's claim has been denied.

6.2. If the Company involuntarily terminates Executive without Cause or Executive terminates his/her employment for Good Reason, then, in the event Executive incurs legal fees and other expenses in seeking to obtain or to enforce any rights or benefits provided by this Agreement and is successful to a significant extent in obtaining or enforcing any such rights or benefits through settlement, mediation, arbitration or otherwise, the Company shall promptly pay Executive's reasonable legal fees and expenses and related costs incurred in enforcing this Agreement including, without limitation, attorneys fees and expenses, experts fees and expenses, and investigative fees. Except to the extent provided in the preceding sentence, each party shall pay its own legal fees and other expenses associated with any dispute under this Agreement.

7. Notice. For the purposes of this Agreement, notices and all other communications provided for in the Agreement (including the Notice of Termination) shall be in writing and shall be deemed to have been duly given when personally delivered or sent by certified mail, return receipt requested, postage prepaid, addressed to the respective addresses last given by each party to the other, provided that all notices to the Company shall be directed to the attention of the Board with a copy to the Secretary of the Company. All notices and communications shall be deemed to have been received on the date of delivery thereof or on the third business day after the mailing thereof, except that notice of change of address shall be effective only upon receipt.

8. Non-Exclusivity of Rights. Except as otherwise specifically provided herein, nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any benefit, bonus, incentive or other plan or program provided by the Company or any of its subsidiaries and for which the Executive may qualify, nor shall anything herein limit or reduce such rights as the Executive may have under any other agreements with the Company or any of its subsidiaries. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan or program of the Company or any of its subsidiaries shall be payable in accordance with such plan or program, except as explicitly modified by this Agreement.

9. Settlement of Claims. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the Company may have against the Executive or others.

10. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

11. Indemnification. During the term of this Agreement and for a period of three (3) years after Executive's termination, the Company shall indemnify Executive and hold Executive harmless from and against any claim, loss or cause of action arising from or out of Executive's performance as an officer, director or employee of the Company or any of its subsidiaries or other affiliates or in any other capacity, including any fiduciary capacity, in which Executive serves at the Company's request, in each case to the maximum extent permitted by law and under the Company's Articles of Incorporation and By-Laws (the "Governing Documents"), provided that in no event shall the protection afforded to Executive hereunder be less than that afforded under the Governing Documents as in effect on the date of this Agreement except from changes mandated by law. During the Term and for a period of three (3) years, Executive shall be covered by any policy of directors' and officers' liability insurance maintained by the Company for the benefit of its then officers and directors.

12. Termination, Amendments and Modifications. This Agreement may be terminated, amended or modified only by a writing signed by both parties hereto, which makes specific reference to this Agreement.

13. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Georgia without giving effect to the conflict of laws principles thereof. Any action brought by any party to this Agreement shall be brought and maintained in a court of competent jurisdiction in Fulton County in the State of Georgia.

14. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

15. Entire Agreement. This Agreement encompasses the entire agreement of the parties with respect to the subject matter hereto and supersedes all previous understandings and agreements between them with respect to the subject matter hereto, whether oral or written, except that the restrictive covenants in this Agreement shall not supersede any restrictive covenants set forth in any other agreement between the Company and Executive ("Other Restrictive Covenants"). To the extent that the Other Restrictive Covenants conflict with the provisions contained in this Agreement, the provisions that are more restrictive on Executive will control. The parties hereby acknowledge and represent, that they have not relied on any representation, assertion, guarantee, warranty, collateral contract or other assurance, except those set out in this Agreement, made by or on behalf of any other party or any other person or entity whatsoever, prior to the execution of this Agreement.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and the Executive has executed this Agreement as of the day and year first above written.

ACUITY BRANDS, INC.

By: /s/ Vernon J. Nagel

Vernon J. Nagel

Chairman, President & Chief Executive Officer

EXECUTIVE

/s/ Karen J. Holcom

Karen J. Holcom

APPENDIX A

BENEFIT PLANS AND AGREEMENTS

(Applicable to the Extent Executive Participates in Such Plans and Agreements)

- Management Cash Incentive Plan (or similar plan covering the Executive)
- Supplemental Deferred Savings Plan (or similar plan covering the Executive)
- Omnibus Stock Incentive Compensation Plan (or similar plan covering the Executive)
- 401(k) Plan (or similar tax qualified deferred compensation plan covering the Executive)

AMENDMENT NO. 1
TO
CHANGE IN CONTROL AGREEMENT

THIS AMENDMENT made and entered into on the date set forth below by and between ACUITY BRANDS, INC. (the "Company") and Karen J. Holcom ("Executive");

W I T N E S S E T H

WHEREAS, the Company and Executive entered into a Change in Control Agreement, dated as of March 28, 2018 ("CIC Agreement"), providing for the payment of certain compensation and benefits to Executive if Executive's employment is terminated in connection with a Change in Control (as defined in the CIC Agreement); and

WHEREAS, the parties now desire to amend the CIC Agreement in the manner hereinafter provided;

NOW, THEREFORE, the CIC Agreement is hereby amended, as follows:

1. Section 3.1(b) is amended by adding a new subparagraph 3.1(b)(6) as follows:

(6) Any benefit payable in accordance with the terms of the Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan, as Amended and Restated Effective July 1, 2019, except as otherwise noted (the "SERP"); provided that if Executive's Termination Date occurs prior to the date that Executive has three (3) Years of Credited Service (as defined in the SERP), Executive shall be deemed to have earned three (3) Years of Credited Service thereunder.

2. This Amendment to the CIC Agreement shall be effective on August 20, 2019. Except as hereby modified, the CIC Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date(s) written below.

COMPANY

EXECUTIVE

/s/ Karen J. Holcom

Karen J. Holcom

Date: 8/22/2019

ACUITY BRANDS, INC.

By: /s/ Vernon J. Nagel

VERNON J. NAGEL

Chairman, President and CEO

Date: 8/20/2019

ACUITY BRANDS, INC.

Amended and Restated 2012 Omnibus Stock Incentive Compensation Plan

Global Performance Unit Notification and Award Agreement

Grantee:	
Grant Type:	
Grant ID:	
Grant Date:	
Target Award Amount:	
Maximum Award Amount:	
Performance Period:	
Service Period:	
Grantee Level:	
Accept By Date:	

WHEREAS, Acuity Brands, Inc. (the "Company") maintains the Amended and Restated Acuity Brands, Inc. 2012 Omnibus Stock Incentive Compensation Plan (the "Plan") under which the Compensation Committee of the Company's Board of Directors (the "Committee") has authority to grant Performance Units; and

WHEREAS, the Committee has determined that it is in the best interest of the Company and its stockholders to grant this Performance Unit Award to the Grantee identified above, subject to the terms and conditions set forth in the Plan and this Global Performance Unit Notification and Award Agreement, together with its exhibits (the "Agreement").

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. **Incorporation of the Plan**. The provisions of the Plan are hereby incorporated by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan. The Committee has final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon Grantee and Grantee's legal representative with respect to any questions arising under the Plan or this Agreement.

2. **Grant of Performance Unit Award**. The Committee, on behalf of the Company, hereby grants to Grantee, effective as of the Grant Date, Performance Units equal to the Target Award Amount set forth above, on the terms and conditions set forth in this Agreement, including the specific vesting requirements set forth above and the performance goal requirements (the "Performance Goals") set forth in Exhibit A attached hereto, and as otherwise provided in the Plan. The actual number of Performance Units earned pursuant to the Award will be determined based on the achievement of the Performance Goals during the Performance Period, as further set forth in Exhibit A.

3. **Acceptance of Performance Unit Award**. This award of Performance Units is conditioned upon Grantee's acceptance of the terms of this Agreement, as evidenced by Grantee's execution of this Agreement or by Grantee's electronic acceptance of this Agreement in a manner and during the time period allowed by the Company. If the terms of this Agreement are not timely accepted by execution or by such electronic means, the award of Performance Units may be cancelled.

4. **Performance Goals**. Exhibit A attached hereto sets forth the Performance Goals that must be satisfied in order for the Performance Units to be eligible to vest, subject to Grantee's satisfaction of the Service Period, except as otherwise set forth in Section 5. The Committee shall certify the extent to which the Performance Goals have been

achieved with such certification occurring as soon as practicable following the end of the Performance Period and in any event no later than ninety (90) days following the end of such Performance Period (such certification occurring on the "Certification Date"). Except as set forth in Section 5, any Performance Units for which the Performance Goals have not been achieved shall be automatically forfeited, terminated and cancelled effective as of the applicable Certification Date, without the payment of any consideration by the Company, and Grantee, or Grantee's beneficiary or personal representative, as the case may be, shall have no further rights with respect to such forfeited Performance Units under the Agreement.

5. **Vesting of Performance Unit Award**.

a) In General. Provided that Grantee remains continuously employed by the Company, a Subsidiary or Affiliate through the last day of the Service Period (the "Vesting Date"), this Performance Unit Award shall vest to the extent that the Performance Goals have been achieved, as determined by the Committee on the Certification Date. For purposes of this Agreement, providing active services as an Employee or as a member of the Board shall be considered as employment.

b) Vesting Acceleration Upon Termination due to Death or Disability. Notwithstanding Section 5(a) above, if prior to the Vesting Date, (i) Grantee dies while actively employed by the Company or a Subsidiary or Affiliate, or (ii) Grantee's employment terminates by reason of Grantee's Disability, any Performance Units shall become fully vested and non-forfeitable as of the date of Grantee's death or Disability in an amount equal to the Target Award Amount; provided, however, that if Grantee's Termination due to Grantee's death or Disability occurs after the end of the Performance Period, the Performance Units shall become fully vested and non-forfeitable in an amount equal to the number of Performance Units actually earned, as determined by the Committee on the Certification Date.

c) Vesting Upon Termination due to Retirement. Notwithstanding Section 5(a) above, if Grantee's employment terminates for a reason other than Cause on or after the date on which (i) Grantee has attained the age of sixty (60) years old, and (ii) the number of completed years of Grantee's continuous service to the Company or a Subsidiary or Affiliate is at least ten (10) ("Retirement"), any Performance Units will remain outstanding and will continue to vest following Grantee's Termination through the end of the Service Period set forth above and subject to the terms set forth in this Agreement, including Exhibit A attached hereto, as though Grantee had remained in service, and once vested, will be settled in accordance with Section 7 below; provided, however, that any unvested Performance Units will be forfeited immediately, automatically and without consideration upon Grantee's breach of the confidentiality, inventions, non-solicitation and non-competition provisions attached hereto as Exhibit D (as determined by the Committee). The Company, in its sole discretion, will determine whether Grantee has completed ten (10) years of continuous service, including the effect of any break-in-service.

d) Termination of Service for Any Other Reason. Except for death, Termination due to Disability or Termination due to Retirement, as provided in Sections 5(b) and (c) above, or except as otherwise provided in a duly approved severance agreement with Grantee, if Grantee terminates his or her employment or if the Company or if different, the Subsidiary or Affiliate employing Grantee (the "Employer") terminates Grantee's employment prior to the Vesting Date (even in the case of unfair dismissal and whether or not later to be found invalid or in breach of employment laws in the jurisdiction where Grantee is employed or the terms of Grantee's employment agreement, if any) Grantee expressly acknowledges that the Performance Units shall cease to vest further and that the Performance Units shall be immediately forfeited as of the Date of Termination. "Date of Termination" means the last day of Grantee's active employment with the Employer. For greater certainty, Grantee's Date of Termination shall be deemed to be the date on which the notice of termination of employment provided is stated to be effective (and in the case of alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any notice or other period following such date during which Grantee is in receipt of, or eligible to receive, statutory, contractual or common law notice of termination or any compensation in lieu of such notice or severance pay. The Board or the Committee shall have the exclusive discretion to determine when Grantee is no longer actively providing services for purposes of the Performance Unit grant (including whether Grantee may still be considered to be providing services while on a leave of absence).

e) Vesting Acceleration Upon a Change in Control. Notwithstanding the other provisions of this Agreement, in the event of a Change in Control prior to the Vesting Date, all Performance Units shall become fully vested and non-forfeitable as of the date of the Change in Control in an amount equal to the Target Award Amount;

provided, however, that if the Change in Control occurs after the end of the Performance Period, the Performance Units shall become fully vested and non-forfeitable in an amount equal to the number of Performance Units actually earned, as determined by the Committee on the Certification Date.

6. **Dividend Equivalents**. During the period that Grantee holds Performance Units granted pursuant to this Agreement, on each date that the Company pays a cash dividend to holders on its Common Stock, the Company shall credit to a non-interest bearing account on its books for Grantee an unvested amount equal to the United States ("U.S.") Dollar amount paid per share of the Company's Common Stock for each Performance Unit initially granted pursuant to this Agreement (the "Dividend Equivalents"). The Dividend Equivalents credited to Grantee's non-interest bearing account shall vest only to the extent that the Performance Units vest and, except as otherwise provided in Section 5, only with respect to the number of Performance Units actually earned, based on achievement of the Performance Goals. Any such vested Dividend Equivalents shall be paid in accordance with Section 7 below. The Dividend Equivalents shall be forfeited in the event that the Performance Units are forfeited.

7. **Issuance of Shares upon Vesting**. No Shares shall be issued to Grantee prior to the date that the Performance Units vest pursuant to this Agreement. As soon as practical and in any event within sixty (60) days after the Vesting Date (or within such longer period as may be permitted under Section 409A upon Grantee's death), and subject to the Company's Incentive-Based Compensation Recoupment Policy (described in Section 11 below) and the applicable terms of Exhibit D attached hereto, the Company will cause Shares to be issued to an unrestricted account in Grantee's name in payment of such vested Performance Units and will cause any Dividend Equivalents attributed to such vested Performance Units to be paid in cash to Grantee or, in the event of death, to Grantee's heirs, subject to the applicable laws of descent and distribution. Notwithstanding the foregoing, (a) in the event of vesting of the Performance Units upon a Change in Control, the Performance Units shall be paid in accordance with Section 15.2 of the Plan, and (b) to the extent that (i) the Performance Units constitute "nonqualified deferred compensation" subject to Section 409A, (ii) Grantee is subject to U.S. federal taxation and (iii) the aforementioned sixty (60) day period spans two calendar years, the Performance Units and any Dividend Equivalents will be paid in the second of such calendar years.

8. **Transfer Restrictions**. The Performance Units may not be sold, assigned, transferred, pledged, or otherwise encumbered in any manner other than by will or the laws of descent and distribution, unless and until the shares of Common Stock underlying the vested Performance Units have been issued.

9. **Stockholder Rights**. The Performance Units granted pursuant to this Agreement do not and shall not entitle Grantee to any rights of a stockholder of the Company's Common Stock. Grantee's rights with respect to the Performance Units shall remain forfeitable at all times prior to the Vesting Date or such other date on which the Performance Units vest pursuant to Section 5.

10. **Adjustments Upon Specified Events**. In the event of a Share Change (as defined in the Plan), the number and class of Shares or other securities that Grantee shall be entitled to, and shall hold, pursuant to this Agreement shall be appropriately adjusted or changed to reflect the Share Change, provided that any such additional Shares or additional or different Shares or securities shall remain subject to the restrictions in this Agreement.

11. **Recoupment**. All Awards of Performance Units, whether unvested or vested, shall be subject to the Company's Incentive-Based Compensation Recoupment Policy (the "Recoupment Policy"), such that any Award that was made to a Grantee who is deemed a "Covered Employee" under the Recoupment Policy within the three (3) year period preceding the date on which the Company announces that it will prepare an accounting restatement under the Recoupment Policy shall be subject to deduction, clawback or forfeiture, as applicable.

12. **Compliance with Section 409A of the Code for U.S. Taxpayers**. The parties intend that this Agreement and the benefits provided hereunder be exempt from the requirements of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "Section 409A") to the maximum extent possible, whether pursuant to the short-term deferral exception described in Treasury Regulation Section 1.409A-1(b)(4) or otherwise. However, to the extent that the Performance Units (or any portion thereof) may be subject to Section 409A, the parties intend that this Agreement and such benefits comply with the deferral, payout, and other limitations and restrictions imposed under Section 409A and this Agreement shall be interpreted, operated and administered in a manner consistent with such intent. Notwithstanding any other provision of the Plan or this

Agreement, the Committee shall have the right in its sole discretion (without any obligation to do so or to indemnify Grantee or any other person for failure to do so) to adopt such amendments to the Plan or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Committee determines are necessary or appropriate either for the Performance Units to be exempt from the application of Section 409A or to comply with the requirements of Section 409A. Nothing in this Agreement or the Plan shall provide a basis for any person to take action against the Company or any Subsidiary based on matters covered by Section 409A of the Code, including the tax treatment of any amount paid or Performance Units granted under this Agreement, and neither the Company nor any of its Subsidiaries shall under any circumstances have any liability to Grantee or his or her estate or any other party for any taxes, penalties or interest due on amounts paid or payable under this Agreement, including taxes, penalties or interest imposed under Section 409A.

13. **Securities Law Compliance**. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Common Stock, the Company shall not be required to deliver any Common Stock issuable upon settlement of the Performance Units prior to the completion of any registration or qualification of the Common Stock under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the SEC or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. Grantee understands that the Company is under no obligation to register or qualify the Common Stock with the SEC or any state, provincial or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of Common Stock. Further, Grantee agrees that the Company shall have unilateral authority to amend the Plan and this Agreement without Grantee's consent to the extent necessary to comply with securities or other laws applicable to the issuance of Common Stock.

14. **Grantee's Representation**. Grantee represents and warrants that he or she is acquiring the Performance Units for investment purposes only, and not with a view to distribution thereof.

15. **Confidentiality, Inventions, Non-Solicitation and Non-Competition**. In exchange for receipt of consideration in the form of the Performance Unit award pursuant to this Agreement and other good and valuable consideration, Grantee agrees that he/she shall comply with the confidentiality, inventions, non-solicitation and non-competition provisions attached hereto as Exhibit D.

16. **Nature of Grant**. In accepting the grant, Grantee acknowledges, understands and agrees that:

a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

b) the grant of Performance Units is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of performance units, or benefits in lieu of performance units, even if performance units have been granted in the past;

c) all decisions with respect to future Performance Units or other grants, if any, will be at the sole discretion of the Company;

d) the Performance Unit grant and Grantee's participation in the Plan shall not create a right to employment or be interpreted as forming or amending an employment or services contract with the Company and shall not interfere with the ability of the Employer to terminate Grantee's employment or service relationship (if any);

e) Grantee is voluntarily participating in the Plan;

f) the Performance Units and the Shares subject to the Performance Units, and any related income and value, are not intended to replace any pension rights or compensation;

g) the Performance Units and the Shares subject to the Performance Units, and any related income and value, are not part of normal or expected compensation for any purposes including, but not limited to, calculating any severance, resignation, termination, payment in lieu of notice, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, leave-related payments, pension, retirement, welfare benefits or similar payments;

h) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

i) no claim or entitlement to compensation or damages shall arise from any loss of any right or benefit, or prospective right or benefit, including the forfeiture of Performance Units resulting from the termination of Grantee's employment or other service relationship (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Grantee is employed or the terms of Grantee's employment agreement, if any);

j) unless otherwise agreed with the Company, the Performance Units and Shares subject to the Performance Units, and any related income and value, are not granted as consideration for, or in connection with, the service Grantee may provide as a director of a Subsidiary; and

k) the Company shall not be liable for any foreign exchange rate fluctuation between Grantee's local currency and the U.S. Dollar that may affect the value of the Performance Units or of any amounts due to Grantee pursuant to the settlement of the Performance Units or the subsequent sale of any Shares acquired upon settlement.

17. **Responsibility for Taxes**

a) Grantee acknowledges that, regardless of any action taken by the Company or the Employer, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Grantee's participation in the Plan and legally applicable to Grantee ("Tax-Related Items"), is and remains Grantee's responsibility and may exceed the amount actually withheld by the Company or the Employer. Grantee further acknowledges that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance Units or the Dividend Equivalents, including, but not limited to, the grant, vesting or settlement of the Performance Units, the subsequent sale of Shares acquired pursuant to such settlement and the receipt or payment of any dividends or any Dividend Equivalents and (2) do not commit to and is under no obligation to structure the terms of the grant or any aspect of the Performance Units or the Dividend Equivalents to reduce or eliminate Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if Grantee is subject to Tax-Related Items in more than one jurisdiction, Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

b) Prior to any relevant taxable or tax withholding event, as applicable, Grantee agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations, if any, with regard to all Tax-Related Items by one or a combination of the following:

(i) withholding from Grantee's wages or other cash compensation paid to Grantee by the Company and/or the Employer; or

(ii) withholding from proceeds of the sale of Shares acquired upon vesting/settlement of the Performance Unit either through a voluntary sale or through a mandatory sale arranged by the Company (on Grantee's behalf pursuant to this authorization); or

(iii) withholding in Shares to be issued pursuant to the Performance Units.

c) Notwithstanding Section 17(b) above, if Grantee is subject to the reporting requirements of Section 16(a) of the Exchange Act, then any applicable withholding obligations will be satisfied by withholding in Shares to be issued pursuant to the Performance Units, unless such withholding is not feasible under applicable tax or securities law or has materially adverse accounting consequences, in which case, the Company may satisfy any withholding obligations for Tax-Related Items in accordance with Section 17(b)(i) or (ii).

d) Subject to Section 17.2 of the Plan, the Company may withhold or account for the Tax-Related Items by considering statutory withholding amounts or other applicable withholding rates in Grantee's jurisdiction(s), including (i) maximum applicable rates, in which case Grantee may receive a refund of any over-withheld amount in cash (whether from applicable tax authorities or the Company) and will have no entitlement to the Common Stock

equivalent or (ii) minimum rates or such other applicable rates, in which case Grantee may be solely responsible for paying any additional Tax-Related Items to the applicable tax authorities.

e) If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Grantee is deemed to have been issued the full number of Shares subject to the vested Performance Units, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax-Related Items.

f) The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if Grantee fails to comply with Grantee's obligations in connection with the Tax-Related Items.

g) To the extent that a withholding obligation for Tax-Related Items arises prior to the Vesting Date or such other vesting event hereunder, the Company may accelerate the vesting of Performance Units to the extent necessary to satisfy such Tax-Related Items in the manner set forth in Section 17(b)(ii) or (iii). However, notwithstanding anything in this Section 17 to the contrary, to the extent that the Performance Units constitute "nonqualified deferred compensation" subject to Section 409A and Grantee is subject to U.S. federal taxation, the number of Shares withheld (or sold on Grantee's behalf) shall not exceed the number of Shares that equals the liability for Tax-Related Items.

18. **Data Privacy**.

a) ***Data Collection and Usage. Pursuant to applicable data protection laws, Grantee is hereby notified that, in order to perform this Agreement and facilitate Grantee's participation in the Plan, the Company will collect, process, use, and transfer Grantee's Personal Data (as defined herein) for purposes of allocating Shares and implementing, administering, and managing the Plan. Where required, the legal basis underlying the Company's collection, use, transfer and other processing of Grantee's Personal Data is the necessity of the processing (i) for the performance of this Agreement subject to the terms and conditions set forth in the Plan, (ii) to comply with legal obligations to which the Company is subject according to European Union ("EU"), European Economic Area ("EEA") or Member State law, or (iii) the pursuit of the Company's legitimate interest to comply with legal obligations to which the Company is subject according to law established outside the EU/EEA. Grantee's personal data and personally-identifiable information processed by the Company includes Grantee's name, home address, telephone number and email address, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any equity or directorships held in the Company and any Subsidiary, details of all Performance Units or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested, or outstanding in Grantee's favor, which the Company receives from Grantee or the Employer ("Personal Data"). Grantee's provision of Personal Data is a contractual requirement under this Agreement and the Plan. Grantee's refusal to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect Grantee's ability to participate in the Plan.***

b) ***Stock Plan Administration Service Providers. The Company transfers Personal Data to Merrill Lynch, Pierce, Fenner & Smith Incorporated (including its affiliated companies; collectively "Bank of America Merrill Lynch"), an independent service provider with operations relevant to the Company in the United States, which assists the Company with the implementation, administration, and management of the Plan. In this case, Grantee's Personal Data will only be accessible by those individuals requiring access to it for purposes of implementing, administering, and operating the Plan. Grantee will be asked to agree on separate terms and data processing practices with Bank of America Merrill Lynch, which is a condition to Grantee's ability to participate in the Plan. In the future, the Company may select a different service provider, which will act in a similar manner, and share Personal Data with such service provider.***

c) ***International Data Transfers. The Company and Bank of America Merrill Lynch are based in the United States, which means that it will be necessary for Personal Data to be transferred to, and processed in, the United States. If Grantee is outside the United States, Grantee should note that his or her country may have enacted data privacy laws that are different from the laws of the United States. For example, the European Commission has issued only a limited adequacy finding with respect to the United States that applies solely if and to the extent that companies self-certify and remain self-certified under the EU/U.S. Privacy Shield program. As a result, in the absence of appropriate safeguards such as EU Standard Contractual Clauses published by the EU Commission, the processing of Grantee's Personal Data in the United States or, as the case may be, other countries might not be subject to substantive data processing principles or supervision by data protection authorities. In addition, Grantee might not have enforceable rights regarding the processing of his or her Personal Data in such countries.***

The Company provides appropriate safeguards for protecting Personal Data that it receives in the United States through its adherence to EU Standard Contractual Clauses entered into between the Company and its Subsidiaries and Affiliates within the EU, the EEA and the United Kingdom. Grantee can ask for copies of such EU Standard Contractual Clauses using the following contact details: [insert contact details]. Bank of America Merrill Lynch has not self-certified under the EU/U.S. Privacy Shield program or implemented appropriate safeguards such as the EU Standard Contractual Clauses. As a consequence, if Grantee is located in the EU, the EEA or the United Kingdom, Personal Data is transferred by the Company to Bank of America Merrill Lynch solely based on Grantee's consent provided to the Company as follows:

If Grantee is located in the EU, the EEA or the United Kingdom, by signing or otherwise entering into this Agreement, Grantee unambiguously consents to the onward transfer of Personal Data by the Company to Bank of America Merrill Lynch as described in Section 17(c) above. Grantee understands that granting such consent is voluntary and that Grantee may, at any time and with future effect, refuse to provide such consent or withdraw such consent by contacting [insert contact details]. If Grantee does not consent or later withdraws consent, Grantee's employment status or service with the Employer will not be affected. The only consequence of not providing or withdrawing consent is that the Company would not be able to grant Performance Units or other equity awards to Grantee or administer or maintain such awards. Therefore, Grantee understands that refusing or withdrawing consent may affect his or her ability to participate in the Plan. For more information on the consequences of refusal or withdrawal of consent, Grantee may contact [insert contact details].

d) ***Data Retention. The Company will use Grantee's Personal Data only as long as is necessary to implement, administer and manage Grantee's participation in the Plan or as required to comply with legal or regulatory obligations, including under tax, labor, securities, and exchange control laws. When the Company no longer needs Grantee's Personal Data, the Company will remove it from it from its systems. If the Company keeps Personal Data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be relevant laws or regulations.***

e) ***Data Subject Rights. Grantee has a number of rights under data privacy laws in his or her country. Depending on where Grantee is based and subject to the applicable statutory conditions, Grantee's rights include the right to (a) request access or copies of Personal Data the Company processes, (b) rectification of incorrect or incomplete data, (c) deletion of data, (d) restrictions on processing, (e) object to the processing for legitimate interests, (f) portability of data, (g) lodge complaints with competent authorities in Grantee's country, and/or (h) request a list with the names and addresses of any potential recipients of Grantee's Personal Data. To receive clarification regarding Grantee's rights or to exercise Grantee's rights, Grantee should contact his or her local human resources representative.***

f) ***Controller and Authorized EU Representative. The Company is the controller responsible for the processing of Grantee's Personal Data as described in this Section 17. The Company's authorized representative in the EU is [insert complete name and address of the Company's EU representative].***

19. **No Advice Regarding Grant**. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Grantee's participation in the Plan, or Grantee's acquisition or sale of the underlying Shares. Grantee should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

20. **Insider Trading/Market Abuse Restrictions**. Grantee may be subject to insider trading restriction and/or market abuse laws in applicable jurisdictions including, but not limited to, the U.S. and Grantee's country of residence, which may affect Grantee's ability to accept, acquire sell or otherwise dispose of Shares or rights to Shares (*e.g.*, Performance Units) or rights linked to the value of Shares during such times as Grantee is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Grantee is responsible for ensuring Grantee's own compliance with any applicable restrictions and is advised to speak with his or her personal legal advisor on this matter.

21. **Foreign Asset / Account or Tax Reporting; Exchange Control**. Grantee acknowledges that there may be certain exchange control, foreign asset/account, or tax reporting requirements which may affect Grantee's ability to acquire or hold Shares acquired under the Plan or cash received from participating in the Plan (including

from any dividends or Dividend Equivalents) in a brokerage or bank account outside Grantee's country. Grantee may be required to report such accounts, assets or transactions to the tax or other authorities in his or her country. Grantee also may be required to repatriate sale proceeds or other funds received as a result of Grantee's participation in the Plan to his or her country through a designated bank or broker within a certain time after receipt. Grantee acknowledges that it is Grantee's responsibility to be compliant with such regulations, and Grantee should consult his or her personal legal advisor for any details.

22. **Electronic Delivery and Participation**. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or any third party designated by the Company. By Grantee's execution of this Agreement or acceptance by electronic means and the electronic signature of the Company's representative, Grantee and the Company agree that this Performance Units is granted under and governed by the terms and conditions of the Plan and this Agreement.

23. **Country-Specific Terms and Conditions**. Notwithstanding any provisions in this Agreement, the Performance Unit grant shall be subject to any additional terms and conditions set forth in Exhibit B to this Agreement for Grantee's country. Moreover, if Grantee relocates to one of the countries included in Exhibit B, the additional terms and conditions for such country will apply to Grantee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Exhibit B constitutes part of this Agreement.

24. **Language**. If Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

25. **Imposition of Other Requirements**. The Company reserves the right to impose other requirements on Grantee's participation in the Plan, on the Performance Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

26. **Governing Law and Venue**. Except with respect to Exhibit D, the Performance Unit grant and the provisions of this Agreement and the validity, interpretation, construction and performance of same shall be governed by, and subject to, the laws of the State of Delaware, without regard to its conflict of law provisions. Any and all disputes relating to, concerning or arising from this Agreement, or relating to, concerning or arising from the relationship between the parties evidenced by the Performance Units or this Agreement, shall be brought and heard exclusively in the U.S. District Court for the District of Delaware or the Delaware Superior Court, New Castle County. Each of the parties hereby represents and agrees that such party is subject to the personal jurisdiction of said courts; hereby irrevocably consents to the jurisdiction of such courts in any legal or equitable proceedings related to, concerning or arising from such dispute, and waives, to the fullest extent permitted by law, any objection which such party may now or hereafter have that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in such courts is improper or that such proceedings have been brought in an inconvenient forum.

27. **Severability**. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

28. **Waiver**. Grantee acknowledges that a waiver by the Company of any provision, or breach thereof, of this Agreement on any occasion shall not operate or be construed as a waiver of such provision on any other occasion or as a waiver of any other provision of this Agreement, or of any subsequent breach by Grantee or any other Plan participant.

29. **Pronouns; Including**. Wherever appropriate in this Agreement, personal pronouns shall be deemed to include the other genders and the singular to include the plural. Wherever used in this Agreement, the term "including" means "including, without limitation."

30. **Successors in Interest**. This Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns, whether by merger, consolidation, reorganization, sale of assets, or otherwise. This Agreement shall inure to the benefit of Grantee's legal representatives. All obligations imposed upon Grantee and all rights granted to the Company under this Agreement shall be final, binding, and conclusive upon Grantee's heirs, executors, administrators, and successors.

31. **Integration**. This Agreement, along with any Exhibit hereto, encompasses the entire agreement of the parties related to the subject matter of this Agreement, and supersedes all previous understandings and agreements between them, whether oral or written, except as otherwise described specifically in Exhibit D. The parties hereby acknowledge and represent, that they have not relied on any representation, assertion, guarantee, warranty, collateral contract or other assurance, except those set out in this Agreement, made by or on behalf of any other party or any other person or entity whatsoever, prior to the execution of this Agreement.

32. **Interpretation**. The Committee shall have the sole and absolute authority to interpret, construe and apply the terms of the Plan and this Agreement and to make any and all determinations under them. Any determination or decision by the Committee shall be final, binding and conclusive upon Grantee, Grantee's legal representative and the Company for all purposes.

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By completing the online acceptance process, Grantee accepts the grant of Performance Units and agrees to all the terms and conditions described in this Agreement and in the Plan.

PLEASE RETAIN THIS AGREEMENT AND ALL EXHIBITS FOR YOUR RECORDS.

EXHIBIT A

PERFORMANCE GOALS

[INSERT DESCRIPTION OF PERFORMANCE GOALS]

EXHIBIT B

ADDITIONAL TERMS AND CONDITIONS FOR GRANTEES OUTSIDE THE U.S.

Terms and Conditions

This Exhibit B includes additional terms and conditions that govern the Performance Units granted to Grantee under the Plan if Grantee resides in one of the countries listed below. These terms and conditions are in addition to, or if so indicated, in place of the terms and conditions in the Agreement. If Grantee is a citizen or resident of a country other than the one in which he or she is currently working, transferred employment and/or residency after the Performance Units were granted, or is considered a resident of another country for local law purposes, the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to Grantee.

Notifications

This Exhibit B also includes information regarding exchange controls and certain other issues of which Grantee should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control, and other laws in effect in the respective countries as of August 2019. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Grantee not rely on the information in this Exhibit B as the only source of information relating to the consequences of Grantee's participation in the Plan because the information may be out of date at the time that the Performance Units vest or Grantee sells Shares.

In addition, the information contained herein is general in nature and may not apply to Grantee's particular situation, and the Company is not in a position to assure Grantee of a particular result. Accordingly, Grantee should seek appropriate professional advice as to how the relevant laws in Grantee's country may apply to his or her situation.

If Grantee is a citizen or resident of a country other than the one in which he or she is currently working, transferred employment and/or residency after the Performance Units were granted, or is considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to Grantee.

Certain capitalized terms used but not defined in this Exhibit B have the meanings set forth in the Plan and the Agreement.

ALL NON-U.S. COUNTRIES

Terms and Conditions

Vesting Upon Termination due to Retirement. The following provision supplements Section 5(c) of the Agreement:

Notwithstanding anything to the contrary in the Plan or the Agreement, if the Company receives a legal opinion that there has been a legal judgment and/or development in Grantee's jurisdiction that likely would result in the vesting of the Performance Units following Grantee's Termination due to Retirement being deemed unlawful and/or discriminatory, such vesting shall not apply and the treatment of the Performance Units upon Grantee's Termination due to Retirement shall be determined pursuant to the remaining provisions of Section 5 of the Agreement.

CANADA

(Quebec Only)

Terms and Conditions

Language Consent. Grantee acknowledges that it is the express wish of the parties that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be written in English.

Consentement linguistique. *Le participant reconnaît que c'est son souhait exprès d'avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaries intentées, directement ou indirectement, relativement à ou suite à la présente convention.*

Data Privacy. The following provision supplements Section 18 of the Agreement:

Grantee hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. Grantee further authorizes the Company, any Subsidiary or Affiliate to disclose and discuss the Plan with their advisors. Grantee further authorizes the Company and any Subsidiary or Affiliate to record such information and to keep such information in Grantee's employee file.

CANADA

(All Provinces, Including Quebec)

Notifications

Securities Law Notice. Grantee acknowledges that he or she is permitted to sell the Shares acquired under the Plan through Bank of America Merrill Lynch or other such stock plan service provider as may be selected by the Company in the future, provided the sale of the Shares takes place outside of Canada through facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange.

Foreign Asset and Account Reporting Information. Canadian residents may be required to report foreign property on Form T1135 (Foreign Income Verification Statement) if the total cost of the foreign property exceeds C$100,000 at any time in the year. Foreign property includes Shares acquired under the Plan and may include the Performance Units, and their cost generally is the adjusted cost base ("ACB") of the Shares. The ACB ordinarily would equal the fair market value of the Shares at the time of acquisition, but if the Canadian resident owns other Shares, whether acquired under the Plan or outside of it, the ACB of Shares acquired pursuant to this Agreement may have to be averaged with the ACB of the other Shares. The Form T1135 generally must be filed by April 30 of the following year. Canadian residents should consult with a personal advisor to ensure compliance with the applicable reporting requirements.

FRANCE

Terms and Conditions

Performance Units Not French-qualified. The Performance Units granted under this Agreement are not intended to qualify for specific tax and social security treatment pursuant to Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code, as amended.

Language Consent. By accepting the grant, Grantee confirms having read and understood the Plan and Agreement which were provided in the English language. Grantee accepts the terms of those documents accordingly.

Consentement linguistique. *En acceptant l'attribution, le Participant confirme avoir lu et compris le Plan et le Contrat, qui ont été communiqués en langue anglaise. Le Participant accepte les termes de ces documents en connaissance de cause.*

Notifications

Foreign Asset and Account Reporting Information. French residents holding cash or Shares outside France must declare all foreign bank and brokerage accounts (including any accounts that were closed during the tax year) on an annual basis, together with their income tax return.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (*Bundesbank*) by the fifth day of the month following the month in which the payment is received or made. If Grantee receives a payment in excess of €12,500 in connection with the sale of Shares and/or the receipt of dividends or Dividends Equivalents, Grantee must report the payment to *Bundesbank* electronically using the "General Statistics Reporting Portal" (*Allgemeines Meldeportal Statistik*) available via *Bundesbank*'s website.

Foreign Asset/Account Reporting Information. If Grantee's acquisition of Shares under the Plan leads to a "qualified participation" at any point during the calendar year, Grantee will need to report the acquisition of Shares when Grantee files his or her tax return for the relevant year. A qualified participation is attained if (i) the value of the Shares acquired exceeds €150,000 or (ii) the Shares held exceed 10% of the Company's total Common Stock.

ITALY

Terms and Conditions

Terms of Grant. By accepting the Performance Units, Grantee acknowledges that (a) Grantee has received a copy of the Plan, the Agreement and this Exhibit B; (b) Grantee has reviewed those documents in their entirety and fully understands the contents thereof; and (c) Grantee accepts all provisions of the Plan and the Agreement, including this Exhibit B. Grantee further acknowledges that Grantee has read and specifically and expressly approves, without limitation, the following sections of the Agreement: Section 3 (Acceptance of Performance Unit Award); Section 5 (Vesting of Performance Unit Award); Section 14 (Grantee's Representation); Section 15 (Confidentiality, Inventions, Non-Solicitation and Non-Competition); Section 16 (Nature of Grant); Section 17 (Responsibility for Taxes); Section 18 (Data Privacy); Section 20 (Insider Trading/Market Abuse Restrictions); Section 24 (Language) and Section 26 (Governing Law and Venue).

Notifications

Foreign Asset / Account Reporting Requirement. Italian residents who, during any fiscal year, hold investments or financial assets outside Italy (*e.g*., cash, Shares) which may generate income taxable in Italy must report such investments or assets in their annual tax return or on a special form if no tax return is due. These reporting obligations also apply if an Italian resident is the beneficial owner of foreign financial assets under Italian money laundering provisions.

MEXICO

Terms and Conditions

Labor Law Policy and Acknowledgment. By participating in the Plan, Grantee expressly recognizes that Acuity Brands Inc., with registered offices at 1170 Peachtree Street, NE Suite 2300, Atlanta, GA 30309, U.S., is solely responsible for the administration of the Plan and that Grantee's participation in the Plan and acquisition of Shares does not constitute a relationship as an Employee with the Company since Grantee is participating in the Plan on a wholly commercial basis and the sole Employer is a Subsidiary or Affiliate of the Company ("Acuity-Mexico"). Based on the foregoing, Grantee expressly recognizes that the Plan and the benefits that may be derived from participation in the Plan do not establish any rights between Grantee and the Employer, Acuity-Mexico, and do not form part of the employment conditions and/or benefits provided by Acuity-Mexico and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of Grantee's relationship as an Employee.

Grantee further understands that Grantee's participation in the Plan is as a result of a unilateral and discretionary decision of the Company. Therefore, the Company reserves the absolute right to amend and/or discontinue Grantee's participation at any time without any liability to Grantee.

Finally, Grantee hereby declares that Grantee does not reserve to himself or herself any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and Grantee therefore grants a full and broad release to the Company, the Employer, its Subsidiaries and Affiliates, branches, representation offices, its stockholders, officers, agents or legal representatives with respect to any claim that may arise.

Política de Ley Laboral y Reconocimiento. *Participando en el Plan, el Participante reconoce expresamente que* Acuity Brands Inc., *con oficinas registradas en 1170 Peachtree Street, NE Suite 2300, Atlanta, GA 30309, U.S., es el único responsable de la administración del Plan y que la participación del Participante en el mismo y la compra de acciones bursátiles no constituye de ninguna manera una relación laboral entre Usted y la Compañía dado que su participación en el Plan deriva únicamente de una relación comercial y que su único empleador es una Subsidiaria o Afiliada del la Compañía ("Acuity-Mexico"). Derivado de lo anterior, el Participante expresamente reconoce que el Plan y los beneficios que pudieran derivar del mismo no establecen ningún derecho entre el Participante y el empleador, Acuity-Mexico, y no forman parte de las condiciones laborales y/o prestaciones otorgadas por Acuity-Mexico, y cualquier modificación al Plan o la terminación del mismo no podrá ser interpretada como una modificación o degradación de los términos y condiciones de su trabajo.*

Asimismo, el Participante entiende que su participación en el Plan es resultado de la decisión unilateral y discrecional de la Compañía. Por lo tanto, la Compañía se reserva el derecho absoluto para modificar y/o terminar la participación del Participante en cualquier momento, sin ninguna responsabilidad ante el Participante.

Finalmente, el Participante manifiesta que no se reserva ninguna acción o derecho que origine una demanda en contra de la Compañía por cualquier compensación o daño en relación con cualquier disposición del Plan o de los beneficios derivados del mismo, y en consecuencia el Participante otorga un amplio y total finiquito a la Compañía, el Empleador, sus Subsidiarias y Afiliadas, sucursales, oficinas de representación, sus accionistas, directores, agentes y representantes legales con respecto a cualquier demanda que pudiera surgir.

NETHERLANDS

There are no country specific provisions.

UNITED KINGDOM

Terms and Conditions

Issuance of Shares upon Vesting. The following supplements Section 7 of the Agreement:

Notwithstanding anything to the contrary in the Plan or the Agreement, Performance Units granted to Grantees resident in the United Kingdom ("U.K.") shall be paid in Shares only.

Responsibility for Taxes. The following supplements Section 17 of the Agreement:

Without limitation to Section 17 of the Agreement, Grantee hereby agrees that he or she is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items, as and when requested by the Company, the Employer or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). Grantee also hereby agrees to indemnify and keep indemnified the Company and (if different) the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on Grantee's behalf.

Notwithstanding the foregoing, if Grantee is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the terms of immediately foregoing provision will not apply. In this case, the amount of the income tax not collected within ninety (90) days of the end of the U.K. tax year in which an event giving rise to the Tax-Related Items occurs may constitute a benefit to Grantee on which additional income tax and National Insurance contributions ("NICs") may be payable. Grantee understands that he or she will be responsible for reporting any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or the Employer, as applicable, for the value of any employee NICs due on this additional benefit, which may be recovered from Grantee by the Company or the Employer at any time thereafter by any of the means referred to in Section 17 of the Agreement.

EXHIBIT C

SHARE OWNERSHIP AND RETENTION REQUIREMENT

It is the Company's belief and expectation that executives should own a reasonable amount of Common Stock to further align their interests with those of our stockholders. Accordingly, you are expected to adhere to Share ownership and Share retention requirements in connection with Awards granted under the Plan.

The Share ownership requirement is stated as a multiple of your base salary and mandates that you own a number of Shares with a value equal to the applicable multiple of your base salary. The Share retention requirement is stated as a percentage of Shares acquired under the Plan that must be retained, net of the cost of exercising Shares and/or the taxes associated with the Shares. You have until four years from first becoming subject to the requirements to satisfy your Share ownership requirement. However, if you do not currently satisfy the Share ownership requirement, you are subject to the Share retention requirement.

Your Share ownership and retention requirements are set forth below based on Grantee Level stated on the first page of this Agreement.

Grantee Level	Ownership Multiple of Annual Base Salary	Retention Requirement Percentage
0	4	50%
1	3	40%
2	2	35%
3	1	30%
4 or 5	0.5	20%
6 or 7	0	0%

Your ownership multiple is multiplied by your annual base salary and your Share retention requirement is the percent of net Shares acquired through the Plan (exercise of stock options or receipt of Shares). Your Performance Units count toward satisfying your Share ownership requirement beginning at the Grant Date.

EXHIBIT D

CONFIDENTIALITY, INVENTIONS, NON-SOLICITATION AND NON-COMPETITION PROVISIONS

1. **Definitions.**

A. **"Confidential Information"** "Confidential Information" means the following:

i. data and information relating to the Company's Business (as defined herein); which is disclosed to Grantee or of which Grantee became aware of as a consequence of Grantee's relationship with the Company; has value to the Company; is not generally known to the competitors of the Company; and which includes trade secrets, methods of operation, names of customers, price lists, financial information and projections, personnel data, and similar information. For purposes of the Confidentiality, Inventions, Non-Solicitation and Non-Competition Provisions (the "Confidentiality Provisions"), subject to the foregoing, and according to terminology commonly used by the Company, the Company's Confidential Information shall include, but not be limited to, information pertaining to: (1) business opportunities; (2) data and compilations of data relating to the Company's Business; (3) compilations of information about, and communications and agreements with, customers and potential customers of the Company; (4) computer software, hardware, network and internet technology utilized, modified or enhanced by the Company or by Grantee in furtherance of Grantee's duties with the Company; (5) compilations of data concerning Company products, services, customers, and end users including but not limited to compilations concerning projected sales, new project timelines, inventory reports, sales, and cost and expense reports; (6) compilations of information about the Company's employees and independent contracting consultants; (7) the Company's financial information, including, without limitation, amounts charged to customers and amounts charged to the Company by its vendors, suppliers, and service providers; (8) proposals submitted to the Company's customers, potential customers, wholesalers, distributors, vendors, suppliers and service providers; (9) the Company's marketing strategies and compilations of marketing data; (10) compilations of data or information concerning, and communications and agreements with, vendors, suppliers and licensors to the Company and other sources of technology, products, services or components used in the Company's Business; (11) any information concerning services requested and services performed on behalf of customers of the Company, including planned products or services; and (12) the Company's research and development records and data. Confidential Information also includes any summary, extract or analysis of such information together with information that has been received or disclosed to the Company by any third party as to which the Company has an obligation to treat as confidential.

ii. Confidential Information shall not include:

a) Information generally available to the public other than as a result of improper disclosure by Grantee;

b) Information that becomes available to Grantee from a source other than the Company (provided Grantee has no knowledge that such information was obtained from a source in breach of a duty to the Company);

c) Information disclosed pursuant to law, regulations or pursuant to a subpoena, court order or legal process; and/or

d) Information obtained in filings with the Securities and Exchange Commission.

B. **"Trade Secrets"** has the meaning set forth under Georgia law, O.C.G.A. §§ 10-1-760, et seq.

C. **"Customers"** means those entities and/or individuals which, within the two-year period preceding the Date of Termination (as that term is defined in the Performance Unit Award Agreement): (i) Grantee had material contact on behalf of the Company; (ii) about whom Grantee acquired, directly or indirectly, Confidential Information or Trade Secrets as a result of his/her employment with the Company; and/or (iii) Grantee exercised oversight or responsibility of subordinates who engaged in Material Contact on behalf of the Company. Additionally, "Customers" references only those entities and/or individuals with whom the Company currently has a business relationship, or with whom it expended resources to have or resume the same during the two-year period referenced herein.

D. **"Company"** means Acuity Brands, Inc., along with its Subsidiaries or other Affiliates.

E. **"Company's Business"** means the design, manufacture, installation, servicing, and/or sale of one or more of the following and any related products and/or services: lighting fixtures and systems; lighting control components and systems (including but not limited to dimmers, switches, relays, programmable lighting controllers, sensors, timers, and range extenders for lighting and energy management and other purposes); building management and/or control systems; commercial building lighting controls; intelligent building automation and energy management products, software and solutions; motorized shading and blind controls; building security and access control and monitoring for fire and life safety; emergency lighting fixtures and systems (including but not limited to exit signs, emergency light units, inverters, back-up power battery packs, and combinations thereof); battery powered and/or photovoltaic lighting fixtures; electric lighting track units; hardware for mounting and hanging electrical lighting fixtures; aluminum, steel and fiberglass fixture poles for electric lighting; light fixture lenses; sound and electromagnetic wave receivers and transmitters; flexible and modular wiring systems and components (namely, flexible branch circuits, attachment plugs, receptacles, connectors and fittings); LED drivers and other power supplies; daylighting systems including but not limited to prismatic skylighting and related controls; organic LED products and technology; medical and patient care lighting devices and systems; indoor positioning products and technology; software and hardware solutions that collect data about building and business operations and occupant activities via sensors and use that data to provide software services or data analytics; sensor based information networks; and any wired or wireless communications and monitoring hardware or software related to any of the above. This shall not include any product or service of the Company if the Company is no longer in the business of providing such product or service to its customers at the relevant time of enforcement.

F. **"Employee Services"** shall mean the duties and services of the type conducted, authorized, offered, or provided by Grantee in his/her capacity as an Employee on behalf of the Company within twelve (12) months prior to the Date of Termination.

G. **"Territory"** means the country in which Grantee is employed by the Company (the "Country"). Grantee acknowledges that the Company is licensed to do business in the Country and in fact does business in all states, territories, provinces and other parts of the Country. Grantee further acknowledges that the services she/he has performed on behalf of the Company are at a senior level and are not limited in their territorial scope to any particular city, state, or region, but instead affect the Company's activity within the Country. Specifically, Grantee provides Employee Services on the Company's behalf throughout the Country, meets with Company agents and distributors, develops products and/or contacts throughout the Country, and otherwise engages in his/her work on behalf of the Company on a national level. Accordingly, Grantee agrees that these restrictions are reasonable and necessary to protect the Confidential Information, trade secrets, business relationships, and goodwill of the Company.

H. **"Material Contact"** shall have the meaning set forth in O.C.G.A. § 13-8-51(10), which includes contact between an employee and each Customer or potential Customer: with whom or which Grantee dealt on behalf of the Company; whose dealings with the Company were coordinated or supervised by Grantee; about whom Grantee obtained confidential information in the ordinary course of business as a result of such employee's association with the Company; and/or who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commissions, or earnings for Grantee within two years prior to the Date of Termination.

I. **"Termination for Cause"** or **"Terminated for Cause"** shall mean the involuntary termination of Grantee by the Company for the following reasons:

i. If termination shall have been the result of an act or acts by Grantee which constitute an indictable offense, a felony or any crime involving dishonesty, theft, fraud or moral turpitude;

ii. If termination shall have been the result of an act or acts by Grantee which are determined, in the good faith judgment of the Company, to be in violation of written policies of the Company;

iii. If termination shall have been the result of an act or acts of dishonesty by Grantee resulting or intended to result directly or indirectly in gain or personal enrichment to Grantee at the expense of the Company;

iv. Upon the willful and continued failure by Grantee to substantially perform the duties assigned to Grantee (other than any such failure resulting from incapacity due to mental or physical illness constituting a Disability), after a demand in writing for substantial performance of such duties is delivered by the Company, which demand specifically identifies the manner in which the Company believes that Grantee has not substantially performed his or her duties; or

v. If termination shall have been the result of the unauthorized disclosure by Grantee of the Company's Confidential Information or violation of any other provision of the Confidentiality Provisions.

J. **"Inventions"** and **"Works For Hire."** The term "Invention" means contributions, discoveries, improvements and ideas and works of authorship, whether or not patentable or copyrightable, and: (i) which relate directly to the Company's Business, or (ii) which result from any work performed by Grantee or by Grantee's fellow employees for the Company, or (iii) for which equipment, supplies, facilities, Confidential Information or Trade Secrets of the Company are used, or (iv) which is developed on the Company's time. The term "Works For Hire" ("Works") means all documents, programs, software, creative works and other expressions and information in any tangible medium created, in whole or in part, by Grantee during the period of and relating to his/her employment with the Company, whether copyrightable or otherwise protectable, other than Inventions.

2. **Confidentiality, Inventions, Non-Solicitation and Non-Competition.**

A. **Purpose and Reasonableness of Provisions.** Grantee acknowledges that, during the term of his/her employment with the Company and after the Date of Termination, the Company has furnished and may continue to furnish to Grantee Trade Secrets and Confidential Information, which, if used by Grantee on behalf of, or disclosed to, a competitor of the Company or other person, could cause substantial detriment to the Company. Moreover, the parties recognize that Grantee, during the term of his/her employment with the Company, has developed important relationships with customers, agents, and others having valuable business relationships with the Company, and that these relationships may continue to develop after the Date of Termination. In view of the foregoing, Grantee acknowledges and agrees that the restrictive covenants contained in this Section 2 are reasonably necessary to protect the Company's legitimate business interests, Confidential Information, and good will.

B. **Trade Secrets and Confidential Information.** Grantee agrees that he/she shall protect the Company's Trade Secrets (as defined in Section 1(b) above) and Confidential Information (as defined in Section 1(a) above) and shall not disclose to any person or entity, or otherwise use or disseminate, except in connection with the performance of his/her duties for the Company, any Trade Secrets or Confidential Information. However, Grantee may make disclosures required by a valid order or subpoena issued by a court or administrative agency of competent jurisdiction, in which event Grantee will promptly notify the Company of such order or subpoena to provide it an opportunity to protect its interests. Grantee's obligations under this Section 2(b) have applied throughout his/her active employment, shall continue after the Date of Termination, and shall survive any expiration or termination of the Confidentiality Provisions, so long as the information or material remains Confidential Information or a Trade Secret, as applicable.

Grantee further confirms that during his/her employment with the Company, including after the Date of Termination, he/she has not and will not offer, disclose or use on Grantee's own behalf or on behalf of the Company, any information Grantee received prior to employment by the Company which was supplied to Grantee confidentially or which Grantee should reasonably know to be confidential.

Nothing in this section prohibits Grantee from reporting possible violations of law or regulation to any governmental agency or entity, or making other disclosures that are protected under the whistleblower provisions of law or regulation. Grantee does not need the prior authorization of the Company to make any such reports or disclosures, and Grantee is not required to notify the Company that Grantee has made such reports or disclosures.

C. **Return of Property**. On or before the Date of Termination, Grantee agrees to deliver promptly to the Company all files, customer lists, management reports, memoranda, research, Company forms, financial data and reports and other documents (including all such data and documents in electronic form) of the Company, supplied to

or created by him/her in connection with his/her employment hereunder (including all copies of the foregoing) in his/her possession or control, and all of the Company's equipment and other materials in his/her possession or control. Grantee further agrees and covenants not to retain any such property and to permanently delete such information residing in electronic format to the best of his/her ability and not to attempt to retrieve it. Grantee's obligations under this Section 2(c) shall survive any expiration or termination of the Confidentiality Provisions.

D. **Inventions.** Grantee does hereby assign to the Company the entire right, title and interest in any Invention which is or was made or conceived, either solely or jointly with others, during his/her employment with the Company, including after the Date of Termination. Grantee attests that he/she has disclosed (or promptly will disclose, if after the Date of Termination) to the Company all such Inventions. Grantee will, if requested, promptly execute and deliver to the Company a specific assignment of title for any such Invention and will at the expense of the Company, take all reasonably required action by the Company to patent, copyright or otherwise protect the Invention.

E. **Non-Competition.** In the event that Grantee,

i. voluntarily resigns from the Company,

ii. is Terminated for Cause (as defined above), or

iii. declines to sign a Confidential Severance Agreement and Release offered by the Company in the event of a termination for any reason other than a Termination for Cause (including, for example, as a result of a position elimination).

Grantee acknowledges and agrees that during his/her employment, and for twelve (12) months after the Date of Termination, he/she has not and will not, directly or indirectly, engage in, provide, or perform any Employee Services on behalf of any person or entity (or, if organized into divisions or units, any distinct division or operating unit) in the Territory that derives revenue from providing goods or services substantially similar to those which comprise the Company's Business. Notwithstanding the foregoing, if the Company terminates Grantee's employment for any reason other than a Termination for Cause (including, for example, as a result of a position elimination), and Grantee signs a Confidential Severance Agreement and Release offered by the Company, the period covered by this non-competition covenant will be reduced to either: (i) the time within which severance payments are scheduled to be paid to Grantee under such agreement, or (ii) if severance is paid to Grantee in a lump sum, the number of weeks of Grantee's then-current regular salary that are used to calculate such lump sum payment; provided, however, that the restrictive period calculated hereunder shall not, in any event, exceed twelve (12) months following the Date of Termination.

F. **Non-Solicitation of Customers**. Grantee acknowledges and agrees that during his/her employment, and for twenty-four (24) months after the Date of Termination, Grantee has not and will not directly or indirectly solicit Customers (as defined in Section 1(c) above) with whom he/she had Material Contact (as defined in 1(g) above) for the purpose of providing goods and/or services competitive with the Company's Business.

G. **Non-Solicitation of Employees and Agents.** Grantee acknowledges and agrees that during his/her employment, and for a period of twenty-four (24) months after the Date of Termination, Grantee has not and will not, directly or indirectly, whether on behalf of Grantee or others, solicit, lure or attempt to hire away any of the Company's employees or agents.

H. **Non-Solicitation of Sales Agents.** Grantee acknowledges and agrees that during his/her employment, and for a period of twenty-four (24) months after the Date of Termination, Grantee has not and will not, directly or indirectly, whether on behalf of Grantee or others, solicit any of the Company's Sales Agents for the purpose of disrupting their relationship with the Company and/or selling and/or facilitating the sale of products competitive with the Company's Business. For purposes of this Section 2, a "Sales Agent" is any third-party agency, and/or its representatives, with which or whom the Company has contracted for the purpose of facilitating the sale of the Company's products during the last twenty-four (24) months of Grantee's employment with the Company.

I. **Injunctive Relief.** Grantee acknowledges that if he/she breaches or threatens to breach any of the provisions of this Section 2, his/her actions may cause irreparable harm and damage to the Company which could not be compensated in damages. Accordingly, if Grantee breaches or threatens to breach any of the provisions of this Section 2, the Company shall be entitled to seek injunctive relief, in addition to any other rights or remedies the Company may have. The existence of any claim or cause of action by Grantee against the Company, whether predicated on the Confidentiality Provisions or otherwise, shall not constitute a defense to the enforcement by the Company of Grantee's agreements under this Section 2.

3. **Non-Assignable by Grantee**. The parties acknowledge that the Confidentiality Provisions have been entered into due to, among other things, the special skills and knowledge of Grantee, and agree that the Confidentiality Provisions may not be assigned or transferred by Grantee.

4. **Notices**. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when delivered or seven days after mailing if mailed first class, certified mail, postage prepaid, addressed as follows:

If to the Company: Acuity Brands, Inc.
Attention: Corporate Secretary
1170 Peachtree Street, NE, Suite 2300
Atlanta, Georgia 30309-7676

If to Grantee: To his or her last known address on file with the Company.

Any party may change the address to which notices, requests, demands and other communications shall be delivered or mailed by giving notice thereof to the other party in the same manner provided herein.

5. **Provisions Severable**. If any provision or covenant, or any part thereof, contained in the Confidentiality Provisions is held by any court to be invalid, illegal, or unenforceable, either in whole or in part, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of the remaining provisions or covenants, or any part thereof, in the Confidentiality Provisions, all of which shall remain in full force and effect. Each and every provision, paragraph and subparagraph of Section 2 above is severable from the other provisions, paragraphs and subparagraphs and constitutes a separate and distinct covenant.

The restrictive covenants set forth in Section 2 of the Confidentiality Provisions represent the entire agreement of the parties with respect to the subject matter thereof and supersede any prior agreement with respect thereto; provided, however, that the restrictive covenants described in this Exhibit D shall not supersede those set forth in either: (a) any Executive Severance Agreement applicable to Grantee, if any, (b) any Confidentiality, Inventions and Non-Solicitation Agreement to which Grantee is a party, if any, or (c) any restrictive covenants to which Grantee is a party under any employment agreement or offer letter, if any. To the extent that any agreement applicable to Grantee include restrictive covenant provisions that conflict with the provisions contained in these Confidentiality Provisions, the provisions that are more restrictive on Grantee will control.

6. **Waiver**. Failure of either party to insist, in one or more instances, on performance by the other in strict accordance with the terms and conditions of the Confidentiality Provisions shall not be deemed a waiver or relinquishment of any right granted in the Confidentiality Provisions or the future performance of any such term or condition or of any other term or condition of the Confidentiality Provisions, unless such waiver is contained in a writing signed by the party making the waiver.

7. **Amendments and Modifications.** The Confidentiality Provisions and any Exhibit hereto may be amended or modified only by a writing signed by both parties hereto, which makes specific reference to the Confidentiality Provisions. However, this Section does not affect a court of competent jurisdiction or arbitrator`s ability to modify the Confidentiality Provisions, pursuant to O.C.G.A. §§ 13-8-51(11); 53(d); or 54 in the event that either party initiates legal proceedings that relate in any way to this Confidentiality Provisions, including any action brought by either party seeking to enforce any provision set forth herein.

8. **Governing Law and Venue**. The validity and effect of the Confidentiality Provisions shall be governed by and construed and enforced in accordance with the laws of the State of Georgia, United States of America, without regard to its conflict of law provisions. Any and all disputes relating to, concerning or arising from the

Confidentiality Provisions, or relating to, concerning or arising from the relationship between the parties evidenced by the Confidentiality Provisions, shall be brought and heard exclusively in the U.S. District Court for the District of Delaware or the Delaware Superior Court, New Castle County. Each of the parties hereby represents and agrees that such party is subject to the personal jurisdiction of said courts; hereby irrevocably consents to the jurisdiction of such courts in any legal or equitable proceedings related to, concerning or arising from such dispute, and waives, to the fullest extent permitted by law, any objection which such party may now or hereafter have that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in such courts is improper or that such proceedings have been brought in an inconvenient forum.

9. **Legal Fees.** Each party shall pay its own legal fees and other expenses associated with any dispute under the Confidentiality Provisions or any Exhibit hereto.

10. **Tender Back Provision.** If, in the context of a lawsuit involving Grantee or any other person or entity arguing on Grantee's behalf, any court determines that any provisions of Section 2 are void, invalid, illegal, or otherwise unenforceable, Grantee shall be required to immediately return to the Company 70% of all monies paid out under Section 7 of the Performance Unit Award Agreement, or to return 70% of any unsold shares Grantee still owns of such Performance Units awarded under Section 7 of the Performance Unit Award Agreement. For purposes of this section, the amount to be paid back shall be determined by ascertaining the value and amount the share(s) sold at the time that Grantee actually sold such share(s). You acknowledge and agree that this covenant does not constitute a penalty clause.

11. **Tolling Period.** If Grantee is found by a court to have violated any restriction in Section 2 of the Confidentiality Provisions, he/she agrees that the time period for such restriction shall be extended by one day for each day that he/she is found to have violated the restriction, up to a maximum of 18 months.

12. **Language.** The parties acknowledge that they have requested and are satisfied that the Confidentiality Provisions and all related documents be in the English language.

SPECIAL TERMS AND CONDITIONS EXHIBIT TO THE CONFIDENTIALITY, INVENTIONS, NON-SOLICITATION AND NON-COMPETITION PROVISIONS FOR GRANTEES OUTSIDE THE U.S.

This Appendix includes additional country-specific terms and conditions that apply to Grantees in the countries listed below with respect to the Confidentiality, Inventions, Non-Solicitation and Non-Competition Provisions (the "Confidentiality Provisions"). This Appendix is part of the Confidentiality Provisions and contains terms and conditions material to Grantee's rights and obligations under the Confidentiality Provisions. Unless otherwise provided below, capitalized terms used but not defined herein shall have the same meanings assigned to them in the Plan and the Confidentiality Provisions.

CANADA

The following provision replaces Section 1(b) of the Confidentiality Provisions:

> **"Trade Secrets"** means technical or nontechnical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, or a list of actual or potential customers or suppliers which is not commonly known by or available to the public and which information: (A) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who obtain economic value from its disclosure or use; and (B) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

The following provision replaces Section 1(h) of the Confidentiality Provisions:

> **"Material Contact"** means contact between an employee and each Customer or potential Customer: with whom or which Grantee dealt on behalf of the Company; whose dealings with the Company were coordinated or supervised by Grantee; about whom Grantee obtained confidential information in the ordinary course of business as a result of such employee's association with the Company; and/or who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commissions, or earnings for Grantee within two years prior to the date of the Date of Termination.

The following provision shall be added to Section 1(i) as sub-section (vi):

> "or (vi) Any other act or omission, or a series of acts or omissions, of Grantee which, pursuant to applicable law, constitutes a serious reason for termination of employment without notice, payment in lieu of notice or any indemnity whatsoever."

The following provision replaces Section 2(d) of the Confidentiality Provisions:

> **Inventions.** Grantee does hereby assign to the Company the entire right, title and interest in any Invention which is or was made or conceived, either solely or jointly with others, and does hereby waive any and all other rights that are non-assignable, including common law rights, but not limited to moral rights in all Inventions or any non-economic rights, during his/her employment with the Company, including after the Date of Termination. Grantee attests that he/she has disclosed (or promptly will disclose, if after the Date of Termination) to the Company all such Inventions. Grantee will, if requested, promptly execute and deliver to the Company a specific assignment of title for any such Invention and will at the expense of the Company, take all reasonably required action by the Company to patent, copyright or otherwise protect the Invention.

The following provision replaces Section 7 of the Confidentiality Provisions:

> **Amendments and Modifications.** The Confidentiality Provisions and any Exhibit hereto may be amended or modified only by a writing signed by both parties hereto, which makes specific reference to the Confidentiality Provisions. However, this Section does not affect a court of competent jurisdiction or arbitrator's ability to modify the Confidentiality Provisions, as the case may be, in the event that either party initiates legal proceedings that relate in any way to the Confidentiality Provisions, including any action brought by either party seeking to enforce any provision set forth herein.

The following provision replaces Section 12 of the Confidentiality Provisions:

> **Language.** The parties acknowledge that they have requested and are satisfied that the Confidentiality Provisions and all related documents be drawn up in the English language. Les parties aux présentes reconnaissent avoir requis que la présente entente et les documents qui y sont relatifs soient rédigés en anglais.

FRANCE

For the purpose of the provisions hereafter, the Company means the local entity in France by whom Grantee is employed.

The following provision replaces Section 1(b) of the Confidentiality Provisions:

> **"Trade Secrets"** means technical or nontechnical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, or a list of actual or potential customers or suppliers which is not commonly known by or available to the public and which information: (A) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who obtain economic value from its disclosure or use; and (B) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

The following provision replaces Section 1(g) of the Confidentiality Provisions:

> **"Territory"** means the location in which the non-competition restriction will apply, hereby defined as the region(s) in France in which Grantee worked. Grantee acknowledges that the Company is licensed to do business in the Territory. Accordingly, Grantee agrees that these restrictions are reasonable and necessary to protect the Confidential Information, trade secrets, business relationships, and goodwill of the Company.

The following provision replaces Section 1(h) of the Confidentiality Provisions:

> **"Material Contact"** means contact between an employee and each Customer or potential Customer: with whom or which Grantee dealt on behalf of the Company; whose dealings with the Company were coordinated or supervised by Grantee; about whom Grantee obtained confidential information in the ordinary course of business as a result of such employee's association with the Company; and/or who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commissions, or earnings for Grantee within two years prior to the date of the Date of Termination.

Section 1(i) of the Confidentiality Provisions is deleted.

Section 1(j) of the Confidentiality Provisions is deleted.

The following provision replaces Section 2(d) of the Confidentiality Provisions:

> **Inventions.** Grantee will make full and prompt disclosure to the Company of all inventions, discoveries, designs, designations, developments, software, drawings, logos, sketches, models, articles, studies, reports, methods, modifications, improvements, processes, algorithms, databases, computer programs, formulae, techniques, trade secrets, graphics or images, and audio or visual works and other works of authorship (collectively "Developments"), whether or not patentable or copyrightable, that are created, made, conceived or reduced to practice by Grantee (alone or jointly with others) or under his/her direction in the course of Grantee's employment. Grantee acknowledges and agree that, to the fullest extent permitted by law, (i) all Developments shall automatically belong to, and shall be the sole property of the Company and that (ii) to the extent that any Development do not vest in the Company automatically, Grantee irrevocably hereby assign to the Company by way of present assignment, all right, title, and interest Grantee may have or may acquire in and to all Developments anywhere in the world. In particular, in accordance with the provisions of article L. 113-9 of the Intellectual Property Code, Grantee acknowledge that the intellectual property rights to any software and their documentation developed by Grantee in the course of his/her employment contract belong as a matter of law to the Company. In accordance with the provisions of article L. 611-7 of the Intellectual Property Code, Grantee further acknowledges that the inventions made within the context of his/her employment providing for an "inventive mission" which corresponds to his/her actual duties, or, as part of studies or research which have been specifically entrusted to Grantee, belong to the Company as a right ("Inventions of Mission").

In accordance with the provisions of article L. 611-7 of the Intellectual Property Code, which provide that the employee is entitled to receive an additional remuneration for the Inventions of Mission, Grantee agrees that such additional remuneration, if any, will be determined in the following manner: Grantee will be paid an additional remuneration only to the extent Grantee personally contributed to the inventive process which led to the perfection of the Invention of Mission. Such additional remuneration shall be determined by the Company, pursuant to local law, upon development of the Invention of Mission, upon patent filing of the Invention of Mission, and/or upon the granting of the patent on an Invention of Mission. In addition, after 5 years of exploitation of the Invention of Mission, the Company may decide to pay Grantee an additional award, which amount should be mutually agreed on between Grantee and the Company, by taking into consideration the economic and scientific interest of the invention of mission, the difficulties of development of the Invention of Mission, and Grantee's personal contribution. Grantee further acknowledge that for all the other inventions created either (i) in the performance of Grantee's duties, (ii) in the field of the Company's activity, or (iii) by using knowledge or technologies or Company's specific methods or information acquired by the Company, the Company may require that all rights to ownership and use of such inventions and the patents protecting such inventions be assigned to it. Grantee further undertake, in particular, to disclose to the Company any copyrightable works that he/she may create, either alone or with the assistance of a third party including notably (but without limitation) any drawings, logos, sketches, models, designs, articles, studies, reports and all documentation which are susceptible to be protected under copyright law (hereafter the "Copyrightable Works").

Grantee hereby assigns to the Company, in consideration of a lump sum already included in his/her salary as provided in his/her employment contract the exploitation rights on the Copyrightable Works including (but without limitation) the rights of reproduction on any analogical or digital media, in any form and format (whether known at the execution date of the contract or discovered in the future), of communication to the public by any process (whether known at the execution date of my employment contract or discovered in the future), of distribution, rental, loan and sale, of filing any trademark, design or model applications on whole or any part of the Copyrightable Works with the relevant authorities around the world, and of adaptation, translation and modification of the Copyrightable Works for any commercial or advertising purpose whether public or private. Media and processes shall include without limitation, any means of communication, direct or indirect, spatial or terrestrial, by satellite, cable, or over the air and any wired or wireless network including the Internet. The assignment occurs as soon as the Copyrightable Works are created and is valid for the entire world for the duration of the copyright, including any legal prorogation for whatever reason. Grantee hereby assigns and transfer to the Company all results from the use of Proprietary Information, premises or personal property ("Company Related Developments"). Grantee further undertake to execute all documents and take all additional actions as may be requested by the Company to give full and proper effect to the present assignment, whether during or after the term of his/her employment, and particularly to enter into a specific assignment agreement for each work, as soon as such work is created. To preclude any possible uncertainty, Grantee has set forth on Exhibit attached hereto a complete list of Developments that he/she has, alone or jointly with others, conceived, developed or reduced to practice prior to the commencement of his/her employment with the Company that he/she wishes to have excluded from the scope of this Agreement ("Prior Inventions"). Grantee has also listed this Exhibit all patents and patent applications in which he/she is named as an inventor, other than those which have been assigned to the Company ("Other Patent Rights"). If no such disclosure is attached, Grantee represents that there are no Prior Inventions or Other Patent Rights. If, in the course of Grantee's employment with the Company, he/she incorporates a Prior Invention into a Company product, process or machine or other work done for the Company, Grantee hereby grant to the Company a nonexclusive, royalty-free, paid-up, worldwide license (with the full right to sublicense) for the duration of the rights to make, have made, modify, use, reproduce, sell, offer for sale, publicly display and perform, import and otherwise fully exercise and exploit such Prior Invention. Notwithstanding the foregoing, Grantee will not incorporate, or permit to be incorporated, Prior Inventions in any Company-Related Development without the Company's prior written consent. Grantee will not incorporate into any Company product or otherwise deliver to the Company any open source software except as allowed pursuant to the Company's open source software policy, which is available on the Company's intranet.

Section 2(e) is re-titled as "Non-Competition and Non-Solicitation of Customers and Sales Agents."

The following Section 2(e) replaces Section 2(e), Section 2(f), and Section 2(h) of the Confidentiality Provisions:

(i) Grantee acknowledges and agrees that during his/her employment, and for six (6) months as from the date of Grantee's actual departure from the Company, he/she has not and will not, directly or indirectly, engage in, provide, or perform any Employee Services on behalf of any person or entity (or, if organized into divisions or units, any distinct division or operating unit) in the Territory.

(ii) Grantee also acknowledges and agrees that during his/her employment, and for six (6) months after the Date of Termination, Grantee has not and will not directly or indirectly solicit Customers (as defined in Paragraph 1(c) above) with whom he/she had Material Contact (as defined in 1(g) above) for the purpose of providing goods and/or services competitive with the Company's Business.

(iii) Grantee further acknowledges and agrees that during his/her employment, and for a period of six (6) months after the Date of Termination, Grantee has not and will not, directly or indirectly, whether on behalf of Grantee or others, solicit any of the Company's Sales Agents for the purpose of disrupting their relationship with the Company and/or selling and/or facilitating the sale of products competitive with the Company's Business. For purposes of this Section 2, a "Sales Agent" is any third-party agency, and/or its representatives, with which or whom the Company has contracted for the purpose of facilitating the sale of the Company's products during the last twenty-four (24) months of Grantee's employment with the Company.

(iv) In the event Grantee's employment is terminated, for any reason whatsoever, during this post-employment period of non-competition, under the condition that Grantee complies with this non-competition obligation, Grantee will receive a monthly gross indemnity as determined by the Company pursuant to local law, to be no less than thirty three percent (33%) of his/her average gross monthly salary received over the last 12 months prior to termination of employment, it being understood that this indemnity will be subject to social security contributions.

(v) It is agreed that, in any case, the Company shall be entitled, at the time of termination of the employment agreement, either to reduce the scope or the duration of the period of application of the non-competition and non-solicitation covenant, or to waive the latter, provided however that it informs Grantee thereof by registered letter with return receipt requested no later than within eight (3) days following the notification of the termination of the employment agreement and no later than Grantee's last day of effective work.

(vi) If Grantee breaches the post-employment non-competition obligation, the Company will no longer be required to pay the gross monthly indemnity and Grantee will be required to reimburse the Company for any amount that he/she may have been granted in this respect.

(vii) Given the extreme sensitiveness of the know-how and technical and commercial information to which Grantee has access in the framework of his/her functions and the extremely competitive and sensitive nature of the Company's activities, the parties expressly agree on the necessity of the non-competition and non-solicitation obligation in order to protect the Company's legitimate interests. Moreover, Grantee acknowledges that, in light of his/her training, the provision does not hinder his/her capacity to find new employment.

Section 2(f) of the Confidentiality Provisions is deleted.

Section 2(h) of the Confidentiality Provisions is deleted.

The following provision replaces Section 4 of the Confidentiality Provisions:

Notices. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when delivered or seven days after mailing if mailed first class, certified mail, postage prepaid, addressed as follows:

If the Company: To the principal place of business of Company in France.

If to Grantee: To his or her last known address on file with the Company.

The following provision replaces Section 7 of the Confidentiality Provisions:

> **Amendments and Modifications.** The Confidentiality Provisions and any Exhibit hereto may be amended or modified only by a writing signed by Grantee and the Company, which makes specific reference to the Confidentiality Provisions provided however that the covenant of Section 2(e) can be waived unilaterally by the Company under the conditions specified therein. However, this Section does not affect a court of competent jurisdiction or arbitrator's ability to modify the Confidentiality Provisions, as the case may be, in the event that either party initiates legal proceedings that relate in any way to the Confidentiality Provisions, including any action brought by either party seeking to enforce any provision set forth herein.

The following provision replaces Section 8 of the Confidentiality Provisions:

> **Governing Law and Venue.** The validity and effect of the Confidentiality Provisions shall be governed by and construed and enforced in accordance with the laws of France.

The following provision replaces Section 12 of the Confidentiality Provisions:

> **Language.** The parties acknowledge that they have requested and are satisfied that the Confidentiality Provisions and all related documents be drawn up in the French language, the English version being provided for information purposes only. In the event of a contradiction between the two versions, the French version shall prevail.

MEXICO

The following provision replaces Section 1(b) of the Confidentiality Provisions:

> **"Trade Secrets"** has the meaning set forth under Article 84 of the Mexican Industrial Property Law.

The following provision replaces Section 1(d) of the Confidentiality Provisions:

> **"Company"** means Acuity Brands, Inc., along with its Subsidiaries or other Affiliates, including but not limited to Acuity Brands Lighting de Mexico S de RL de CV, and Castlight de Mexico SA de CV, with the understanding that the sole and exclusive employer of Grantee is the Mexican legal entity by whom he/she is employed.

The following provision replaces Section 1(h) of the Confidentiality Provisions:

> **"Material Contact"** means contact between an employee and each Customer or potential Customer: with whom or which Grantee dealt on behalf of the Company; whose dealings with the Company were coordinated or supervised by Grantee; about whom Grantee obtained confidential information in the ordinary course of business as a result of such employee's association with the Company; and/or who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commissions, or earnings for Grantee within two (2) years prior to the date of the Date of Termination.

Section 1(i) **("Termination for Cause" or "Terminated for Cause"**) of the Confidentiality Provisions is hereby deleted.

The following provision shall be added to Section 2(b), at the end of first paragraph:

> "Furthermore, Grantee expressly agrees and acknowledges that all Confidential Information and Trade Secrets, constitutes (i) an industrial secret under the Mexican Industrial Property Law and (ii) an industrial and trade secret under Articles 210 and 211 of the Penal Code for the Federal District of Mexico."

The following provision shall be added to Section 2(b), at the end of the second paragraph:

> "Grantee agrees to keep the Company free and clear from any claim or lawsuit that may be brought up against it by Grantee's former employers or third parties for alleged or actual breach of confidentiality or trade secrets information obligations undertaken by Grantee during the course of his/her employment with former employers or during the course of former relationships with third parties. Likewise, Grantee will be responsible for paying any damages that he/she may cause to the Company due the breach of such confidentiality or trade secrets information obligations assumed with former employers and/or with third parties."

The following provision shall be added to Section 2(d) of the Confidentiality Provisions:

"Grantee acknowledges that any Invention he/she may conceive or reduce to practice during his/her employment with the Company and that relate to the Company's current or future business are and shall be the Company's sole and exclusive property and that Grantee shall not have any patrimonial or other ownership rights in the work developed, expressly agreeing that he/she will not be entitled to the payment of royalties or any other right derived from such work, as they are already included in Grantee's compensation referred to in his/her employment contract with the Company. In addition, Grantee expressly authorizes the modification, adaptation, transport, translation, representation, exhibition and any use, total or partial, of the developed work, with the sole exception of his/her non-economic or moral rights. Grantee will take all necessary steps to assign any property right to the Company at the Company's expense, but without further compensation to Grantee."

The following provision replaces Section 2(e) of the Confidentiality Provisions:

Non-Competition. Grantee acknowledges and agrees that during his/her employment, and for twelve (12) months after the Date of Termination, he/she has not and will not, directly or indirectly, engage in, provide, or perform any Employee Services on behalf of any person or entity (or, if organized into divisions or units, any distinct division or operating unit) in the Territory that derives revenue from providing goods or services substantially similar to those which comprise the Company's Business.

The following provision replaced Section 2(i) of the Confidentiality Provisions:

Injunctive Relief. Grantee acknowledges that if he/she breaches or threatens to breach any of the provisions of this Section 2, his/her actions may cause irreparable harm and damage to the Company which could not be compensated in damages. Accordingly, if Grantee breaches or threatens to breach any of the provisions of this Section 2, the Company shall be entitled to seek injunctive relief, in addition to any other rights or remedies the Company may have. The existence of any claim or cause of action by Grantee against the Company, whether predicated on the Confidentiality Provisions or otherwise, shall not constitute a defense to the enforcement by the Company of Grantee's agreements under this Section 2.

Grantee accepts that if he/she breaches any of the obligations set out in Sections 2(a), (b), (c), (d) related to the disclosure of Confidential Information, he/she shall be liable under applicable laws, including criminal liability referred to in Article 223(IV), (V), and (VI) of the Industrial Property Law.

The breach of any of the obligations assumed by virtue of Section 2(e), (f), (g), and (h), during the term of the employment relationship between the parties, will be considered disobedience to work, and therefore, a cause for termination of the employment relationship of Grantee, without any liability for the Company, whatsoever. Both parties agree that if Grantee breaches any of the obligations, terms or conditions set out in Section 2 (e), (f), (g), and (h), after the termination of his/her employment relationship with the Company, Grantee:

(a) will have no right to the Payment referred in Section 2(j) of Exhibit D, as modified by these special provisions, and must then repay to the Company the total amount of the payments made in accordance with Section 2(j)(ii) after the termination of the employment relationship between the parties, if such breach occurs or is discovered after any Payments (as defined below) have been made.

(b) In addition, he/she must pay to the Company liquidated damages equivalent to fifty percent (50%) of the gross amount paid to Grantee in consideration for the non-competition clause herein. The payment of liquidated dames shall be in addition to any other legal remedies that might be available to the Company, including moral damages, and nothing in this Section shall operate so as to prevent or limit the Company from seeking any other relief, including equitable or injunctive relief.

The following provisions are added as Section 2(j) to the Confidentiality Provisions:

Consideration for Non-Competition and Non-Solicitation Obligations.

(i) During the effective term of the employment relationship between the Company and Grantee, the latter will not be entitled to any additional remuneration for the obligations assumed herein, but the payment of the monthly gross base salary and benefits, as agreed upon in the individual employment agreement executed

between the Company and Grantee, since the obligations assumed herein represent orders given by the Company, as the employer, and are part of the obligations related to the work for which Grantee is hired.

(ii) As fair and equal consideration for the execution of the obligations assumed under Sections 2(e), (f), (g), and (h) of this Exhibit D, upon termination of the labor relationship between the Company and Grantee, the latter hereby accepts that the Company will pay him/her a gross amount equal to fifty percent (50%) of his/her last annual gross base salary as of the termination date of his/her employment relationship with the Company (without considering other labor benefits paid, whether in paid in cash or in kind, such as a Christmas bonus, vacation premium, and without considering any compensation derived from the 2012 Omnibus Stock Incentive Compensation Plan) (hereinafter the "Payment"), subject to the corresponding applicable tax withholdings. Such payment, will be paid by the Company to Grantee proportionally in monthly installments, according to the dates established by the Company.

(iii) This Payment shall be considered as full consideration in exchange for the strict compliance with the future obligations that Grantee assumes upon termination of his/her employment relationship with the Company, pursuant to the terms of these Confidentiality Provisions. Both parties agree that the Company shall determine whether Grantee has fully complied with the Confidentiality Provision at its sole reasonable discretion. Grantee expressly acknowledges that the Payment of the consideration after the term of the employment relationship, referred in this Section, is independent from the employment relationship he/she has with the Company, and that the payments made after the term of the employment relationship between the Company and Grantee will not imply in any manner whatsoever, the continuation of such employment relationship or the beginning of a new labor relationship between the Company and Grantee.

The following provision replaces Section 7 of the Confidentiality Provisions:

Amendments and Modifications. The Confidentiality Provisions and any Exhibit hereto may be amended or modified only by a writing signed by both parties hereto, which makes specific reference to the Confidentiality Provisions. However, this Section does not affect a court of competent jurisdiction or arbitrator`s ability to modify the Confidentiality Provisions as applicable under local law in the event that either party initiates legal proceedings that relate in any way to this Confidentiality Provisions, including any action brought by either party seeking to enforce any provision set forth herein.

Both parties expressly acknowledge and agree that the Company reserves the right, at its sole discretion, to reduce or waive the enforcement of the restricted period, as referred to in Section 2 above, and the Company may relieve at any time Grantee from his/her obligations under this Agreement. If the Company, at its sole discretion, decides to waive or reduce the restricted period of the obligations assumed in Section 2(e), (f), (g), and (h), for any reason, it will inform Grantee in writing, with the understanding that the Company will not be responsible to pay or make further payments of any compensation, as set forth in Section 2(j)(ii), for the entire restricted period or the remaining restricted period, as applicable, at the time the Company waives enforcement. If the Company waives the entire enforcement of the restrictive period established after the term of the labor relationship, no compensation will be paid to Grantee under this Agreement, and Grantee acknowledges that the Company will not be liable as a consequence of such non-payment."

The following provision replaces Section 8 of the Confidentiality Provisions:

Governing Law and Venue. The validity and effect of the Confidentiality Provisions shall be governed by and construed and enforced in accordance with the laws of United Mexican States, without regard to conflicts of law. Any and all disputes relating to, concerning or arising from the Confidentiality Provisions, or relating to, concerning or arising from the relationship between the parties evidenced by the Confidentiality Provisions, shall be brought and heard exclusively in competent courts of Mexico City, expressly waiving any other jurisdiction that may correspond to them by reason of their present or future domiciles or for any other cause.

NETHERLANDS

The following provision replaces Section 1(b) of the Confidentiality Provisions:

"Trade Secrets" has the meaning set forth under applicable local law.

The following provision replaces Section 1(h) of the Confidentiality Provisions:

"Material Contact" shall include contacts between an employee and each Customer or potential Customer: with whom or which Grantee dealt on behalf of the Company; whose dealings with the Company were coordinated or supervised by Grantee; about whom Grantee obtained confidential information in the ordinary course of business as a result of such employee's association with the Company; and/or who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commissions, or earnings for Grantee within two years prior to the date of the Date of Termination.

The following provision replaces Section 1(i) of the Confidentiality Provisions:

"Termination for Cause" or "Terminated for Cause" shall entail any reasonable grounds the Company may have within the meaning of article 7:669 paragraph 3 subsection (d), (e), (g) of the Dutch Civil Code and article 7:678 of the Dutch Civil Code. Examples of this involuntary termination of Grantee by the Company are the following reasons:

i. If termination shall have been the result of an act or acts by Grantee which constitute an indictable offense, a felony or any crime involving dishonesty, theft, fraud or moral turpitude;

ii. If termination shall have been the result of an act or acts by Grantee which are determined, in the good faith judgment of the Company, to be in violation of written policies of the Company;

iii. If termination shall have been the result of an act or acts of dishonesty by Grantee resulting or intended to result directly or indirectly in gain or personal enrichment to Grantee at the expense of the Company;

iv. Upon the willful and continued failure by Grantee to substantially perform the duties assigned to Grantee (other than any such failure resulting from incapacity due to mental or physical illness constituting a Disability), after a demand in writing for substantial performance of such duties is delivered by the Company, which demand specifically identifies the manner in which the Company believes that Grantee has not substantially performed his or her duties; or

v. If termination shall have been the result of the unauthorized disclosure by Grantee of the Company's Confidential Information or violation of any other provision of the Confidentiality Provisions.

The following provision replaces Section 2(e) of the Confidentiality Provisions:

References to "Confidential Severance Agreement and Release" will be replaced by "settlement agreement".

The following provision replaces Section 2(i) of the Confidentiality Provisions:

Injunctive Relief. Grantee acknowledges that if he/she breaches or threatens to breach any of the provisions of this Section 2, his/her actions may cause irreparable harm and damage to the Company which could not be compensated in damages. Accordingly, if Grantee breaches or threatens to breach any of the provisions of this Section 2, the Company shall be entitled to seek injunctive relief, instead of any other rights or remedies the Company may have.

The following provision replaces Section 5 of the Confidentiality Provisions:

Provisions Severable. If any provision or covenant, or any part thereof, contained in the Confidentiality Provisions is held by any court to be invalid, illegal, or unenforceable, either in whole or in part, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of the remaining provisions or covenants, or any part thereof, in the Confidentiality Provisions, all of which shall remain in full force and effect. Each and every provision, paragraph and subparagraph of Section 2 above is severable from the other provisions, paragraphs and subparagraphs and constitutes a separate and distinct covenant.

The restrictive covenants set forth in Section 2 of the Confidentiality Provisions represent the entire agreement of the parties with respect to the subject matter thereof and supersede any prior agreement with respect thereto; provided, however, that the restrictive covenants described in this Exhibit D shall not supersede those set forth

in either: (a) any Executive Severance Agreement applicable to Grantee, if any, (b) any Confidentiality, Inventions and Non-Solicitation Agreement to which Grantee is a party, if any, or (c) any restrictive covenants to which Grantee is a party under any employment agreement or offer letter, if any.

The following provision replaces Section 7 of the Confidentiality Provisions:

Amendments and Modifications. The Confidentiality Provisions and any Exhibit hereto may be amended or modified only by a writing signed by both parties hereto, which makes specific reference to the Confidentiality Provisions. However, this Section does not affect a court of competent jurisdiction or arbitrator`s ability to modify the Confidentiality Provisions, in the event that either party initiates legal proceedings that relate in any way to this Confidentiality Provisions, including any action brought by either party seeking to enforce any provision set forth herein.

The following provision replaces Section 8 of the Confidentiality Provisions:

Governing Law and Venue. The validity and effect of the Confidentiality Provisions shall be governed by and construed and enforced in accordance with applicable local law.

UNITED KINGDOM

The following provision replaces Section 1(b) of the Confidentiality Provisions:

"Trade Secrets" means information which meets all of the following requirements:

(a) it is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question;

(b) it has commercial value because it is secret; and

(c) it has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.

The following provision replaces Section 1(c) of the Confidentiality Provisions:

"Customers" means those entities and/or individuals which, within the twelve month period preceding the Date of Termination (as that term is defined in Restricted Stock Unit Agreement): (i) Grantee had material contact on behalf of the Company; (ii) about whom Grantee acquired, directly or indirectly, Confidential Information or Trade Secrets as a result of his/her employment with the Company; and/or (iii) Grantee exercised oversight or responsibility of subordinates who engaged in Material Contact on behalf of the Company. Additionally, "Customers" references only those entities and/or individuals with whom the Company currently has a business relationship, or with whom it expended resources to have or resume the same during the twelve-month period referenced herein.

The following provision replaces Section 1(h) of the Confidentiality Provisions:

"Material Contact" means material contact between an employee and each Customer or potential Customer: with whom or which Grantee dealt on behalf of the Company; whose dealings with the Company were coordinated or supervised by Grantee; about whom Grantee obtained confidential information in the ordinary course of business as a result of such employee's association with the Company; and/or who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commissions, or earnings for Grantee within two years prior to the date of the Date of Termination.

Section 1(i) ("Termination for Cause" or "Terminated for Cause") of the Confidentiality Provisions is hereby deleted.

The following provision replaces Section 1(j) of the Confidentiality Provisions:

"Inventions" and "Intellectual Property" The term "Invention" means contributions, discoveries, improvements, ideas, designs, designations, developments, methods, modifications, improvements, processes, algorithms, databases, computer programs, formulae, techniques, trade secrets, graphics or images, and audio or visual works, written text, software, code, and other works of authorship, whether or not patentable or

copyrightable, whether or not recorded in any medium and: (i) which relate directly to the business of the Company, or (ii) which result from any work performed by Grantee or by Grantee's fellow employees for the Company, or (iii) for which equipment, supplies, facilities, Confidential Information or Trade Secrets of the Company are used, or (iv) which is developed on the Company's time. The term "Intellectual Property" means all patents, rights in inventions, supplementary protection certificates, utility models, rights in designs, trademarks, service marks, trade and business names, logos, get up and trade dress and all associated goodwill, rights to sue for passing off and/or for unfair competition, copyright, moral rights and related rights, rights in computer software, rights in databases, topography rights, domain names, rights in information (including know-how and trade secrets) and the right to use, and protect the confidentiality of, confidential information, image rights, rights of personality, and all other similar or equivalent rights subsisting now or in the future in any part of the world, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, and rights to claim priority from, such rights for their full term and the right to sue for damages for past and current infringement in respect of any of the same.

The following provision replaces Section 2(d) of the Confidentiality Provisions:

Inventions. Grantee does hereby assign and transfer to the Company and its successors and assigns the entire right, title and interest in any Invention which is or was made or conceived, either solely or jointly with others, during his/her employment with the Company, including after the Date of Termination. To the extent that any Intellectual Property which is or was created or conceived, either solely or jointly with others, during his/her employment with the Company does not vest in the Company automatically and/or pending any assignment of such Intellectual Property, Grantee shall hold such Intellectual Property on trust for the Company. Grantee hereby irrevocably and unconditionally waives all claims to any moral rights or other special rights which it may have or accrue in any Inventions or Intellectual Property. Grantee attests that he/she has disclosed (or promptly will disclose, if after the Date of Termination) to the Company all Inventions. Grantee will, if requested, promptly execute and deliver to the Company a specific assignment of title for any such Invention or Intellectual Property right and will at the expense of the Company, take all reasonably required action by the Company to patent, copyright or otherwise protect the Invention."

The following provision replaces Section 2(e) of the Confidentiality Provisions:

Non-Competition. Grantee acknowledges and agrees that during his/her employment, and for twelve (12) months after the Date of Termination, he/she has not and will not, directly or indirectly, in competition with the Company, engage in, provide, or perform any Employee Services on behalf of any person or entity (or, if organized into divisions or units, any distinct division or operating unit) in the Territory that derives revenue from providing goods or services substantially similar to those which comprise the Company's Business.

The following provision replaces Section 2(f) of the Confidentiality Provisions:

Non-Solicitation of Customers. Grantee acknowledges and agrees that during his/her employment, and for twelve (12) months after the Date of Termination, Grantee has not and will not directly or indirectly solicit Customers (as defined in Section 1(c) above) with whom he/she had Material Contact (as defined above) for the purpose of providing goods and/or services competitive with the Company's Business with which Grantee was materially concerned in the period of twelve (12) months prior to the Date of Termination.

The following provision replaces Section 2(g) of the Confidentiality Provisions:

Non-Solicitation of Employees and Agents. Grantee acknowledges and agrees that during his/her employment, and for a period of twelve (12) months after the Date of Termination, Grantee has not and will not, directly or indirectly, whether on behalf of Grantee or others, solicit, lure or attempt to hire away any of the Company's employees or agents with whom Grantee has material contact or managed in a direct line management capacity in the period of twelve (12) months prior to the Date of Termination or who had Material Contact with Customers in performing his/her duties of employment with the Company.

The following provision replaces Section 2(h) of the Confidentiality Provisions:

Non-Solicitation of Sales Agents. Grantee acknowledges and agrees that during his/her employment, and for a period of twelve (12) months after the Date of Termination, Grantee has not and will not, directly or indirectly,

whether on behalf of Grantee or others, solicit any of the Company's Sales Agents for the purpose of disrupting their relationship with the Company and/or selling and/or facilitating the sale of products competitive with the Company's Business with which Grantee was materially concerned in the period of twelve (12) months prior to the Date of Termination. For purposes of this Section 2, a "Sales Agent" is any third-party agency, and/or its representatives, with which or whom the Company has contracted for the purpose of facilitating the sale of the Company's products during the last twelve (12) months of Grantee's employment with the Company and with whom Grantee had material contact or responsibility in his capacity as an employee of the Company during that period.

The following provision replaces Section 7 of the Confidentiality Provisions:

Amendments and Modifications. The Confidentiality Provisions and any Exhibit hereto may be amended or modified only by a writing signed by both parties hereto, which makes specific reference to the Confidentiality Provisions. However, this Section does not affect a court of competent jurisdiction or arbitrator`s ability to modify the Confidentiality Provisions in the event that either party initiates legal proceedings that relate in any way to this Confidentiality Provisions, including any action brought by either party seeking to enforce any provision set forth herein.

The following provision replaces Section 8 of the Confidentiality Provisions:

Governing Law and Venue. The validity and effect of the Confidentiality Provisions shall be governed by and construed and enforced in accordance with the laws of England and Wales. Any and all disputes relating to, concerning or arising from the Confidentiality Provisions, or relating to, concerning or arising from the relationship between the parties evidenced by the Confidentiality Provisions, shall be brought and heard exclusively in the Courts of England and Wales. Each of the parties hereby represents and agrees that such party is subject to the personal jurisdiction of said courts; hereby irrevocably consents to the jurisdiction of such courts in any legal or equitable proceedings related to, concerning or arising from such dispute, and waives, to the fullest extent permitted by law, any objection which such party may now or hereafter have that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in such courts is improper or that such proceedings have been brought in an inconvenient forum.

The following provisions are deleted in their entirety: Sections 10 **("Tender Back Provision"**) and Section 11 **("Tolling Period"**).

A following new Section 13 is inserted as follows:

Subsidiaries. The provisions of Sections 2(e) through Section 2(h) shall only apply in respect of those subsidiaries to whom Grantee provided his services, for whom he was responsible or with whom he was otherwise materially concerned in the period of twelve (12) months prior to the Date of Termination. The obligations under those provisions shall, with respect to each subsidiary, constitute a distinct and separate covenant and the invalidity or unenforceability of any such covenant shall not affect the validity or enforceability of the covenants in favor of any other Company. In relation to each subsidiary referred to in this Section 13, the Company contracts as trustee and agent for the benefit of each such subsidiary.

ACUITY BRANDS, INC.

Amended and Restated 2012 Omnibus Stock Incentive Compensation Plan

Global Restricted Stock Unit Notification and Award Agreement

Grantee:	
Grant Type:	
Grant ID:	
Grant Date:	
Award Amount:	
Vest Schedule:	
Grantee Level:	
Accept By Date:	

WHEREAS, Acuity Brands, Inc. (the "Company") maintains the Amended and Restated Acuity Brands, Inc. 2012 Omnibus Stock Incentive Compensation Plan (the "Plan") under which the Compensation Committee of the Company's Board of Directors (the "Committee") has authority to grant Restricted Stock Units (the "RSUs"); and

WHEREAS, the Committee has determined that it is in the best interest of the Company and its stockholders to grant this RSU to the Grantee identified above, subject to the terms and conditions set forth in the Plan and this Global Restricted Stock Unit Notification and Award Agreement, together with its exhibits (the "Agreement").

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. **Incorporation of the Plan**. The provisions of the Plan are hereby incorporated by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan. The Committee has final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon Grantee and Grantee's legal representative with respect to any questions arising under the Plan or this Agreement.

2. **Grant of Restricted Stock Unit Award**. The Committee, on behalf of the Company, hereby grants to Grantee, effective as of the Grant Date, RSUs equal to the Award Amount set forth above, on the terms and conditions set forth in this Agreement, including the specific vesting requirements set forth above under the Vest Schedule, and as otherwise provided in the Plan.

3. **Acceptance of Restricted Stock Unit Award**. This award of RSUs is conditioned upon Grantee's acceptance of the terms of this Agreement, as evidenced by Grantee's execution of this Agreement or by Grantee's electronic acceptance of this Agreement in a manner and during the time period allowed by the Company. If the terms of this Agreement are not timely accepted by execution or by such electronic means, the award of RSUs may be cancelled.

4. **Vesting of Restricted Stock Unit Award**.

a) In General. Provided that Grantee remains continuously employed by the Company, a Subsidiary or Affiliate, subject to the other terms of this Agreement, the RSUs shall vest pursuant to the Vest Schedule set forth above. For purposes of this Agreement, providing active services as an Employee or as a member of the Board shall be considered as employment.

b) Vesting Acceleration Upon Termination due to Death or Disability. Notwithstanding Section 4(a) above, if prior to the date on which the RSUs (or a portion thereof) vest and the restrictions with respect to the RSUs lapse (the "Vesting Date"), (i) Grantee dies while actively employed by the Company or a Subsidiary or an Affiliate,

or (ii) Grantee's employment terminates by reason of Grantee's Disability, any unvested RSUs shall become fully vested and non-forfeitable as of the date of Grantee's death or Disability.

c) Vesting Upon Termination due to Retirement. Notwithstanding Section 4(a) above, if Grantee's employment terminates for a reason other than Cause on or after the date on which (i) Grantee has attained the age of sixty (60) years old, and (ii) the number of completed years of Grantee's continuous service to the Company or a Subsidiary or an Affiliate is at least ten (10) ("Retirement"), the unvested RSUs will remain outstanding and will continue to vest following Grantee's Termination in accordance with the Vest Schedule, and subject to the terms set forth in this Agreement as though Grantee had remained in service, and once vested, will be settled in accordance with Section 6 below; provided, however, that any unvested RSUs will be forfeited immediately, automatically and without consideration upon Grantee's breach of the confidentiality, inventions, non-solicitation and non-competition provisions attached hereto as Exhibit C (as determined by the Committee). The Company, in its sole discretion, will determine whether Grantee has completed ten (10) years of continuous service, including the effect of any break-in-service.

d) Termination of Service for Any Other Reason. Except for death, Termination due to Disability or Termination due to Retirement, as provided in Sections 4(b) and (c) above, or except as otherwise provided in a duly approved severance agreement with Grantee, if Grantee terminates his or her employment or if the Company or if different, the Subsidiary or an Affiliate employing Grantee (the "Employer") terminates Grantee's employment prior to the Vesting Date (even in the case of unfair dismissal and whether or not later to be found invalid or in breach of employment laws in the jurisdiction where Grantee is employed or the terms of Grantee's employment agreement, if any) Grantee expressly acknowledges that the RSUs shall cease to vest further, the unvested RSUs shall be immediately forfeited, and Grantee shall be entitled only to the Shares issued as a result of RSUs that had vested prior to the Date of Termination. "Date of Termination" means the last day of Grantee's active employment with the Employer. For greater certainty, Grantee's Date of Termination shall be deemed to be the date on which the notice of termination of employment provided is stated to be effective (and in the case of alleged constructive dismissal, the date on which the alleged constructive dismissal is alleged to have occurred), and not during or as of the end of any notice or other period following such date during which Grantee is in receipt of, or eligible to receive, statutory, contractual or common law notice of termination or any compensation in lieu of such notice or severance pay. The Board or the Committee shall have the exclusive discretion to determine when Grantee is no longer actively providing services for purposes of the RSU grant (including whether Grantee may still be considered to be providing services while on a leave of absence).

e) Vesting Acceleration Upon a Change in Control. Notwithstanding the other provisions of this Agreement, in the event of a Change in Control prior to the Vesting Date, all RSUs shall become fully vested and non-forfeitable as of the date of the Change in Control.

5. **Dividend Equivalents**. During the period that Grantee holds RSUs granted pursuant to this Agreement, on each date that the Company pays a cash dividend to holders of its Common Stock, the Company shall credit to a non-interest bearing account on its books for Grantee an amount equal to the United States ("U.S.") Dollar amount paid per share of the Company's Common Stock for each unvested RSU held by Grantee under this Agreement (the "Dividend Equivalents"). The Dividend Equivalents credited to Grantee's non-interest bearing account shall vest only to the extent that the RSUs vest and shall be paid in accordance with Section 6 below. The Dividend Equivalents shall be forfeited in the event that the RSUs are forfeited.

6. **Issuance of Shares upon Vesting**. No Shares shall be issued to Grantee prior to the date that the RSUs vest pursuant to this Agreement. As soon as practical and in any event within sixty (60) days after the date that the RSUs vest pursuant to Section 4 (or within such longer period as may be permitted under Section 409A upon Grantee's death), and subject to the Company's Incentive-Based Compensation Recoupment Policy (described in Section 10 below) and the applicable terms of Exhibit C attached hereto, the Company will cause Shares to be issued to an unrestricted account in Grantee's name in payment of such vested RSUs and will cause any Dividend Equivalents attributed to such vested RSUs to be paid in cash to Grantee or, in the event of death, to Grantee's heirs, subject to the applicable laws of descent and distribution. Notwithstanding the foregoing, (a) in the event of vesting of the RSUs upon a Change in Control, the RSUs shall be paid in accordance with Section 15.2 of the Plan, and (b) to the extent that (i) the RSUs constitute "nonqualified deferred compensation" subject to Section 409A, (ii) Grantee is subject to U.S. federal taxation and (iii) the aforementioned sixty (60) day period spans two calendar years, the RSUs and any Dividend Equivalents will be paid in the second of such calendar years.

7. **Transfer Restrictions**. The RSUs may not be sold, assigned, transferred, pledged, or otherwise encumbered in any manner other than by will or the laws of descent and distribution, unless and until the shares of Common Stock underlying the vested RSUs have been issued.

8. **Stockholder Rights**. The RSUs granted pursuant to this Agreement do not and shall not entitle Grantee to any rights of a stockholder of the Company's Common Stock. Grantee's rights with respect to the RSUs shall remain forfeitable at all times prior to the Vesting Date or such other date on which the RSUs vest pursuant to Section 4.

9. **Adjustments Upon Specified Events**. In the event of a Share Change (as defined in the Plan), the number and class of Shares or other securities that Grantee shall be entitled to, and shall hold, pursuant to this Agreement shall be appropriately adjusted or changed to reflect the Share Change, provided that any such additional Shares or additional or different Shares or securities shall remain subject to the restrictions in this Agreement.

10. **Recoupment**. All Awards of RSUs, whether unvested or vested, shall be subject to the Company's Incentive-Based Compensation Recoupment Policy (the "Recoupment Policy"), such that any Award that was made to a Grantee who is deemed a "Covered Employee" under the Recoupment Policy within the three (3) year period preceding the date on which the Company announces that it will prepare an accounting restatement under the Recoupment Policy shall be subject to deduction, clawback or forfeiture, as applicable.

11. **Compliance with Section 409A of the Code for U.S. Taxpayers**. The parties intend that this Agreement and the benefits provided hereunder be exempt from the requirements of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "Section 409A") to the maximum extent possible, whether pursuant to the short-term deferral exception described in Treasury Regulation Section 1.409A-1(b)(4) or otherwise. However, to the extent that the RSUs (or any portion thereof) may be subject to Section 409A, the parties intend that this Agreement and such benefits comply with the deferral, payout, and other limitations and restrictions imposed under Section 409A and this Agreement shall be interpreted, operated and administered in a manner consistent with such intent. Notwithstanding any other provision of the Plan or this Agreement, the Committee shall have the right in its sole discretion (without any obligation to do so or to indemnify Grantee or any other person for failure to do so) to adopt such amendments to the Plan or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Committee determines are necessary or appropriate either for the RSUs to be exempt from the application of Section 409A or to comply with the requirements of Section 409A. Nothing in this Agreement or the Plan shall provide a basis for any person to take action against the Company or any Subsidiary based on matters covered by Section 409A of the Code, including the tax treatment of any amount paid or RSUs granted under this Agreement, and neither the Company nor any of its Subsidiaries shall under any circumstances have any liability to Grantee or his or her estate or any other party for any taxes, penalties or interest due on amounts paid or payable under this Agreement, including taxes, penalties or interest imposed under Section 409A.

12. **Securities Law Compliance**. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Common Stock, the Company shall not be required to deliver any Common Stock issuable upon settlement of the RSUs prior to the completion of any registration or qualification of the Common Stock under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the SEC or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. Grantee understands that the Company is under no obligation to register or qualify the Common Stock with the SEC or any state, provincial or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of Common Stock. Further, Grantee agrees that the Company shall have unilateral authority to amend the Plan and this Agreement without Grantee's consent to the extent necessary to comply with securities or other laws applicable to the issuance of Common Stock.

13. **Grantee's Representation**. Grantee represents and warrants that he or she is acquiring the RSUs for investment purposes only, and not with a view to distribution thereof.

14. **Confidentiality, Inventions, Non-Solicitation and Non-Competition**. In exchange for receipt of consideration in the form of the RSU award pursuant to this Agreement and other good and valuable consideration,

Grantee agrees that he/she shall comply with the confidentiality, inventions, non-solicitation and non-competition provisions attached hereto as Exhibit C.

15. **Nature of Grant**. In accepting the grant, Grantee acknowledges, understands and agrees that:

a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

b) the grant of RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;

c) all decisions with respect to future RSUs or other grants, if any, will be at the sole discretion of the Company;

d) the RSU grant and Grantee's participation in the Plan shall not create a right to employment or be interpreted as forming or amending an employment or services contract with the Company and shall not interfere with the ability of the Employer to terminate Grantee's employment or service relationship (if any);

e) Grantee is voluntarily participating in the Plan;

f) the RSUs and the Shares subject to the RSUs, and any related income and value, are not intended to replace any pension rights or compensation;

g) the RSUs and the Shares subject to the RSUs, and any related income and value, are not part of normal or expected compensation for any purposes including, but not limited to, calculating any severance, resignation, termination, payment in lieu of notice, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, leave-related payments, pension, retirement, welfare benefits or similar payments;

h) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

i) no claim or entitlement to compensation or damages shall arise from any loss of any right or benefit, or prospective right or benefit, including the forfeiture of RSUs resulting from the termination of Grantee's employment or other service relationship (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Grantee is employed or the terms of Grantee's employment agreement, if any);

j) unless otherwise agreed with the Company, the RSUs and Shares subject to the RSUs, and any related income and value, are not granted as consideration for, or in connection with, the service Grantee may provide as a director of a Subsidiary; and

k) the Company shall not be liable for any foreign exchange rate fluctuation between Grantee's local currency and the U.S. Dollar that may affect the value of the RSUs or of any amounts due to Grantee pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement.

16. **Responsibility for Taxes.**

a) Grantee acknowledges that, regardless of any action taken by the Company or the Employer, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Grantee's participation in the Plan and legally applicable to Grantee ("Tax-Related Items"), is and remains Grantee's responsibility and may exceed the amount actually withheld by the Company or the Employer. Grantee further acknowledges that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs or the Dividend Equivalents, including, but not limited to, the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt or payment of any dividends or any Dividend Equivalents and (2) do not commit to and is under no obligation to structure the terms of the grant or any aspect of the RSUs or the Dividend Equivalents to reduce or eliminate Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if Grantee is subject to Tax-Related Items in more than one jurisdiction, Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

b) Prior to any relevant taxable or tax withholding event, as applicable, Grantee agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations, if any, with regard to all Tax-Related Items by one or a combination of the following:

(i) withholding from Grantee's wages or other cash compensation paid to Grantee by the Company and/or the Employer; or

(ii) withholding from proceeds of the sale of Shares acquired upon vesting/settlement of the RSU either through a voluntary sale or through a mandatory sale arranged by the Company (on Grantee's behalf pursuant to this authorization); or

(iii) withholding in Shares to be issued pursuant to the RSUs.

c) Notwithstanding Section 16(b) above, if Grantee is subject to the reporting requirements of Section 16(a) of the Exchange Act, then any applicable withholding obligations will be satisfied by withholding in Shares to be issued pursuant to the RSUs, unless such withholding is not feasible under applicable tax or securities law or has materially adverse accounting consequences, in which case, the Company may satisfy any withholding obligations for Tax-Related Items in accordance with Section 16(b)(i) or (ii).

d) Subject to Section 17.2 of the Plan, the Company may withhold or account for the Tax-Related Items by considering statutory withholding amounts or other applicable withholding rates in Grantee's jurisdiction(s), including (i) maximum applicable rates, in which case Grantee may receive a refund of any over-withheld amount in cash (whether from applicable tax authorities or the Company) and will have no entitlement to the Common Stock equivalent or (ii) minimum rates or such other applicable rates, in which case Grantee may be solely responsible for paying any additional Tax-Related Items to the applicable tax authorities.

e) If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Grantee is deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax-Related Items.

f) The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if Grantee fails to comply with Grantee's obligations in connection with the Tax-Related Items.

g) To the extent that a withholding obligation for Tax-Related Items arises prior to the scheduled Vesting Date or such other vesting event hereunder, the Company may accelerate the vesting of RSUs to the extent necessary to satisfy such Tax-Related Items in the manner set forth in Section 16(b)(ii) or (iii). However, notwithstanding anything in this Section 16 to the contrary, to the extent that the RSUs constitute "nonqualified deferred compensation" subject to Section 409A and Grantee is subject to U.S. federal taxation, the number of Shares withheld (or sold on Grantee's behalf) shall not exceed the number of Shares that equals the liability for Tax-Related Items.

17. **Data Privacy**

a) ***Data Collection and Usage. Pursuant to applicable data protection laws, Grantee is hereby notified that, in order to perform this Agreement and facilitate Grantee's participation in the Plan, the Company will collect, process, use, and transfer Grantee's Personal Data (as defined herein) for purposes of allocating Shares and implementing, administering, and managing the Plan. Where required, the legal basis underlying the Company's collection, use, transfer and other processing of Grantee's Personal Data is the necessity of the processing (i) for the performance of this Agreement subject to the terms and conditions set forth in the Plan, (ii) to comply with legal obligations to which the Company is subject according to European Union ("EU"), European Economic Area ("EEA") or Member State law, or (iii) the pursuit of the Company's legitimate interest to comply with legal obligations to which the Company is subject according to law established outside the EU/EEA. Grantee's personal data and personally-identifiable information processed by the Company includes Grantee's name, home address, telephone number and email address, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any equity or directorships held in the Company and any Subsidiary, details of all RSUs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested, or outstanding in Grantee's favor, which the Company receives from Grantee or the Employer ("Personal Data"). Grantee's provision of Personal Data is a contractual requirement under this Agreement and the Plan. Grantee's refusal to provide Personal***

Data would make it impossible for the Company to perform its contractual obligations and may affect Grantee's ability to participate in the Plan.

b) ***Stock Plan Administration Service Providers. The Company transfers Personal Data to Merrill Lynch, Pierce, Fenner & Smith Incorporated (including its affiliated companies; collectively "Bank of America Merrill Lynch"), an independent service provider with operations relevant to the Company in the United States, which assists the Company with the implementation, administration, and management of the Plan. In this case, Grantee's Personal Data will only be accessible by those individuals requiring access to it for purposes of implementing, administering, and operating the Plan. Grantee will be asked to agree on separate terms and data processing practices with Bank of America Merrill Lynch, which is a condition to Grantee's ability to participate in the Plan. In the future, the Company may select a different service provider, which will act in a similar manner, and share Personal Data with such service provider.***

c) ***International Data Transfers. The Company and Bank of America Merrill Lynch are based in the United State**s, which means that it will be necessary for Personal Data to be transferred to, and processed in, the United States. If Grantee is outside the United States, Grantee should note that his or her country may have enacted data privacy laws that are different from the laws of the United States. For example, the European Commission has issued only a limited adequacy finding with respect to the United States that applies solely if and to the extent that companies self-certify and remain self-certified under the EU/U.S. Privacy Shield program. As a result, in the absence of appropriate safeguards such as EU Standard Contractual Clauses published by the EU Commission, the processing of Grantee's Personal Data in the United States or, as the case may be, other countries might not be subject to substantive data processing principles or supervision by data protection authorities. In addition, Grantee might not have enforceable rights regarding the processing of his or her Personal Data in such countries.***

The Company provides appropriate safeguards for protecting Personal Data that it receives in the United States through its adherence to EU Standard Contractual Clauses entered into between the Company and its Subsidiaries and Affiliates within the EU, the EEA and the United Kingdom. Grantee can ask for copies of such EU Standard Contractual Clauses using the following contact details: [insert contact details. Bank of America Merrill Lynch has not self-certified under the EU/U.S. Privacy Shield program or implemented appropriate safeguards such as the EU Standard Contractual Clauses. As a consequence, if Grantee is located in the EU, the EEA or the United Kingdom, Personal Data is transferred by the Company to Bank of America Merrill Lynch solely based on Grantee's consent provided to the Company as follows:

If Grantee is located in the EU, the EEA or the United Kingdom, by signing or otherwise entering into this Agreement, Grantee unambiguously consents to the onward transfer of Personal Data by the Company to Bank of America Merrill Lynch as described in Section 17(c) above. Grantee understands that granting such consent is voluntary and that Grantee may, at any time and with future effect, refuse to provide such consent or withdraw such consent by contacting [insert contact details]. If Grantee does not consent or later withdraws consent, Grantee's employment status or service with the Employer will not be affected. The only consequence of not providing or withdrawing consent is that the Company would not be able to grant RSUs or other equity awards to Grantee or administer or maintain such awards. Therefore, Grantee understands that refusing or withdrawing consent may affect his or her ability to participate in the Plan. For more information on the consequences of refusal or withdrawal of consent, Grantee may contact [insert contact details].

d) ***Data Retention. The Company will use Grantee's Personal Data only as long as is necessary to implement, administer and manage Grantee's participation in the Plan or as required to comply with legal or regulatory obligations, including under tax, labor, securities, and exchange control laws. When the Company no longer needs Grantee's Personal Data, the Company will remove it from it from its systems. If the Company keeps Personal Data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be relevant laws or regulations.***

e) ***Data Subject Rights. Grantee has a number of rights under data privacy laws in his or her country. Depending on where Grantee is based and subject to the applicable statutory conditions, Grantee's rights include the right to (a) request access or copies of Personal Data the Company processes, (b) rectification of incorrect or incomplete data, (c) deletion of data, (d) restrictions on processing, (e) object to the processing for legitimate interests, (f) portability of data, (g) lodge complaints with competent authorities in Grantee's country, and/or (h) request a***

list with the names and addresses of any potential recipients of Grantee's Personal Data. To receive clarification regarding Grantee's rights or to exercise Grantee's rights, Grantee should contact his or her local human resources representative.

f) ***Controller and Authorized EU Representative. The Company is the controller responsible for the processing of Grantee's Personal Data as described in this Section 17. The Company's authorized representative in the EU is [insert complete name and address of the Company's EU representative].***

18. **No Advice Regarding Grant**. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Grantee's participation in the Plan, or Grantee's acquisition or sale of the underlying Shares. Grantee should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

19. **Insider Trading/Market Abuse Restrictions**. Grantee may be subject to insider trading restriction and/or market abuse laws in applicable jurisdictions including, but not limited to, the U.S. and Grantee's country of residence, which may affect Grantee's ability to accept, acquire sell or otherwise dispose of Shares or rights to Shares (*e.g.*, RSUs) or rights linked to the value of Shares during such times as Grantee is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Grantee is responsible for ensuring Grantee's own compliance with any applicable restrictions and is advised to speak with his or her personal legal advisor on this matter.

20. **Foreign Asset / Account or Tax Reporting; Exchange Control**. Grantee acknowledges that there may be certain exchange control, foreign asset/account, or tax reporting requirements which may affect Grantee's ability to acquire or hold Shares acquired under the Plan or cash received from participating in the Plan (including from any dividends or Dividend Equivalents) in a brokerage or bank account outside Grantee's country. Grantee may be required to report such accounts, assets or transactions to the tax or other authorities in his or her country. Grantee also may be required to repatriate sale proceeds or other funds received as a result of Grantee's participation in the Plan to his or her country through a designated bank or broker within a certain time after receipt. Grantee acknowledges that it is Grantee's responsibility to be compliant with such regulations, and Grantee should consult his or her personal legal advisor for any details.

21. **Electronic Delivery and Participation**. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or any third party designated by the Company. By Grantee's execution of this Agreement or acceptance by electronic means and the electronic signature of the Company's representative, Grantee and the Company agree that this RSU is granted under and governed by the terms and conditions of the Plan and this Agreement.

22. **Country-Specific Terms and Conditions**. Notwithstanding any provisions in this Agreement, the RSU grant shall be subject to any additional terms and conditions set forth in Exhibit A to this Agreement for Grantee's country. Moreover, if Grantee relocates to one of the countries included in Exhibit A, the additional terms and conditions for such country will apply to Grantee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Exhibit A constitutes part of this Agreement.

23. **Language**. If Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

24. **Imposition of Other Requirements**. The Company reserves the right to impose other requirements on Grantee's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

25. **Governing Law and Venue**. Except with respect to Exhibit C, the RSU grant and the provisions of this Agreement and the validity, interpretation, construction and performance of same shall be governed by, and subject to, the laws of the State of Delaware, without regard to its conflict of law provisions. Any and all disputes relating to,

concerning or arising from this Agreement, or relating to, concerning or arising from the relationship between the parties evidenced by the RSUs or this Agreement, shall be brought and heard exclusively in the U.S. District Court for the District of Delaware or the Delaware Superior Court, New Castle County. Each of the parties hereby represents and agrees that such party is subject to the personal jurisdiction of said courts; hereby irrevocably consents to the jurisdiction of such courts in any legal or equitable proceedings related to, concerning or arising from such dispute, and waives, to the fullest extent permitted by law, any objection which such party may now or hereafter have that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in such courts is improper or that such proceedings have been brought in an inconvenient forum.

26. **Severability**. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

27. **Waiver**. Grantee acknowledges that a waiver by the Company of any provision, or breach thereof, of this Agreement on any occasion shall not operate or be construed as a waiver of such provision on any other occasion or as a waiver of any other provision of this Agreement, or of any subsequent breach by Grantee or any other Plan participant.

28. **Pronouns; Including**. Wherever appropriate in this Agreement, personal pronouns shall be deemed to include the other genders and the singular to include the plural. Wherever used in this Agreement, the term “including” means “including, without limitation.”

29. **Successors in Interest**. This Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns, whether by merger, consolidation, reorganization, sale of assets, or otherwise. This Agreement shall inure to the benefit of Grantee’s legal representatives. All obligations imposed upon Grantee and all rights granted to the Company under this Agreement shall be final, binding, and conclusive upon Grantee’s heirs, executors, administrators, and successors.

30. **Integration**. This Agreement, along with any Exhibit hereto, encompasses the entire agreement of the parties related to the subject matter of this Agreement, and supersedes all previous understandings and agreements between them, whether oral or written, except as otherwise described specifically in Exhibit C. The parties hereby acknowledge and represent, that they have not relied on any representation, assertion, guarantee, warranty, collateral contract or other assurance, except those set out in this Agreement, made by or on behalf of any other party or any other person or entity whatsoever, prior to the execution of this Agreement.

31. **Interpretation**. The Committee shall have the sole and absolute authority to interpret, construe and apply the terms of the Plan and this Agreement and to make any and all determinations under them. Any determination or decision by the Committee shall be final, binding and conclusive upon Grantee, Grantee’s legal representative and the Company for all purposes.

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By completing the online acceptance process, Grantee accepts the grant of RSUs and agrees to all the terms and conditions described in this Agreement and in the Plan.

PLEASE RETAIN THIS AGREEMENT AND ALL EXHIBITS FOR YOUR RECORDS.

EXHIBIT A

ADDITIONAL TERMS AND CONDITIONS FOR GRANTEES OUTSIDE THE U.S.

Terms and Conditions

This Exhibit A includes additional terms and conditions that govern the RSUs granted to Grantee under the Plan if Grantee resides in one of the countries listed below. These terms and conditions are in addition to, or if so indicated, in place of the terms and conditions in the Agreement. If Grantee is a citizen or resident of a country other than the one in which he or she is currently working, transferred employment and/or residency after the RSUs were granted, or is considered a resident of another country for local law purposes, the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to Grantee.

Notifications

This Exhibit A also includes information regarding exchange controls and certain other issues of which Grantee should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control, and other laws in effect in the respective countries as of August 2019. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Grantee not rely on the information in this Exhibit A as the only source of information relating to the consequences of Grantee's participation in the Plan because the information may be out of date at the time that the RSUs vest or Grantee sells Shares.

In addition, the information contained herein is general in nature and may not apply to Grantee's particular situation, and the Company is not in a position to assure Grantee of a particular result. Accordingly, Grantee should seek appropriate professional advice as to how the relevant laws in Grantee's country may apply to his or her situation.

If Grantee is a citizen or resident of a country other than the one in which he or she is currently working, transferred employment and/or residency after the RSUs were granted, or is considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to Grantee.

Certain capitalized terms used but not defined in this Exhibit A have the meanings set forth in the Plan and the Agreement.

ALL NON-U.S. COUNTRIES

Terms and Conditions

Vesting Upon Termination due to Retirement. The following provision supplements Section 4(c) of the Agreement:

Notwithstanding anything to the contrary in the Plan or the Agreement, if the Company receives a legal opinion that there has been a legal judgment and/or development in Grantee's jurisdiction that likely would result in the vesting of the RSUs following Grantee's Termination due to Retirement being deemed unlawful and/or discriminatory, such vesting shall not apply and the treatment of the RSUs upon Grantee's Termination due to Retirement shall be determined pursuant to the remaining provisions of Section 4 of the Agreement.

CANADA

(Quebec Only)

Terms and Conditions

Language Consent. Grantee acknowledges that it is the express wish of the parties that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be written in English.

Consentement linguistique. *Le participant reconnaît que c'est son souhait exprès d'avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaries intentées, directement ou indirectement, relativement à ou suite à la présente convention.*

Data Privacy. The following provision supplements Section 17 of the Agreement:

Grantee hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. Grantee further authorizes the Company, any Subsidiary or Affiliate to disclose and discuss the Plan with their advisors. Grantee further authorizes the Company and any Subsidiary or Affiliate to record such information and to keep such information in Grantee's employee file.

CANADA

(All Provinces, Including Quebec)

Notifications

Securities Law Notice. Grantee acknowledges that he or she is permitted to sell the Shares acquired under the Plan through Bank of America Merrill Lynch or other such stock plan service provider as may be selected by the Company in the future, provided the sale of the Shares takes place outside of Canada through facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange.

Foreign Asset and Account Reporting Information. Canadian residents may be required to report foreign property on Form T1135 (Foreign Income Verification Statement) if the total cost of the foreign property exceeds C$100,000 at any time in the year. Foreign property includes Shares acquired under the Plan and may include the RSUs, and their cost generally is the adjusted cost base ("ACB") of the Shares. The ACB ordinarily would equal the fair market value of the Shares at the time of acquisition, but if the Canadian resident owns other Shares, whether acquired under the Plan or outside of it, the ACB of Shares acquired pursuant to this Agreement may have to be averaged with the ACB of the other Shares. The Form T1135 generally must be filed by April 30 of the following year. Canadian residents should consult with a personal advisor to ensure compliance with the applicable reporting requirements.

FRANCE

Terms and Conditions

Restricted Stock Units Not French-qualified. The RSUs granted under this Agreement are not intended to qualify for specific tax and social security treatment pursuant to Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code, as amended.

Language Consent. By accepting the grant, Grantee confirms having read and understood the Plan and Agreement which were provided in the English language. Grantee accepts the terms of those documents accordingly.

Consentement linguistique. *En acceptant l'attribution, le Participant confirme avoir lu et compris le Plan et le Contrat, qui ont été communiqués en langue anglaise. Le Participant accepte les termes de ces documents en connaissance de cause.*

Notifications

Foreign Asset and Account Reporting Information. French residents holding cash or Shares outside France must declare all foreign bank and brokerage accounts (including any accounts that were closed during the tax year) on an annual basis, together with their income tax return.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (*Bundesbank*) by the fifth day of the month following the month in which the payment is received or made. If Grantee receives a payment in excess of €12,500 in connection with the sale of Shares and/or the receipt of dividends or Dividends Equivalents, Grantee must report the payment to *Bundesbank* electronically using the "General Statistics Reporting Portal" (*Allgemeines Meldeportal Statistik*) available via *Bundesbank*'s website.

Foreign Asset/Account Reporting Information. If Grantee's acquisition of Shares under the Plan leads to a "qualified participation" at any point during the calendar year, Grantee will need to report the acquisition of Shares when Grantee

files his or her tax return for the relevant year. A qualified participation is attained if (i) the value of the Shares acquired exceeds €150,000 or (ii) the Shares held exceed 10% of the Company's total Common Stock.

ITALY

Terms and Conditions

Terms of Grant. By accepting the RSUs, Grantee acknowledges that (a) Grantee has received a copy of the Plan, the Agreement and this Exhibit A; (b) Grantee has reviewed those documents in their entirety and fully understands the contents thereof; and (c) Grantee accepts all provisions of the Plan and the Agreement, including this Exhibit A. Grantee further acknowledges that Grantee has read and specifically and expressly approves, without limitation, the following sections of the Agreement: Section 3 (Acceptance of Restricted Stock Unit Award); Section 4 (Vesting of Restricted Stock Unit Award); Section 13 (Grantee's Representation); Section 14 (Confidentiality, Inventions, Non-Solicitation and Non-Competition); Section 15 (Nature of Grant); Section 16 (Responsibility for Taxes); Section 17 (Data Privacy); Section 19 (Insider Trading/Market Abuse Restrictions); Section 23 (Language) and Section 25 (Governing Law and Venue).

Notifications

Foreign Asset / Account Reporting Requirement. Italian residents who, during any fiscal year, hold investments or financial assets outside Italy (*e.g.*, cash, Shares) which may generate income taxable in Italy must report such investments or assets in their annual tax return or on a special form if no tax return is due. These reporting obligations also apply if an Italian resident is the beneficial owner of foreign financial assets under Italian money laundering provisions.

MEXICO

Terms and Conditions

Labor Law Policy and Acknowledgment. By participating in the Plan, Grantee expressly recognizes that Acuity Brands Inc., with registered offices at 1170 Peachtree Street, NE Suite 2300, Atlanta, GA 30309, U.S., is solely responsible for the administration of the Plan and that Grantee's participation in the Plan and acquisition of Shares does not constitute a relationship as an Employee with the Company since Grantee is participating in the Plan on a wholly commercial basis and the sole Employer is a Subsidiary or Affiliate of the Company ("Acuity-Mexico"). Based on the foregoing, Grantee expressly recognizes that the Plan and the benefits that may be derived from participation in the Plan do not establish any rights between Grantee and the Employer, Acuity-Mexico, and do not form part of the employment conditions and/or benefits provided by Acuity-Mexico and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of Grantee's relationship as an Employee.

Grantee further understands that Grantee's participation in the Plan is as a result of a unilateral and discretionary decision of the Company. Therefore, the Company reserves the absolute right to amend and/or discontinue Grantee's participation at any time without any liability to Grantee.

Finally, Grantee hereby declares that Grantee does not reserve to himself or herself any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and Grantee therefore grants a full and broad release to the Company, the Employer, its Subsidiaries and Affiliates, branches, representation offices, its stockholders, officers, agents or legal representatives with respect to any claim that may arise.

Política de Ley Laboral y Reconocimiento. *Participando en el Plan, el Participante reconoce expresamente que* Acuity Brands Inc., *con oficinas registradas en 1170 Peachtree Street, NE Suite 2300, Atlanta, GA 30309, U.S., es el único responsable de la administración del Plan y que la participación del Participante en el mismo y la compra de acciones bursátiles no constituye de ninguna manera una relación laboral entre Usted y la Compañía dado que su participación en el Plan deriva únicamente de una relación comercial y que su único empleador es una Subsidiaria o Afiliada del la Compañía ("Acuity-Mexico"). Derivado de lo anterior, el Participante expresamente reconoce que el Plan y los beneficios que pudieran derivar del mismo no establecen ningún derecho entre el Participante y el empleador, Acuity-Mexico, y no forman parte de las condiciones laborales y/o prestaciones otorgadas por Acuity-Mexico, y cualquier*

modificación al Plan o la terminación del mismo no podrá ser interpretada como una modificación o degradación de los términos y condiciones de su trabajo.

Asimismo, el Participante entiende que su participación en el Plan es resultado de la decisión unilateral y discrecional de la Compañía. Por lo tanto, la Compañía se reserva el derecho absoluto para modificar y/o terminar la participación del Participante en cualquier momento, sin ninguna responsabilidad ante el Participante.

Finalmente, el Participante manifiesta que no se reserva ninguna acción o derecho que origine una demanda en contra de la Compañía por cualquier compensación o daño en relación con cualquier disposición del Plan o de los beneficios derivados del mismo, y en consecuencia el Participante otorga un amplio y total finiquito a la Compañía, el Empleador, sus Subsidiarias y Afiliadas, sucursales, oficinas de representación, sus accionistas, directores, agentes y representantes legales con respecto a cualquier demanda que pudiera surgir.

NETHERLANDS

There are no country specific provisions.

UNITED KINGDOM

Terms and Conditions

Issuance of Shares upon Vesting. The following supplements Section 6 of the Agreement:

Notwithstanding anything to the contrary in the Plan or the Agreement, RSUs granted to Grantees resident in the United Kingdom ("U.K.") shall be paid in Shares only.

Responsibility for Taxes. The following supplements Section 16 of the Agreement:

Without limitation to Section 16 of the Agreement, Grantee hereby agrees that he or she is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items, as and when requested by the Company, the Employer or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). Grantee also hereby agrees to indemnify and keep indemnified the Company and (if different) the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on Grantee's behalf.

Notwithstanding the foregoing, if Grantee is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the terms of immediately foregoing provision will not apply. In this case, the amount of the income tax not collected within ninety (90) days of the end of the U.K. tax year in which an event giving rise to the Tax-Related Items occurs may constitute a benefit to Grantee on which additional income tax and National Insurance contributions ("NICs") may be payable. Grantee understands that he or she will be responsible for reporting any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or the Employer, as applicable, for the value of any employee NICs due on this additional benefit, which may be recovered from Grantee by the Company or the Employer at any time thereafter by any of the means referred to in Section 16 of the Agreement.

EXHIBIT B

SHARE OWNERSHIP AND RETENTION REQUIREMENT

It is the Company's belief and expectation that executives should own a reasonable amount of Common Stock to further align their interests with those of our stockholders. Accordingly, you are expected to adhere to Share ownership and Share retention requirements in connection with Awards granted under the Plan.

The Share ownership requirement is stated as a multiple of your base salary and mandates that you own a number of Shares with a value equal to the applicable multiple of your base salary. The Share retention requirement is stated as a percentage of Shares acquired under the Plan that must be retained, net of the cost of exercising Shares and/or the taxes associated with the Shares. You have until four years from first becoming subject to the requirements to satisfy your Share ownership requirement. However, if you do not currently satisfy the Share ownership requirement, you are subject to the Share retention requirement.

Your Share ownership and retention requirements are set forth below based on Grantee Level stated on the first page of this Agreement.

Grantee Level	Ownership Multiple of Annual Base Salary	Retention Requirement Percentage
0	4	50%
1	3	40%
2	2	35%
3	1	30%
4 or 5	0.5	20%
6 or 7	0	0%

Your ownership multiple is multiplied by your annual base salary and your Share retention requirement is the percent of net Shares acquired through the Plan (exercise of stock options or receipt of Shares). Your RSUs count toward satisfying your Share ownership requirement beginning at the Grant Date.

EXHIBIT C

CONFIDENTIALITY, INVENTIONS, NON-SOLICITATION AND NON-COMPETITION PROVISIONS

1. **Definitions.**

A. **"Confidential Information"** "Confidential Information" means the following:

i. data and information relating to the Company's Business (as defined herein); which is disclosed to Grantee or of which Grantee became aware of as a consequence of Grantee's relationship with the Company; has value to the Company; is not generally known to the competitors of the Company; and which includes trade secrets, methods of operation, names of customers, price lists, financial information and projections, personnel data, and similar information. For purposes of the Confidentiality, Inventions, Non-Solicitation and Non-Competition Provisions (the "Confidentiality Provisions"), subject to the foregoing, and according to terminology commonly used by the Company, the Company's Confidential Information shall include, but not be limited to, information pertaining to: (1) business opportunities; (2) data and compilations of data relating to the Company's Business; (3) compilations of information about, and communications and agreements with, customers and potential customers of the Company; (4) computer software, hardware, network and internet technology utilized, modified or enhanced by the Company or by Grantee in furtherance of Grantee's duties with the Company; (5) compilations of data concerning Company products, services, customers, and end users including but not limited to compilations concerning projected sales, new project timelines, inventory reports, sales, and cost and expense reports; (6) compilations of information about the Company's employees and independent contracting consultants; (7) the Company's financial information, including, without limitation, amounts charged to customers and amounts charged to the Company by its vendors, suppliers, and service providers; (8) proposals submitted to the Company's customers, potential customers, wholesalers, distributors, vendors, suppliers and service providers; (9) the Company's marketing strategies and compilations of marketing data; (10) compilations of data or information concerning, and communications and agreements with, vendors, suppliers and licensors to the Company and other sources of technology, products, services or components used in the Company's Business; (11) any information concerning services requested and services performed on behalf of customers of the Company, including planned products or services; and (12) the Company's research and development records and data. Confidential Information also includes any summary, extract or analysis of such information together with information that has been received or disclosed to the Company by any third party as to which the Company has an obligation to treat as confidential.

ii. Confidential Information shall not include:

a) Information generally available to the public other than as a result of improper disclosure by Grantee;

b) Information that becomes available to Grantee from a source other than the Company (provided Grantee has no knowledge that such information was obtained from a source in breach of a duty to the Company);

c) Information disclosed pursuant to law, regulations or pursuant to a subpoena, court order or legal process; and/or

d) Information obtained in filings with the Securities and Exchange Commission.

B. **"Trade Secrets"** has the meaning set forth under Georgia law, O.C.G.A. §§ 10-1-760, et seq.

C. **"Customers"** means those entities and/or individuals which, within the two-year period preceding the Date of Termination (as that term is defined in Restricted Stock Unit Agreement): (i) Grantee had material contact on behalf of the Company; (ii) about whom Grantee acquired, directly or indirectly, Confidential Information or Trade Secrets as a result of his/her employment with the Company; and/or (iii) Grantee exercised oversight or responsibility of subordinates who engaged in Material Contact on behalf of the Company. Additionally, "Customers" references only those entities and/or individuals with whom the Company currently has a business relationship, or with whom it expended resources to have or resume the same during the two-year period referenced herein.

D. **"Company"** means Acuity Brands, Inc., along with its Subsidiaries or other Affiliates.

E. **"Company's Business"** means the design, manufacture, installation, servicing, and/or sale of one or more of the following and any related products and/or services: lighting fixtures and systems; lighting control components and systems (including but not limited to dimmers, switches, relays, programmable lighting controllers, sensors, timers, and range extenders for lighting and energy management and other purposes); building management and/or control systems; commercial building lighting controls; intelligent building automation and energy management products, software and solutions; motorized shading and blind controls; building security and access control and monitoring for fire and life safety; emergency lighting fixtures and systems (including but not limited to exit signs, emergency light units, inverters, back-up power battery packs, and combinations thereof); battery powered and/or photovoltaic lighting fixtures; electric lighting track units; hardware for mounting and hanging electrical lighting fixtures; aluminum, steel and fiberglass fixture poles for electric lighting; light fixture lenses; sound and electromagnetic wave receivers and transmitters; flexible and modular wiring systems and components (namely, flexible branch circuits, attachment plugs, receptacles, connectors and fittings); LED drivers and other power supplies; daylighting systems including but not limited to prismatic skylighting and related controls; organic LED products and technology; medical and patient care lighting devices and systems; indoor positioning products and technology; software and hardware solutions that collect data about building and business operations and occupant activities via sensors and use that data to provide software services or data analytics; sensor based information networks; and any wired or wireless communications and monitoring hardware or software related to any of the above. This shall not include any product or service of the Company if the Company is no longer in the business of providing such product or service to its customers at the relevant time of enforcement.

F. **"Employee Services"** shall mean the duties and services of the type conducted, authorized, offered, or provided by Grantee in his/her capacity as an Employee on behalf of the Company within twelve (12) months prior to the Date of Termination.

G. **"Territory"** means the country in which Grantee is employed by the Company (the "Country"). Grantee acknowledges that the Company is licensed to do business in the Country and in fact does business in all states, territories, provinces and other parts of the Country. Grantee further acknowledges that the services she/he has performed on behalf of the Company are at a senior level and are not limited in their territorial scope to any particular city, state, or region, but instead affect the Company's activity within the Country. Specifically, Grantee provides Employee Services on the Company's behalf throughout the Country, meets with Company agents and distributors, develops products and/or contacts throughout the Country, and otherwise engages in his/her work on behalf of the Company on a national level. Accordingly, Grantee agrees that these restrictions are reasonable and necessary to protect the Confidential Information, trade secrets, business relationships, and goodwill of the Company.

H. **"Material Contact"** shall have the meaning set forth in O.C.G.A. § 13-8-51(10), which includes contact between an employee and each Customer or potential Customer: with whom or which Grantee dealt on behalf of the Company; whose dealings with the Company were coordinated or supervised by Grantee; about whom Grantee obtained confidential information in the ordinary course of business as a result of such employee's association with the Company; and/or who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commissions, or earnings for Grantee within two years prior to the Date of Termination.

I. **"Termination for Cause"** or **"Terminated for Cause"** shall mean the involuntary termination of Grantee by the Company for the following reasons:

i. If termination shall have been the result of an act or acts by Grantee which constitute an indictable offense, a felony or any crime involving dishonesty, theft, fraud or moral turpitude;

ii. If termination shall have been the result of an act or acts by Grantee which are determined, in the good faith judgment of the Company, to be in violation of written policies of the Company;

iii. If termination shall have been the result of an act or acts of dishonesty by Grantee resulting or intended to result directly or indirectly in gain or personal enrichment to Grantee at the expense of the Company;

iv. Upon the willful and continued failure by Grantee to substantially perform the duties assigned to Grantee (other than any such failure resulting from incapacity due to mental or physical illness constituting a Disability), after a demand in writing for substantial performance of such duties is delivered by the Company, which demand specifically identifies the manner in which the Company believes that Grantee has not substantially performed his or her duties; or

v. If termination shall have been the result of the unauthorized disclosure by Grantee of the Company's Confidential Information or violation of any other provision of the Confidentiality Provisions.

J. **"Inventions"** and **"Works For Hire."** The term "Invention" means contributions, discoveries, improvements and ideas and works of authorship, whether or not patentable or copyrightable, and: (i) which relate directly to the Company's Business, or (ii) which result from any work performed by Grantee or by Grantee's fellow employees for the Company, or (iii) for which equipment, supplies, facilities, Confidential Information or Trade Secrets of the Company are used, or (iv) which is developed on the Company's time. The term "Works For Hire" ("Works") means all documents, programs, software, creative works and other expressions and information in any tangible medium created, in whole or in part, by Grantee during the period of and relating to his/her employment with the Company, whether copyrightable or otherwise protectable, other than Inventions.

2. **Confidentiality, Inventions, Non-Solicitation and Non-Competition.**

A. **Purpose and Reasonableness of Provisions.** Grantee acknowledges that, during the term of his/her employment with the Company and after the Date of Termination, the Company has furnished and may continue to furnish to Grantee Trade Secrets and Confidential Information, which, if used by Grantee on behalf of, or disclosed to, a competitor of the Company or other person, could cause substantial detriment to the Company. Moreover, the parties recognize that Grantee, during the term of his/her employment with the Company, has developed important relationships with customers, agents, and others having valuable business relationships with the Company, and that these relationships may continue to develop after the Date of Termination. In view of the foregoing, Grantee acknowledges and agrees that the restrictive covenants contained in this Section 2 are reasonably necessary to protect the Company's legitimate business interests, Confidential Information, and good will.

B. **Trade Secrets and Confidential Information.** Grantee agrees that he/she shall protect the Company's Trade Secrets (as defined in Section 1(b) above) and Confidential Information (as defined in Section 1(a) above) and shall not disclose to any person or entity, or otherwise use or disseminate, except in connection with the performance of his/her duties for the Company, any Trade Secrets or Confidential Information. However, Grantee may make disclosures required by a valid order or subpoena issued by a court or administrative agency of competent jurisdiction, in which event Grantee will promptly notify the Company of such order or subpoena to provide it an opportunity to protect its interests. Grantee's obligations under this Section 2(b) have applied throughout his/her active employment, shall continue after the Date of Termination, and shall survive any expiration or termination of the Confidentiality Provisions, so long as the information or material remains Confidential Information or a Trade Secret, as applicable.

Grantee further confirms that during his/her employment with the Company, including after the Date of Termination, he/she has not and will not offer, disclose or use on Grantee's own behalf or on behalf of the Company, any information Grantee received prior to employment by the Company which was supplied to Grantee confidentially or which Grantee should reasonably know to be confidential.

Nothing in this section prohibits Grantee from reporting possible violations of law or regulation to any governmental agency or entity, or making other disclosures that are protected under the whistleblower provisions of law or regulation. Grantee does not need the prior authorization of the Company to make any such reports or disclosures, and Grantee is not required to notify the Company that Grantee has made such reports or disclosures.

C. **Return of Property**. On or before the Date of Termination, Grantee agrees to deliver promptly to the Company all files, customer lists, management reports, memoranda, research, Company forms, financial data and reports and other documents (including all such data and documents in electronic form) of the Company, supplied to

or created by him/her in connection with his/her employment hereunder (including all copies of the foregoing) in his/her possession or control, and all of the Company's equipment and other materials in his/her possession or control. Grantee further agrees and covenants not to retain any such property and to permanently delete such information residing in electronic format to the best of his/her ability and not to attempt to retrieve it. Grantee's obligations under this Section 2(c) shall survive any expiration or termination of the Confidentiality Provisions.

D. **Inventions.** Grantee does hereby assign to the Company the entire right, title and interest in any Invention which is or was made or conceived, either solely or jointly with others, during his/her employment with the Company, including after the Date of Termination. Grantee attests that he/she has disclosed (or promptly will disclose, if after the Date of Termination) to the Company all such Inventions. Grantee will, if requested, promptly execute and deliver to the Company a specific assignment of title for any such Invention and will at the expense of the Company, take all reasonably required action by the Company to patent, copyright or otherwise protect the Invention.

E. **Non-Competition.** In the event that Grantee,

i. voluntarily resigns from the Company,

ii. is Terminated for Cause (as defined above), or

iii. declines to sign a Confidential Severance Agreement and Release offered by the Company in the event of a termination for any reason other than a Termination for Cause (including, for example, as a result of a position elimination).

Grantee acknowledges and agrees that during his/her employment, and for twelve (12) months after the Date of Termination, he/she has not and will not, directly or indirectly, engage in, provide, or perform any Employee Services on behalf of any person or entity (or, if organized into divisions or units, any distinct division or operating unit) in the Territory that derives revenue from providing goods or services substantially similar to those which comprise the Company's Business. Notwithstanding the foregoing, if the Company terminates Grantee's employment for any reason other than a Termination for Cause (including, for example, as a result of a position elimination), and Grantee signs a Confidential Severance Agreement and Release offered by the Company, the period covered by this non-competition covenant will be reduced to either: (i) the time within which severance payments are scheduled to be paid to Grantee under such agreement, or (ii) if severance is paid to Grantee in a lump sum, the number of weeks of Grantee's then-current regular salary that are used to calculate such lump sum payment; provided, however, that the restrictive period calculated hereunder shall not, in any event, exceed twelve (12) months following the Date of Termination.

F. **Non-Solicitation of Customers**. Grantee acknowledges and agrees that during his/her employment, and for twenty-four (24) months after the Date of Termination, Grantee has not and will not directly or indirectly solicit Customers (as defined in Section 1(c) above) with whom he/she had Material Contact (as defined in 1(g) above) for the purpose of providing goods and/or services competitive with the Company's Business.

G. **Non-Solicitation of Employees and Agents.** Grantee acknowledges and agrees that during his/her employment, and for a period of twenty-four (24) months after the Date of Termination, Grantee has not and will not, directly or indirectly, whether on behalf of Grantee or others, solicit, lure or attempt to hire away any of the Company's employees or agents.

H. **Non-Solicitation of Sales Agents.** Grantee acknowledges and agrees that during his/her employment, and for a period of twenty-four (24) months after the Date of Termination, Grantee has not and will not, directly or indirectly, whether on behalf of Grantee or others, solicit any of the Company's Sales Agents for the purpose of disrupting their relationship with the Company and/or selling and/or facilitating the sale of products competitive with the Company's Business. For purposes of this Section 2, a "Sales Agent" is any third-party agency, and/or its representatives, with which or whom the Company has contracted for the purpose of facilitating the sale of the Company's products during the last twenty-four (24) months of Grantee's employment with the Company.

I. **Injunctive Relief.** Grantee acknowledges that if he/she breaches or threatens to breach any of the provisions of this Section 2, his/her actions may cause irreparable harm and damage to the Company which could not be compensated in damages. Accordingly, if Grantee breaches or threatens to breach any of the provisions of this Section 2, the Company shall be entitled to seek injunctive relief, in addition to any other rights or remedies the Company may have. The existence of any claim or cause of action by Grantee against the Company, whether predicated on the Confidentiality Provisions or otherwise, shall not constitute a defense to the enforcement by the Company of Grantee's agreements under this Section 2.

3. **Non-Assignable by Grantee**. The parties acknowledge that the Confidentiality Provisions have been entered into due to, among other things, the special skills and knowledge of Grantee, and agree that the Confidentiality Provisions may not be assigned or transferred by Grantee.

4. **Notices**. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when delivered or seven days after mailing if mailed first class, certified mail, postage prepaid, addressed as follows:

If to the Company: Acuity Brands, Inc.
Attention: Corporate Secretary
1170 Peachtree Street, NE, Suite 2300
Atlanta, Georgia 30309-7676

If to Grantee: To his or her last known address on file with the Company.

Any party may change the address to which notices, requests, demands and other communications shall be delivered or mailed by giving notice thereof to the other party in the same manner provided herein.

5. **Provisions Severabl**e. If any provision or covenant, or any part thereof, contained in the Confidentiality Provisions is held by any court to be invalid, illegal, or unenforceable, either in whole or in part, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of the remaining provisions or covenants, or any part thereof, in the Confidentiality Provisions, all of which shall remain in full force and effect. Each and every provision, paragraph and subparagraph of Section 2 above is severable from the other provisions, paragraphs and subparagraphs and constitutes a separate and distinct covenant.

The restrictive covenants set forth in Section 2 of the Confidentiality Provisions represent the entire agreement of the parties with respect to the subject matter thereof and supersede any prior agreement with respect thereto; provided, however, that the restrictive covenants described in this Exhibit C shall not supersede those set forth in either: (a) any Executive Severance Agreement applicable to Grantee, if any, (b) any Confidentiality, Inventions and Non-Solicitation Agreement to which Grantee is a party, if any, or (c) any restrictive covenants to which Grantee is a party under any employment agreement or offer letter, if any. To the extent that any agreement applicable to Grantee include restrictive covenant provisions that conflict with the provisions contained in these Confidentiality Provisions, the provisions that are more restrictive on Grantee will control.

6. **Waiver**. Failure of either party to insist, in one or more instances, on performance by the other in strict accordance with the terms and conditions of the Confidentiality Provisions shall not be deemed a waiver or relinquishment of any right granted in the Confidentiality Provisions or the future performance of any such term or condition or of any other term or condition of the Confidentiality Provisions, unless such waiver is contained in a writing signed by the party making the waiver.

7. **Amendments and Modifications.** The Confidentiality Provisions and any Exhibit hereto may be amended or modified only by a writing signed by both parties hereto, which makes specific reference to the Confidentiality Provisions. However, this Section does not affect a court of competent jurisdiction or arbitrator`s ability to modify the Confidentiality Provisions, pursuant to O.C.G.A. §§ 13-8-51(11); 53(d); or 54 in the event that either party initiates legal proceedings that relate in any way to this Confidentiality Provisions, including any action brought by either party seeking to enforce any provision set forth herein.

8. **Governing Law and Venue**. The validity and effect of the Confidentiality Provisions shall be governed by and construed and enforced in accordance with the laws of the State of Georgia, United States of America, without regard to its conflict of law provisions. Any and all disputes relating to, concerning or arising from the

Confidentiality Provisions, or relating to, concerning or arising from the relationship between the parties evidenced by the Confidentiality Provisions, shall be brought and heard exclusively in the U.S. District Court for the District of Delaware or the Delaware Superior Court, New Castle County. Each of the parties hereby represents and agrees that such party is subject to the personal jurisdiction of said courts; hereby irrevocably consents to the jurisdiction of such courts in any legal or equitable proceedings related to, concerning or arising from such dispute, and waives, to the fullest extent permitted by law, any objection which such party may now or hereafter have that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in such courts is improper or that such proceedings have been brought in an inconvenient forum.

9. **Legal Fees.** Each party shall pay its own legal fees and other expenses associated with any dispute under the Confidentiality Provisions or any Exhibit hereto.

10. **Tender Back Provision.** If, in the context of a lawsuit involving Grantee or any other person or entity arguing on Grantee's behalf, any court determines that any provisions of Section 2 are void, invalid, illegal, or otherwise unenforceable, Grantee shall be required to immediately return to the Company 70% of all monies paid out under Section 5 of the Restricted Stock Unit Agreement, or to return 70% of any unsold shares Grantee still owns of such RSUs awarded under Section 5 of the Restricted Stock Unit Agreement. For purposes of this section, the amount to be paid back shall be determined by ascertaining the value and amount the share(s) sold at the time that Grantee actually sold such share(s). You acknowledge and agree that this covenant does not constitute a penalty clause.

11. **Tolling Period.** If Grantee is found by a court to have violated any restriction in Section 2 of the Confidentiality Provisions, he/she agrees that the time period for such restriction shall be extended by one day for each day that he/she is found to have violated the restriction, up to a maximum of 18 months.

12. **Language.** The parties acknowledge that they have requested and are satisfied that the Confidentiality Provisions and all related documents be in the English language.

SPECIAL TERMS AND CONDITIONS EXHIBIT TO THE CONFIDENTIALITY, INVENTIONS, NON-SOLICITATION AND NON-COMPETITION PROVISIONS FOR GRANTEES OUTSIDE THE U.S.

This Appendix includes additional country-specific terms and conditions that apply to Grantees in the countries listed below with respect to the Confidentiality, Inventions, Non-Solicitation and Non-Competition Provisions (the "Confidentiality Provisions"). This Appendix is part of the Confidentiality Provisions and contains terms and conditions material to Grantee's rights and obligations under the Confidentiality Provisions. Unless otherwise provided below, capitalized terms used but not defined herein shall have the same meanings assigned to them in the Plan and the Confidentiality Provisions.

CANADA

The following provision replaces Section 1(b) of the Confidentiality Provisions:

> **"Trade Secrets"** means technical or nontechnical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, or a list of actual or potential customers or suppliers which is not commonly known by or available to the public and which information: (A) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who obtain economic value from its disclosure or use; and (B) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

The following provision replaces Section 1(h) of the Confidentiality Provisions:

> **"Material Contact"** means contact between an employee and each Customer or potential Customer: with whom or which Grantee dealt on behalf of the Company; whose dealings with the Company were coordinated or supervised by Grantee; about whom Grantee obtained confidential information in the ordinary course of business as a result of such employee's association with the Company; and/or who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commissions, or earnings for Grantee within two years prior to the date of the Date of Termination.

The following provision shall be added to Section 1(i) as sub-section (vi):

> "or (vi) Any other act or omission, or a series of acts or omissions, of Grantee which, pursuant to applicable law, constitutes a serious reason for termination of employment without notice, payment in lieu of notice or any indemnity whatsoever."

The following provision replaces Section 2(d) of the Confidentiality Provisions:

> **Inventions.** Grantee does hereby assign to the Company the entire right, title and interest in any Invention which is or was made or conceived, either solely or jointly with others, and does hereby waive any and all other rights that are non-assignable, including common law rights, but not limited to moral rights in all Inventions or any non-economic rights, during his/her employment with the Company, including after the Date of Termination. Grantee attests that he/she has disclosed (or promptly will disclose, if after the Date of Termination) to the Company all such Inventions. Grantee will, if requested, promptly execute and deliver to the Company a specific assignment of title for any such Invention and will at the expense of the Company, take all reasonably required action by the Company to patent, copyright or otherwise protect the Invention.

The following provision replaces Section 7 of the Confidentiality Provisions:

> **Amendments and Modifications.** The Confidentiality Provisions and any Exhibit hereto may be amended or modified only by a writing signed by both parties hereto, which makes specific reference to the Confidentiality Provisions. However, this Section does not affect a court of competent jurisdiction or arbitrator's ability to modify the Confidentiality Provisions, as the case may be, in the event that either party initiates legal proceedings that relate in any way to the Confidentiality Provisions, including any action brought by either party seeking to enforce any provision set forth herein.

The following provision replaces Section 12 of the Confidentiality Provisions:

> **Language.** The parties acknowledge that they have requested and are satisfied that the Confidentiality Provisions and all related documents be drawn up in the English language. Les parties aux présentes reconnaissent avoir requis que la présente entente et les documents qui y sont relatifs soient rédigés en anglais.

FRANCE

For the purpose of the provisions hereafter, the Company means the local entity in France by whom Grantee is employed.

The following provision replaces Section 1(b) of the Confidentiality Provisions:

> **"Trade Secrets"** means technical or nontechnical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, or a list of actual or potential customers or suppliers which is not commonly known by or available to the public and which information: (A) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who obtain economic value from its disclosure or use; and (B) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

The following provision replaces Section 1(g) of the Confidentiality Provisions:

> **"Territory"** means the location in which the non-competition restriction will apply, hereby defined as the region(s) in France in which Grantee worked. Grantee acknowledges that the Company is licensed to do business in the Territory. Accordingly, Grantee agrees that these restrictions are reasonable and necessary to protect the Confidential Information, trade secrets, business relationships, and goodwill of the Company.

The following provision replaces Section 1(h) of the Confidentiality Provisions:

> **"Material Contact"** means contact between an employee and each Customer or potential Customer: with whom or which Grantee dealt on behalf of the Company; whose dealings with the Company were coordinated or supervised by Grantee; about whom Grantee obtained confidential information in the ordinary course of business as a result of such employee's association with the Company; and/or who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commissions, or earnings for Grantee within two years prior to the date of the Date of Termination.

Section 1(i) of the Confidentiality Provisions is deleted.

Section 1(j) of the Confidentiality Provisions is deleted.

The following provision replaces Section 2(d) of the Confidentiality Provisions:

> **Inventions.** Grantee will make full and prompt disclosure to the Company of all inventions, discoveries, designs, designations, developments, software, drawings, logos, sketches, models, articles, studies, reports, methods, modifications, improvements, processes, algorithms, databases, computer programs, formulae, techniques, trade secrets, graphics or images, and audio or visual works and other works of authorship (collectively "Developments"), whether or not patentable or copyrightable, that are created, made, conceived or reduced to practice by Grantee (alone or jointly with others) or under his/her direction in the course of Grantee's employment. Grantee acknowledges and agree that, to the fullest extent permitted by law, (i) all Developments shall automatically belong to, and shall be the sole property of the Company and that (ii) to the extent that any Development do not vest in the Company automatically, Grantee irrevocably hereby assign to the Company by way of present assignment, all right, title, and interest Grantee may have or may acquire in and to all Developments anywhere in the world. In particular, in accordance with the provisions of article L. 113-9 of the Intellectual Property Code, Grantee acknowledge that the intellectual property rights to any software and their documentation developed by Grantee in the course of his/her employment contract belong as a matter of law to the Company. In accordance with the provisions of article L. 611-7 of the Intellectual Property Code, Grantee further acknowledges that the inventions made within the context of his/her employment providing for an "inventive mission" which corresponds to his/her actual duties, or, as part of studies or research which have been specifically entrusted to Grantee, belong to the Company as a right ("Inventions of Mission").

In accordance with the provisions of article L. 611-7 of the Intellectual Property Code, which provide that the employee is entitled to receive an additional remuneration for the Inventions of Mission, Grantee agrees that such additional remuneration, if any, will be determined in the following manner: Grantee will be paid an additional remuneration only to the extent Grantee personally contributed to the inventive process which led to the perfection of the Invention of Mission. Such additional remuneration shall be determined by the Company, pursuant to local law, upon development of the Invention of Mission, upon patent filing of the Invention of Mission, and/or upon the granting of the patent on an Invention of Mission. In addition, after 5 years of exploitation of the Invention of Mission, the Company may decide to pay Grantee an additional award, which amount should be mutually agreed on between Grantee and the Company, by taking into consideration the economic and scientific interest of the invention of mission, the difficulties of development of the Invention of Mission, and Grantee's personal contribution. Grantee further acknowledge that for all the other inventions created either (i) in the performance of Grantee's duties, (ii) in the field of the Company's activity, or (iii) by using knowledge or technologies or Company's specific methods or information acquired by the Company, the Company may require that all rights to ownership and use of such inventions and the patents protecting such inventions be assigned to it. Grantee further undertake, in particular, to disclose to the Company any copyrightable works that he/she may create, either alone or with the assistance of a third party including notably (but without limitation) any drawings, logos, sketches, models, designs, articles, studies, reports and all documentation which are susceptible to be protected under copyright law (hereafter the "Copyrightable Works").

Grantee hereby assigns to the Company, in consideration of a lump sum already included in his/her salary as provided in his/her employment contract the exploitation rights on the Copyrightable Works including (but without limitation) the rights of reproduction on any analogical or digital media, in any form and format (whether known at the execution date of the contract or discovered in the future), of communication to the public by any process (whether known at the execution date of my employment contract or discovered in the future), of distribution, rental, loan and sale, of filing any trademark, design or model applications on whole or any part of the Copyrightable Works with the relevant authorities around the world, and of adaptation, translation and modification of the Copyrightable Works for any commercial or advertising purpose whether public or private. Media and processes shall include without limitation, any means of communication, direct or indirect, spatial or terrestrial, by satellite, cable, or over the air and any wired or wireless network including the Internet. The assignment occurs as soon as the Copyrightable Works are created and is valid for the entire world for the duration of the copyright, including any legal prorogation for whatever reason. Grantee hereby assigns and transfer to the Company all results from the use of Proprietary Information, premises or personal property ("Company Related Developments"). Grantee further undertake to execute all documents and take all additional actions as may be requested by the Company to give full and proper effect to the present assignment, whether during or after the term of his/her employment, and particularly to enter into a specific assignment agreement for each work, as soon as such work is created. To preclude any possible uncertainty, Grantee has set forth on Exhibit attached hereto a complete list of Developments that he/she has, alone or jointly with others, conceived, developed or reduced to practice prior to the commencement of his/her employment with the Company that he/she wishes to have excluded from the scope of this Agreement ("Prior Inventions"). Grantee has also listed this Exhibit all patents and patent applications in which he/she is named as an inventor, other than those which have been assigned to the Company ("Other Patent Rights"). If no such disclosure is attached, Grantee represents that there are no Prior Inventions or Other Patent Rights. If, in the course of Grantee's employment with the Company, he/she incorporates a Prior Invention into a Company product, process or machine or other work done for the Company, Grantee hereby grant to the Company a nonexclusive, royalty-free, paid-up, worldwide license (with the full right to sublicense) for the duration of the rights to make, have made, modify, use, reproduce, sell, offer for sale, publicly display and perform, import and otherwise fully exercise and exploit such Prior Invention. Notwithstanding the foregoing, Grantee will not incorporate, or permit to be incorporated, Prior Inventions in any Company-Related Development without the Company's prior written consent. Grantee will not incorporate into any Company product or otherwise deliver to the Company any open source software except as allowed pursuant to the Company's open source software policy, which is available on the Company's intranet.

Section 2(e) is re-titled as "Non-Competition and Non-Solicitation of Customers and Sales Agents."

The following Section 2(e) replaces Section 2(e), Section 2(f), and Section 2(h) of the Confidentiality Provisions:

(i) Grantee acknowledges and agrees that during his/her employment, and for six (6) months as from the date of Grantee's actual departure from the Company, he/she has not and will not, directly or indirectly, engage in, provide, or perform any Employee Services on behalf of any person or entity (or, if organized into divisions or units, any distinct division or operating unit) in the Territory.

(ii) Grantee also acknowledges and agrees that during his/her employment, and for six (6) months after the Date of Termination, Grantee has not and will not directly or indirectly solicit Customers (as defined in Paragraph 1(c) above) with whom he/she had Material Contact (as defined in 1(g) above) for the purpose of providing goods and/or services competitive with the Company's Business.

(iii) Grantee further acknowledges and agrees that during his/her employment, and for a period of six (6) months after the Date of Termination, Grantee has not and will not, directly or indirectly, whether on behalf of Grantee or others, solicit any of the Company's Sales Agents for the purpose of disrupting their relationship with the Company and/or selling and/or facilitating the sale of products competitive with the Company's Business. For purposes of this Section 2, a "Sales Agent" is any third-party agency, and/or its representatives, with which or whom the Company has contracted for the purpose of facilitating the sale of the Company's products during the last twenty-four (24) months of Grantee's employment with the Company.

(iv) In the event Grantee's employment is terminated, for any reason whatsoever, during this post-employment period of non-competition, under the condition that Grantee complies with this non-competition obligation, Grantee will receive a monthly gross indemnity as determined by the Company pursuant to local law, to be no less than thirty three percent (33%) of his/her average gross monthly salary received over the last 12 months prior to termination of employment, it being understood that this indemnity will be subject to social security contributions.

(v) It is agreed that, in any case, the Company shall be entitled, at the time of termination of the employment agreement, either to reduce the scope or the duration of the period of application of the non-competition and non-solicitation covenant, or to waive the latter, provided however that it informs Grantee thereof by registered letter with return receipt requested no later than within eight (3) days following the notification of the termination of the employment agreement and no later than Grantee's last day of effective work.

(vi) If Grantee breaches the post-employment non-competition obligation, the Company will no longer be required to pay the gross monthly indemnity and Grantee will be required to reimburse the Company for any amount that he/she may have been granted in this respect.

(vii) Given the extreme sensitiveness of the know-how and technical and commercial information to which Grantee has access in the framework of his/her functions and the extremely competitive and sensitive nature of the Company's activities, the parties expressly agree on the necessity of the non-competition and non-solicitation obligation in order to protect the Company's legitimate interests. Moreover, Grantee acknowledges that, in light of his/her training, the provision does not hinder his/her capacity to find new employment.

Section 2(f) of the Confidentiality Provisions is deleted.

Section 2(h) of the Confidentiality Provisions is deleted.

The following provision replaces Section 4 of the Confidentiality Provisions:

Notices. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when delivered or seven days after mailing if mailed first class, certified mail, postage prepaid, addressed as follows:

If the Company: To the principal place of business of Company in France.

If to Grantee: To his or her last known address on file with the Company.

The following provision replaces Section 7 of the Confidentiality Provisions:

> **Amendments and Modifications.** The Confidentiality Provisions and any Exhibit hereto may be amended or modified only by a writing signed by Grantee and the Company, which makes specific reference to the Confidentiality Provisions provided however that the covenant of Section 2(e) can be waived unilaterally by the Company under the conditions specified therein. However, this Section does not affect a court of competent jurisdiction or arbitrator's ability to modify the Confidentiality Provisions, as the case may be, in the event that either party initiates legal proceedings that relate in any way to the Confidentiality Provisions, including any action brought by either party seeking to enforce any provision set forth herein.

The following provision replaces Section 8 of the Confidentiality Provisions:

> **Governing Law and Venue.** The validity and effect of the Confidentiality Provisions shall be governed by and construed and enforced in accordance with the laws of France.

The following provision replaces Section 12 of the Confidentiality Provisions:

> **Language.** The parties acknowledge that they have requested and are satisfied that the Confidentiality Provisions and all related documents be drawn up in the French language, the English version being provided for information purposes only. In the event of a contradiction between the two versions, the French version shall prevail.

MEXICO

The following provision replaces Section 1(b) of the Confidentiality Provisions:

> **"Trade Secrets"** has the meaning set forth under Article 84 of the Mexican Industrial Property Law.

The following provision replaces Section 1(d) of the Confidentiality Provisions:

> **"Company"** means Acuity Brands, Inc., along with its Subsidiaries or other Affiliates, including but not limited to Acuity Brands Lighting de Mexico S de RL de CV, and Castlight de Mexico SA de CV, with the understanding that the sole and exclusive employer of Grantee is the Mexican legal entity by whom he/she is employed.

The following provision replaces Section 1(h) of the Confidentiality Provisions:

> **"Material Contact"** means contact between an employee and each Customer or potential Customer: with whom or which Grantee dealt on behalf of the Company; whose dealings with the Company were coordinated or supervised by Grantee; about whom Grantee obtained confidential information in the ordinary course of business as a result of such employee's association with the Company; and/or who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commissions, or earnings for Grantee within two (2) years prior to the date of the Date of Termination.

Section 1(i) **("Termination for Cause" or "Terminated for Cause"**) of the Confidentiality Provisions is hereby deleted.

The following provision shall be added to Section 2(b), at the end of first paragraph:

> "Furthermore, Grantee expressly agrees and acknowledges that all Confidential Information and Trade Secrets, constitutes (i) an industrial secret under the Mexican Industrial Property Law and (ii) an industrial and trade secret under Articles 210 and 211 of the Penal Code for the Federal District of Mexico."

The following provision shall be added to Section 2(b), at the end of the second paragraph:

> "Grantee agrees to keep the Company free and clear from any claim or lawsuit that may be brought up against it by Grantee's former employers or third parties for alleged or actual breach of confidentiality or trade secrets information obligations undertaken by Grantee during the course of his/her employment with former employers or during the course of former relationships with third parties. Likewise, Grantee will be responsible for paying any damages that he/she may cause to the Company due the breach of such confidentiality or trade secrets information obligations assumed with former employers and/or with third parties."

The following provision shall be added to Section 2(d) of the Confidentiality Provisions:

"Grantee acknowledges that any Invention he/she may conceive or reduce to practice during his/her employment with the Company and that relate to the Company's current or future business are and shall be the Company's sole and exclusive property and that Grantee shall not have any patrimonial or other ownership rights in the work developed, expressly agreeing that he/she will not be entitled to the payment of royalties or any other right derived from such work, as they are already included in Grantee's compensation referred to in his/her employment contract with the Company. In addition, Grantee expressly authorizes the modification, adaptation, transport, translation, representation, exhibition and any use, total or partial, of the developed work, with the sole exception of his/her non-economic or moral rights. Grantee will take all necessary steps to assign any property right to the Company at the Company's expense, but without further compensation to Grantee."

The following provision replaces Section 2(e) of the Confidentiality Provisions:

Non-Competition. Grantee acknowledges and agrees that during his/her employment, and for twelve (12) months after the Date of Termination, he/she has not and will not, directly or indirectly, engage in, provide, or perform any Employee Services on behalf of any person or entity (or, if organized into divisions or units, any distinct division or operating unit) in the Territory that derives revenue from providing goods or services substantially similar to those which comprise the Company's Business.

The following provision replaced Section 2(i) of the Confidentiality Provisions:

Injunctive Relief. Grantee acknowledges that if he/she breaches or threatens to breach any of the provisions of this Section 2, his/her actions may cause irreparable harm and damage to the Company which could not be compensated in damages. Accordingly, if Grantee breaches or threatens to breach any of the provisions of this Section 2, the Company shall be entitled to seek injunctive relief, in addition to any other rights or remedies the Company may have. The existence of any claim or cause of action by Grantee against the Company, whether predicated on the Confidentiality Provisions or otherwise, shall not constitute a defense to the enforcement by the Company of Grantee's agreements under this Section 2.

Grantee accepts that if he/she breaches any of the obligations set out in Sections 2(a), (b), (c), (d) related to the disclosure of Confidential Information, he/she shall be liable under applicable laws, including criminal liability referred to in Article 223(IV), (V), and (VI) of the Industrial Property Law.

The breach of any of the obligations assumed by virtue of Section 2(e), (f), (g), and (h), during the term of the employment relationship between the parties, will be considered disobedience to work, and therefore, a cause for termination of the employment relationship of Grantee, without any liability for the Company, whatsoever. Both parties agree that if Grantee breaches any of the obligations, terms or conditions set out in Section 2 (e), (f), (g), and (h), after the termination of his/her employment relationship with the Company, Grantee:

(a) will have no right to the Payment referred in Section 2(j) of Exhibit C, as modified by these special provisions, and must then repay to the Company the total amount of the payments made in accordance with Section 2(j)(ii) after the termination of the employment relationship between the parties, if such breach occurs or is discovered after any Payments (as defined below) have been made.

(b) In addition, he/she must pay to the Company liquidated damages equivalent to fifty percent (50%) of the gross amount paid to Grantee in consideration for the non-competition clause herein. The payment of liquidated dames shall be in addition to any other legal remedies that might be available to the Company, including moral damages, and nothing in this Section shall operate so as to prevent or limit the Company from seeking any other relief, including equitable or injunctive relief.

The following provisions are added as Section 2(j) to the Confidentiality Provisions:

Consideration for Non-Competition and Non-Solicitation Obligations.

(i) During the effective term of the employment relationship between the Company and Grantee, the latter will not be entitled to any additional remuneration for the obligations assumed herein, but the payment of the monthly gross base salary and benefits, as agreed upon in the individual employment agreement executed

between the Company and Grantee, since the obligations assumed herein represent orders given by the Company, as the employer, and are part of the obligations related to the work for which Grantee is hired.

(ii) As fair and equal consideration for the execution of the obligations assumed under Sections 2(e), (f), (g), and (h) of this Exhibit C, upon termination of the labor relationship between the Company and Grantee, the latter hereby accepts that the Company will pay him/her a gross amount equal to fifty percent (50%) of his/her last annual gross base salary as of the termination date of his/her employment relationship with the Company (without considering other labor benefits paid, whether in paid in cash or in kind, such as a Christmas bonus, vacation premium, and without considering any compensation derived from the 2012 Omnibus Stock Incentive Compensation Plan) (hereinafter the "Payment"), subject to the corresponding applicable tax withholdings. Such payment, will be paid by the Company to Grantee proportionally in monthly installments, according to the dates established by the Company.

(iii) This Payment shall be considered as full consideration in exchange for the strict compliance with the future obligations that Grantee assumes upon termination of his/her employment relationship with the Company, pursuant to the terms of these Confidentiality Provisions. Both parties agree that the Company shall determine whether Grantee has fully complied with the Confidentiality Provision at its sole reasonable discretion. Grantee expressly acknowledges that the Payment of the consideration after the term of the employment relationship, referred in this Section, is independent from the employment relationship he/she has with the Company, and that the payments made after the term of the employment relationship between the Company and Grantee will not imply in any manner whatsoever, the continuation of such employment relationship or the beginning of a new labor relationship between the Company and Grantee.

The following provision replaces Section 7 of the Confidentiality Provisions:

Amendments and Modifications. The Confidentiality Provisions and any Exhibit hereto may be amended or modified only by a writing signed by both parties hereto, which makes specific reference to the Confidentiality Provisions. However, this Section does not affect a court of competent jurisdiction or arbitrator`s ability to modify the Confidentiality Provisions as applicable under local law in the event that either party initiates legal proceedings that relate in any way to this Confidentiality Provisions, including any action brought by either party seeking to enforce any provision set forth herein.

Both parties expressly acknowledge and agree that the Company reserves the right, at its sole discretion, to reduce or waive the enforcement of the restricted period, as referred to in Section 2 above, and the Company may relieve at any time Grantee from his/her obligations under this Agreement. If the Company, at its sole discretion, decides to waive or reduce the restricted period of the obligations assumed in Section 2(e), (f), (g), and (h), for any reason, it will inform Grantee in writing, with the understanding that the Company will not be responsible to pay or make further payments of any compensation, as set forth in Section 2(j)(ii), for the entire restricted period or the remaining restricted period, as applicable, at the time the Company waives enforcement. If the Company waives the entire enforcement of the restrictive period established after the term of the labor relationship, no compensation will be paid to Grantee under this Agreement, and Grantee acknowledges that the Company will not be liable as a consequence of such non-payment."

The following provision replaces Section 8 of the Confidentiality Provisions:

Governing Law and Venue. The validity and effect of the Confidentiality Provisions shall be governed by and construed and enforced in accordance with the laws of United Mexican States, without regard to conflicts of law. Any and all disputes relating to, concerning or arising from the Confidentiality Provisions, or relating to, concerning or arising from the relationship between the parties evidenced by the Confidentiality Provisions, shall be brought and heard exclusively in competent courts of Mexico City, expressly waiving any other jurisdiction that may correspond to them by reason of their present or future domiciles or for any other cause.

NETHERLANDS

The following provision replaces Section 1(b) of the Confidentiality Provisions:

"Trade Secrets" has the meaning set forth under applicable local law.

The following provision replaces Section 1(h) of the Confidentiality Provisions:

> **"Material Contact"** shall include contacts between an employee and each Customer or potential Customer: with whom or which Grantee dealt on behalf of the Company; whose dealings with the Company were coordinated or supervised by Grantee; about whom Grantee obtained confidential information in the ordinary course of business as a result of such employee's association with the Company; and/or who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commissions, or earnings for Grantee within two years prior to the date of the Date of Termination.

The following provision replaces Section 1(i) of the Confidentiality Provisions:

> **"Termination for Cause" or "Terminated for Cause"** shall entail any reasonable grounds the Company may have within the meaning of article 7:669 paragraph 3 subsection (d), (e), (g) of the Dutch Civil Code and article 7:678 of the Dutch Civil Code. Examples of this involuntary termination of Grantee by the Company are the following reasons:
>
> i. If termination shall have been the result of an act or acts by Grantee which constitute an indictable offense, a felony or any crime involving dishonesty, theft, fraud or moral turpitude;
>
> ii. If termination shall have been the result of an act or acts by Grantee which are determined, in the good faith judgment of the Company, to be in violation of written policies of the Company;
>
> iii. If termination shall have been the result of an act or acts of dishonesty by Grantee resulting or intended to result directly or indirectly in gain or personal enrichment to Grantee at the expense of the Company;
>
> iv. Upon the willful and continued failure by Grantee to substantially perform the duties assigned to Grantee (other than any such failure resulting from incapacity due to mental or physical illness constituting a Disability), after a demand in writing for substantial performance of such duties is delivered by the Company, which demand specifically identifies the manner in which the Company believes that Grantee has not substantially performed his or her duties; or
>
> v. If termination shall have been the result of the unauthorized disclosure by Grantee of the Company's Confidential Information or violation of any other provision of the Confidentiality Provisions.

The following provision replaces Section 2(e) of the Confidentiality Provisions:

> References to "Confidential Severance Agreement and Release" will be replaced by "settlement agreement".

The following provision replaces Section 2(i) of the Confidentiality Provisions:

> **Injunctive Relief**. Grantee acknowledges that if he/she breaches or threatens to breach any of the provisions of this Section 2, his/her actions may cause irreparable harm and damage to the Company which could not be compensated in damages. Accordingly, if Grantee breaches or threatens to breach any of the provisions of this Section 2, the Company shall be entitled to seek injunctive relief, instead of any other rights or remedies the Company may have.

The following provision replaces Section 5 of the Confidentiality Provisions:

> **Provisions Severable**. If any provision or covenant, or any part thereof, contained in the Confidentiality Provisions is held by any court to be invalid, illegal, or unenforceable, either in whole or in part, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of the remaining provisions or covenants, or any part thereof, in the Confidentiality Provisions, all of which shall remain in full force and effect. Each and every provision, paragraph and subparagraph of Section 2 above is severable from the other provisions, paragraphs and subparagraphs and constitutes a separate and distinct covenant.
>
> The restrictive covenants set forth in Section 2 of the Confidentiality Provisions represent the entire agreement of the parties with respect to the subject matter thereof and supersede any prior agreement with respect thereto; provided, however, that the restrictive covenants described in this Exhibit C shall not supersede those set forth

in either: (a) any Executive Severance Agreement applicable to Grantee, if any, (b) any Confidentiality, Inventions and Non-Solicitation Agreement to which Grantee is a party, if any, or (c) any restrictive covenants to which Grantee is a party under any employment agreement or offer letter, if any.

The following provision replaces Section 7 of the Confidentiality Provisions:

Amendments and Modifications. The Confidentiality Provisions and any Exhibit hereto may be amended or modified only by a writing signed by both parties hereto, which makes specific reference to the Confidentiality Provisions. However, this Section does not affect a court of competent jurisdiction or arbitrator`s ability to modify the Confidentiality Provisions, in the event that either party initiates legal proceedings that relate in any way to this Confidentiality Provisions, including any action brought by either party seeking to enforce any provision set forth herein.

The following provision replaces Section 8 of the Confidentiality Provisions:

Governing Law and Venue. The validity and effect of the Confidentiality Provisions shall be governed by and construed and enforced in accordance with applicable local law.

UNITED KINGDOM

The following provision replaces Section 1(b) of the Confidentiality Provisions:

"Trade Secrets" means information which meets all of the following requirements:

(a) it is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question;

(b) it has commercial value because it is secret; and

(c) it has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.

The following provision replaces Section 1(c) of the Confidentiality Provisions:

"Customers" means those entities and/or individuals which, within the twelve month period preceding the Date of Termination (as that term is defined in Restricted Stock Unit Agreement): (i) Grantee had material contact on behalf of the Company; (ii) about whom Grantee acquired, directly or indirectly, Confidential Information or Trade Secrets as a result of his/her employment with the Company; and/or (iii) Grantee exercised oversight or responsibility of subordinates who engaged in Material Contact on behalf of the Company. Additionally, "Customers" references only those entities and/or individuals with whom the Company currently has a business relationship, or with whom it expended resources to have or resume the same during the twelve-month period referenced herein.

The following provision replaces Section 1(h) of the Confidentiality Provisions:

"Material Contact" means material contact between an employee and each Customer or potential Customer: with whom or which Grantee dealt on behalf of the Company; whose dealings with the Company were coordinated or supervised by Grantee; about whom Grantee obtained confidential information in the ordinary course of business as a result of such employee's association with the Company; and/or who receives products or services authorized by the Company, the sale or provision of which results or resulted in compensation, commissions, or earnings for Grantee within two years prior to the date of the Date of Termination.

Section 1(i) ("Termination for Cause" or "Terminated for Cause") of the Confidentiality Provisions is hereby deleted.

The following provision replaces Section 1(j) of the Confidentiality Provisions:

"Inventions" and "Intellectual Property" The term "Invention" means contributions, discoveries, improvements, ideas, designs, designations, developments, methods, modifications, improvements, processes, algorithms, databases, computer programs, formulae, techniques, trade secrets, graphics or images, and audio or visual works, written text, software, code, and other works of authorship, whether or not patentable or

copyrightable, whether or not recorded in any medium and: (i) which relate directly to the business of the Company, or (ii) which result from any work performed by Grantee or by Grantee's fellow employees for the Company, or (iii) for which equipment, supplies, facilities, Confidential Information or Trade Secrets of the Company are used, or (iv) which is developed on the Company's time. The term "Intellectual Property" means all patents, rights in inventions, supplementary protection certificates, utility models, rights in designs, trademarks, service marks, trade and business names, logos, get up and trade dress and all associated goodwill, rights to sue for passing off and/or for unfair competition, copyright, moral rights and related rights, rights in computer software, rights in databases, topography rights, domain names, rights in information (including know-how and trade secrets) and the right to use, and protect the confidentiality of, confidential information, image rights, rights of personality, and all other similar or equivalent rights subsisting now or in the future in any part of the world, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, and rights to claim priority from, such rights for their full term and the right to sue for damages for past and current infringement in respect of any of the same.

The following provision replaces Section 2(d) of the Confidentiality Provisions:

Inventions. Grantee does hereby assign and transfer to the Company and its successors and assigns the entire right, title and interest in any Invention which is or was made or conceived, either solely or jointly with others, during his/her employment with the Company, including after the Date of Termination. To the extent that any Intellectual Property which is or was created or conceived, either solely or jointly with others, during his/her employment with the Company does not vest in the Company automatically and/or pending any assignment of such Intellectual Property, Grantee shall hold such Intellectual Property on trust for the Company. Grantee hereby irrevocably and unconditionally waives all claims to any moral rights or other special rights which it may have or accrue in any Inventions or Intellectual Property. Grantee attests that he/she has disclosed (or promptly will disclose, if after the Date of Termination) to the Company all Inventions. Grantee will, if requested, promptly execute and deliver to the Company a specific assignment of title for any such Invention or Intellectual Property right and will at the expense of the Company, take all reasonably required action by the Company to patent, copyright or otherwise protect the Invention."

The following provision replaces Section 2(e) of the Confidentiality Provisions:

Non-Competition. Grantee acknowledges and agrees that during his/her employment, and for twelve (12) months after the Date of Termination, he/she has not and will not, directly or indirectly, in competition with the Company, engage in, provide, or perform any Employee Services on behalf of any person or entity (or, if organized into divisions or units, any distinct division or operating unit) in the Territory that derives revenue from providing goods or services substantially similar to those which comprise the Company's Business.

The following provision replaces Section 2(f) of the Confidentiality Provisions:

Non-Solicitation of Customers. Grantee acknowledges and agrees that during his/her employment, and for twelve (12) months after the Date of Termination, Grantee has not and will not directly or indirectly solicit Customers (as defined in Section 1(c) above) with whom he/she had Material Contact (as defined above) for the purpose of providing goods and/or services competitive with the Company's Business with which Grantee was materially concerned in the period of twelve (12) months prior to the Date of Termination.

The following provision replaces Section 2(g) of the Confidentiality Provisions:

Non-Solicitation of Employees and Agents. Grantee acknowledges and agrees that during his/her employment, and for a period of twelve (12) months after the Date of Termination, Grantee has not and will not, directly or indirectly, whether on behalf of Grantee or others, solicit, lure or attempt to hire away any of the Company's employees or agents with whom Grantee has material contact or managed in a direct line management capacity in the period of twelve (12) months prior to the Date of Termination or who had Material Contact with Customers in performing his/her duties of employment with the Company.

The following provision replaces Section 2(h) of the Confidentiality Provisions:

Non-Solicitation of Sales Agents. Grantee acknowledges and agrees that during his/her employment, and for a period of twelve (12) months after the Date of Termination, Grantee has not and will not, directly or indirectly,

whether on behalf of Grantee or others, solicit any of the Company's Sales Agents for the purpose of disrupting their relationship with the Company and/or selling and/or facilitating the sale of products competitive with the Company's Business with which Grantee was materially concerned in the period of twelve (12) months prior to the Date of Termination. For purposes of this Section 2, a "Sales Agent" is any third-party agency, and/or its representatives, with which or whom the Company has contracted for the purpose of facilitating the sale of the Company's products during the last twelve (12) months of Grantee's employment with the Company and with whom Grantee had material contact or responsibility in his capacity as an employee of the Company during that period.

The following provision replaces Section 7 of the Confidentiality Provisions:

Amendments and Modifications. The Confidentiality Provisions and any Exhibit hereto may be amended or modified only by a writing signed by both parties hereto, which makes specific reference to the Confidentiality Provisions. However, this Section does not affect a court of competent jurisdiction or arbitrator`s ability to modify the Confidentiality Provisions in the event that either party initiates legal proceedings that relate in any way to this Confidentiality Provisions, including any action brought by either party seeking to enforce any provision set forth herein.

The following provision replaces Section 8 of the Confidentiality Provisions:

Governing Law and Venue. The validity and effect of the Confidentiality Provisions shall be governed by and construed and enforced in accordance with the laws of England and Wales. Any and all disputes relating to, concerning or arising from the Confidentiality Provisions, or relating to, concerning or arising from the relationship between the parties evidenced by the Confidentiality Provisions, shall be brought and heard exclusively in the Courts of England and Wales. Each of the parties hereby represents and agrees that such party is subject to the personal jurisdiction of said courts; hereby irrevocably consents to the jurisdiction of such courts in any legal or equitable proceedings related to, concerning or arising from such dispute, and waives, to the fullest extent permitted by law, any objection which such party may now or hereafter have that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in such courts is improper or that such proceedings have been brought in an inconvenient forum.

The following provisions are deleted in their entirety: Sections 10 **("Tender Back Provision"**) and Section 11 **("Tolling Period"**).

A following new Section 13 is inserted as follows:

Subsidiaries. The provisions of Sections 2(e) through Section 2(h) shall only apply in respect of those subsidiaries to whom Grantee provided his services, for whom he was responsible or with whom he was otherwise materially concerned in the period of twelve (12) months prior to the Date of Termination. The obligations under those provisions shall, with respect to each subsidiary, constitute a distinct and separate covenant and the invalidity or unenforceability of any such covenant shall not affect the validity or enforceability of the covenants in favor of any other Company. In relation to each subsidiary referred to in this Section 13, the Company contracts as trustee and agent for the benefit of each such subsidiary.

Exhibit 21

List of Subsidiaries
Acuity Brands, Inc.
As of August 31, 2019

Subsidiary or Affiliate	Principal Location	State or Other Jurisdiction of Incorporation or Organization
A to Z Manufacturing LLC	Tucson, Arizona	Arizona
AB BMS C.V.	Cayman Islands	Netherlands
AB Netherlands Holdings, LLC	Atlanta, Georgia	Delaware
AB Netherlands Holdings C.V.	Cayman Islands	Netherlands
ABL IP Holding LLC	Atlanta, Georgia	Georgia
Acuity Aviation, LLC	Atlanta, Georgia	Georgia
Acuity Brands BMS B.V.	Amsterdam, the Netherlands	Netherlands
Acuity Brands BMS, LLC	Atlanta, Georgia	Delaware
Acuity Brands Insurance (Bermuda) Limited	Hamilton, Bermuda	Bermuda
Acuity Brands Lighting, Inc.	Atlanta, Georgia	Delaware
Acuity Brands Lighting Canada, Inc.	Markham, Ontario	Canada
Acuity Brands Lighting (Hong Kong) Ltd.	Hong Kong	Hong Kong
Acuity Brands Lighting de Mexico, S. de R.L. de C.V.	Monterrey, Nuevo Leon	Mexico
Acuity Brands Netherlands B.V.	Eindhoven, the Netherlands	Netherlands
Acuity Brands Services, Inc.	Atlanta, Georgia	Delaware
Acuity Brands Technology Services, Inc.	Atlanta, Georgia	Delaware
Acuity Mexico Holdings, LLC	Atlanta, Georgia	Delaware
Acuity Brands Mexico Holdings II LLC	Atlanta, Georgia	Delaware
Acuity Trading (Shanghai) Co. Ltd.	Shanghai, China	Shanghai
Arizona (Tianjin) Electronics Trade Co., Ltd	Tianjin, Peoples Republic of China	Peoples Republic of China
Arizona Trading Company Ltd	Hong Kong	Hong Kong
Castlight de Mexico, S.A. de C.V.	Matamoros, Tamaulipas	Mexico
eldoLAB Holding B.V.	Eindhoven, the Netherlands	Netherlands
eldoLED B.V.	Eindhoven, the Netherlands	Netherlands
Holophane S.A. de C.V.	Mexico City, Mexico	Mexico
Holophane Alumbrado Iberica SL	Barcelona, Spain	Spain
Holophane Europe Ltd.	Milton Keynes, England	United Kingdom
Holophane Lichttechnik GmbH	Düsseldorf, Germany	Germany
Holophane Lighting Ltd.	Milton Keynes, England	United Kingdom
HSA Acquisition Company, LLC	Atlanta, Georgia	Ohio
ID Limited	Douglas, Isle of Man	Isle of Man
Luxfab Limited	Milton Keynes, England	United Kingdom
Distech Controls, Inc.	Brossard, Quebec, Canada	British Columbia, Canada
Distech Controls Facility Solutions, Inc.	Ottawa, Ontario, Canada	Ontario, Canada
Distech Controls Energy Services (Canada) Inc.	Brossard, Quebec, Canada	Quebec, Canada
Distech France Holding SAS	Brindas, France	France
Distech Controls SAS	Brindas, France	France
Distech Controls LLC	Atlanta, Georgia	Delaware
Distech Controls USA Inc.	Atlanta, Georgia	Delaware
Distech Controls Energy Services, Inc.	Atlanta, Georgia	Texas
White Optics Hong Kong Co., Limited	Hong Kong, Peoples Republic of China	Hong Kong
Changzhou High Reflectance Material Company	Changzhou, Peoples Republic of China	Peoples Republic of China
White Optics Suzhou Material Company	Suzhou, Peoples Republic of China	Peoples Republic of China

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-74242) pertaining to the Acuity Brands, Inc. 401(k) Plan, Acuity Lighting Group, Inc. 401(k) Profit Sharing Retirement Plan for Salaried Employees, Acuity Lighting Group, Inc. 401(k) Plan for Hourly Employees, Holophane Division of Acuity Lighting Group 401(k) Plan for Hourly Employees, Holophane Division of Acuity Lighting Group 401(k) Plan for Hourly Employees Covered by a Collective Bargaining Agreement,

(2) Registration Statement (Form S-8 No. 333-74246) pertaining to the Acuity Brands, Inc. Long-Term Incentive Plan, Acuity Brands, Inc. Employee Stock Purchase Plan, Acuity Brands, Inc. 2001 Nonemployee Directors' Stock Option Plan,

(3) Registration Statement (Form S-8 No. 333-123999) pertaining to the Acuity Brands, Inc. 401(k) Plan,

(4) Registration Statement (Form S-8 No. 333-126521) pertaining to the Acuity Brands, Inc. Long-Term Incentive Plan (as amended and restated),

(5) Registration Statement (Form S-8 No. 333-138384) pertaining to the Acuity Brands, Inc. 2005 Supplemental Deferred Savings Plan, Acuity Brands, Inc. Nonemployee Director Deferred Compensation Plan (as amended and restated),

(6) Registration Statement (Form S-8 No. 333-152134) pertaining to the Acuity Brands, Inc. Long-Term Incentive Plan (as amended and restated),

(7) Registration Statement (Form S-8 No. 333-179243) pertaining to the Acuity Brands, Inc. 2011 Nonemployee Director Deferred Compensation Plan,

(8) Registration Statement (Form S-8 No. 333-185971) pertaining to the Acuity Brands, Inc. 2012 Omnibus Stock Incentive Compensation Plan, and

(9) Registration Statement (Form S-8 No. 333-222510) pertaining to the Amended and Restated Acuity Brands, Inc. 2012 Omnibus Stock Incentive Compensation Plan;

of our reports dated October 29, 2019, with respect to the consolidated financial statements and schedule of Acuity Brands, Inc. and the effectiveness of internal control over financial reporting of Acuity Brands, Inc. included in this Annual Report (Form 10-K) of Acuity Brands, Inc. for the year ended August 31, 2019.

/s/ Ernst & Young LLP
Atlanta, Georgia
October 29, 2019

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Vernon J. Nagel and Karen J. Holcom, and each of them individually, his true and lawful attorneys-in-fact (with full power of substitution and resubstitution) to act for him in his name, place, and stead in his capacity as a director or officer of Acuity Brands, Inc., to file a registrant's annual report on Form 10-K for the fiscal year ended **August 31, 2019**, and any and all amendments thereto, with any exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, and each of them individually, full power and authority to do and perform each and every act and thing requisite and necessary to be done in the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact or either of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ W. Patrick Battle
W. Patrick Battle

Dated: October 29, 2019

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Vernon J. Nagel and Karen J. Holcom, and each of them individually, his true and lawful attorneys-in-fact (with full power of substitution and resubstitution) to act for him in his name, place, and stead in his capacity as a director or officer of Acuity Brands, Inc., to file a registrant's annual report on Form 10-K for the fiscal year ended **August 31, 2019**, and any and all amendments thereto, with any exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, and each of them individually, full power and authority to do and perform each and every act and thing requisite and necessary to be done in the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact or either of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ Peter C. Browning
Peter C. Browning

Dated: October 29, 2019

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Vernon J. Nagel and Karen J. Holcom, and each of them individually, his true and lawful attorneys-in-fact (with full power of substitution and resubstitution) to act for him in his name, place, and stead in his capacity as a director or officer of Acuity Brands, Inc., to file a registrant's annual report on Form 10-K for the fiscal year ended **August 31, 2019**, and any and all amendments thereto, with any exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, and each of them individually, full power and authority to do and perform each and every act and thing requisite and necessary to be done in the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact or either of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ G. Douglas Dillard, Jr
G. Douglas Dillard, Jr

Dated: October 29, 2019

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Vernon J. Nagel and Karen J. Holcom, and each of them individually, his true and lawful attorneys-in-fact (with full power of substitution and resubstitution) to act for him in his name, place, and stead in his capacity as a director or officer of Acuity Brands, Inc., to file a registrant's annual report on Form 10-K for the fiscal year ended **August 31, 2019**, and any and all amendments thereto, with any exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, and each of them individually, full power and authority to do and perform each and every act and thing requisite and necessary to be done in the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact or either of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ James H. Hance, Jr.
James H. Hance, Jr.

Dated: October 29, 2019

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Vernon J. Nagel and Karen J. Holcom, and each of them individually, his true and lawful attorneys-in-fact (with full power of substitution and resubstitution) to act for him in his name, place, and stead in his capacity as a director or officer of Acuity Brands, Inc., to file a registrant's annual report on Form 10-K for the fiscal year ended **August 31, 2019**, and any and all amendments thereto, with any exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, and each of them individually, full power and authority to do and perform each and every act and thing requisite and necessary to be done in the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact or either of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ Robert F. McCullough
Robert F. McCullough

Dated: October 29, 2019

Exhibit 24

POWER OF ATTORNEY

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/s/ Julia B. North
Julia B. North

Dated: October 29, 2019

Exhibit 24

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/s/ Dominic J. Pileggi
Dominic J. Pileggi

Dated: October 29, 2019

Exhibit 24

POWER OF ATTORNEY

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/s/ Ray M. Robinson
Ray M. Robinson

Dated: October 29, 2019

Exhibit 24

POWER OF ATTORNEY

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/s/ Mary A. Winston
Mary A. Winston

Dated: October 29, 2019

I, Vernon J. Nagel, certify that:

1. I have reviewed this annual report on Form 10-K of Acuity Brands, 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 fourth fiscal quarter 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: October 29, 2019

/s/ Vernon J. Nagel

Vernon J. Nagel

Chairman 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 Brands, Inc., and will be retained by Acuity Brands, 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 annual report on Form 10-K of Acuity Brands, 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 fourth fiscal quarter 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: October 29, 2019

/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 Brands, Inc., and will be retained by Acuity Brands, 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 Section 906 of the Sarbanes-Oxley Act of 2002 and in connection with the Annual Report on Form 10-K of Acuity Brands, Inc. (the "Corporation") for the year ended August 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, the Chairman 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/ Vernon J. Nagel

Vernon J. Nagel

Chairman and Chief Executive Officer

October 29, 2019

[A signed original of this written statement required by Section 906 has been provided to Acuity Brands, Inc., and will be retained by Acuity Brands, 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 Section 906 of the Sarbanes-Oxley Act of 2002 and in connection with the Annual Report on Form 10-K of Acuity Brands, Inc. (the "Corporation") for the year ended August 31, 2019, 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

October 29, 2019

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