

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

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended November 30, 2022.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to .

Commission file number 001-16583.

ACUITY BRANDS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

58-2632672

(I.R.S. Employer
Identification Number)

1170 Peachtree Street, N.E., Suite 1200, Atlanta, Georgia 30309-7676

(Address of principal executive offices)

(404) 853-1400

(Registrant's telephone number, including area code)

1170 Peachtree Street, N.E., Suite 2300, Atlanta, Georgia 30309-7676

(Former name, former address and former fiscal year, if changed since last report)

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

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

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

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

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

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

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

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

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

Common stock — \$0.01 par value — 32,051,483 shares as of January 4, 2023.

ACUITY BRANDS, INC.

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

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

	November 30, 2022 (unaudited)	August 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 284.1	\$ 223.2
Accounts receivable, less reserve for doubtful accounts of \$1.7 and \$1.2, respectively	584.2	665.9
Inventories	487.0	485.7
Prepayments and other current assets	100.5	91.2
Total current assets	1,455.8	1,466.0
Property, plant, and equipment, net	279.6	276.5
Operating lease right-of-use assets	66.8	74.9
Goodwill	1,082.0	1,084.3
Intangible assets, net	505.6	529.2
Deferred income taxes	1.4	1.3
Other long-term assets	45.4	48.0
Total assets	\$ 3,436.6	\$ 3,480.2
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 415.1	\$ 397.8
Current maturities of debt	—	18.0
Current operating lease liabilities	15.7	15.7
Accrued compensation	68.7	88.0
Other accrued liabilities	198.1	214.1
Total current liabilities	697.6	733.6
Long-term debt	495.1	495.0
Long-term operating lease liabilities	63.6	67.4
Accrued pension liabilities	41.5	41.4
Deferred income taxes	100.8	102.1
Other long-term liabilities	134.5	128.9
Total liabilities	1,533.1	1,568.4
Commitments and contingencies (see <i>Commitments and Contingencies</i> 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; 54,376,386 and 54,241,069 issued, respectively	0.5	0.5
Paid-in capital	1,035.4	1,036.3
Retained earnings	3,246.8	3,176.2
Accumulated other comprehensive loss	(126.2)	(125.8)
Treasury stock, at cost, of 22,225,453 and 21,753,820 shares, respectively	(2,253.0)	(2,175.4)
Total stockholders' equity	1,903.5	1,911.8
Total liabilities and stockholders' equity	\$ 3,436.6	\$ 3,480.2

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

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

	Three Months Ended	
	November 30, 2022	November 30, 2021
Net sales	\$ 997.9	\$ 926.1
Cost of products sold	581.4	540.3
Gross profit	416.5	385.8
Selling, distribution, and administrative expenses	300.7	270.7
Special charges	6.9	—
Operating profit	108.9	115.1
Other expense:		
Interest expense, net	6.6	5.9
Miscellaneous expense, net	9.1	0.3
Total other expense	15.7	6.2
Income before income taxes	93.2	108.9
Income tax expense	18.3	21.3
Net income	\$ 74.9	\$ 87.6
Earnings per share ⁽¹⁾ :		
Basic earnings per share	\$ 2.32	\$ 2.50
Basic weighted average number of shares outstanding	32.308	35.063
Diluted earnings per share	\$ 2.29	\$ 2.46
Diluted weighted average number of shares outstanding	32.704	35.539
Dividends declared per share	\$ 0.13	\$ 0.13
Comprehensive income:		
Net income	\$ 74.9	\$ 87.6
Other comprehensive income (loss) items:		
Foreign currency translation adjustments	(1.5)	(11.9)
Defined benefit plans, net of tax	1.1	1.2
Other comprehensive loss items, net of tax	(0.4)	(10.7)
Comprehensive income	\$ 74.5	\$ 76.9

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

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

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

	Three Months Ended	
	November 30, 2022	November 30, 2021
Cash flows from operating activities:		
Net income	\$ 74.9	\$ 87.6
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	26.5	24.3
Share-based payment expense	10.7	7.6
Asset impairment	4.3	—
Loss on sale of a business	11.2	—
Changes in operating assets and liabilities, net of acquisitions and divestitures:		
Accounts receivable	81.6	40.2
Inventories	(5.8)	(41.3)
Prepayments and other current assets	(8.5)	(47.7)
Accounts payable	20.3	17.7
Other	(28.6)	(4.7)
Net cash provided by operating activities	186.6	83.7
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(18.2)	(9.3)
Other investing activities	3.9	0.3
Net cash used for investing activities	(14.3)	(9.0)
Cash flows from financing activities:		
Repayments on credit facility, net of borrowings	(18.0)	—
Repurchases of common stock	(76.5)	(56.3)
Proceeds from stock option exercises and other	0.9	8.6
Payments of taxes withheld on net settlement of equity awards	(12.5)	(6.7)
Dividends paid	(4.3)	(4.7)
Net cash used for financing activities	(110.4)	(59.1)
Effect of exchange rate changes on cash and cash equivalents	(1.0)	(2.9)
Net change in cash and cash equivalents	60.9	12.7
Cash and cash equivalents at beginning of period	223.2	491.3
Cash and cash equivalents at end of period	\$ 284.1	\$ 504.0
Supplemental cash flow information:		
Income taxes paid during the period	\$ 11.0	\$ 28.3
Interest paid during the period	\$ 15.3	\$ 13.3

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

ACUITY BRANDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 1 — Description of Business and Basis of Presentation

Acuity Brands, Inc. (referred to herein as “we,” “our,” “us,” the “Company,” or similar references) is a market-leading industrial technology company. We use technology to solve problems in spaces and light. Through our two business segments, Acuity Brands Lighting and Lighting Controls (“ABL”) and the Intelligent Spaces Group (“ISG”), we design, manufacture, and bring to market products and services that make a valuable difference in people's lives. We achieve growth through the development of innovative new products and services, including lighting, lighting controls, building management systems, and location-aware applications.

ABL Segment

ABL's portfolio of lighting solutions includes commercial, architectural, and specialty lighting in addition to lighting controls and components that can be combined to create integrated lighting controls systems. We offer devices such as luminaires that predominantly utilize light emitting diode (“LED”) technology designed to optimize energy efficiency and comfort for various indoor and outdoor applications. ABL's portfolio of products includes but is not limited to the following brands: Lithonia Lighting[®], Holophane[®], Peerless[®], Gotham[®], Mark Architectural Lighting[™], Juno[®], Indy[™], Aculux[™], Healthcare Lighting[®], Hydrel[®], American Electric Lighting[®], eldoLED[®], nLight[®], Sensor Switch[®], IOTA[®], A-Light[™], Cyclone[™], Eureka[®], Luminaire LED[™], Luminis[®], Dark to Light[®], RELOC[®] Wiring Solutions, and OPTOTRONIC[®].

Principal customers of ABL include electrical distributors, retail home improvement centers, electric utilities, national accounts, original equipment manufacturer (“OEM”) customers, digital retailers, lighting showrooms, and energy service companies. Our customers are located in North America and select international markets that serve new construction, renovation and retrofit, and maintenance and repair applications. ABL's lighting and lighting controls solutions are sold primarily through a network of independent sales agencies that cover specific geographic areas and market channels, by internal sales representatives, through consumer retail channels, directly to large corporate accounts, and directly to OEM customers. Products are delivered directly from our manufacturing facilities 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, our sales forces utilize a variety of distribution methods to meet specific individual customer or country requirements.

ABL comprised approximately 95% of consolidated revenues during the three months ended November 30, 2022 and 2021.

ISG Segment

ISG delivers products and services that make spaces smarter, safer, and greener. ISG offers a building management platform and location-aware applications. Our building management platform includes products for controlling heating, ventilation, and air conditioning (“HVAC”), lighting, shades, and building access that deliver end-to-end optimization of those building systems. Our Atrius[®] intelligent building software enhances the occupant experience, improves building system management, and automates labor intensive tasks while delivering operational energy efficiency and cost reductions. Through a connected and converged building system architecture, our Atrius[®] software delivers different applications, allows clients to upgrade over time with natural refresh cycles, and deploys new capabilities through both software and hardware updates. Customers of ISG primarily include system integrators as well as retail stores, airports, and enterprise campuses throughout North America and select international locations. ISG products and solutions are marketed under multiple brand names, including but not limited to Distech Controls[®] and Atrius[®].

ISG comprised approximately 5% of consolidated revenues during the three months ended November 30, 2022 and 2021.

Basis of Presentation

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

ACUITY BRANDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

These unaudited interim consolidated financial statements reflect all normal and recurring adjustments that are, in the opinion of management, necessary to present fairly our consolidated financial position as of November 30, 2022, our consolidated comprehensive income for the three months ended November 30, 2022 and 2021, and our consolidated cash flows for the three months ended November 30, 2022 and 2021. Certain information and footnote disclosures normally included in our annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. However, we believe that the disclosures included herein are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the audited consolidated financial statements as of and for the three years ended August 31, 2022 and notes thereto included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on October 26, 2022 (File No. 001-16583) ("Form 10-K").

The results of operations for the three months ended November 30, 2022 are not necessarily indicative of the results to be expected for the full fiscal 2023 year due primarily to continued uncertainty of general economic conditions that may impact our key end markets for the remainder of fiscal 2023; the impact of inflation; component shortages; disruptions in the global supply chain; seasonality; and the impact of any acquisitions and/or divestitures, among other reasons. We are uncertain of the future impact of the ongoing COVID-19 pandemic or recovery of prior deterioration in economic conditions to our sales channels, supply chain, manufacturing, and distribution as well as overall construction, renovation, and consumer spending. Additionally, the current conflict between Russia and Ukraine and the related sanctions and other penalties imposed by countries across the globe against Russia are creating substantial uncertainty in the global economy. While we do not have operations in Russia or Ukraine and do not have significant direct exposure to customers and vendors in those countries, we are unable to predict the impact that these actions will have on the global economy or on our financial condition, results of operations, and cash flows as of the date of these financial statements.

Note 2 — Significant Accounting Policies

Use of Estimates

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

Reclassifications

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

Note 3 — Acquisitions and Divestitures

Acquisitions

There were no acquisitions during fiscal 2023 or fiscal 2022.

Divestitures

During the first quarter of fiscal 2023, we committed to a plan to sell our Sunoptics prismatic skylights business. We completed the sale of the business on November 10, 2022, and we transferred assets with a total carrying value of \$15.1 million, which primarily consisted of intangibles with definite lives, inventories, and allocated goodwill from the ABL segment. We recognized a pre-tax loss on the sale of \$11.2 million within *Miscellaneous expense, net* on the *Consolidated Statements of Comprehensive Income*. Additionally, we recorded impairment charges for certain retained assets as well as associate severance and other costs related to the sale. These items are included within *Special charges* on the *Consolidated Statements of Comprehensive Income*. See the *Special Charges* footnote of the *Notes to Consolidated Financial Statements* for further details.

Note 4 — New Accounting Pronouncements

Accounting Standards Yet to Be Adopted

Accounting Standards Update (“ASU”) 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers (“ASU 2021-08”)

In October 2021, the Financial Accounting Standards Board issued ASU 2021-08, which requires companies to recognize and measure contract assets and contract liabilities acquired in a business combination as if the acquiring company originated the related revenue contracts. ASU 2021-08 is effective for fiscal years beginning after December 15, 2022, or our fiscal 2024, with early adoption permitted. We are currently assessing the impacts of ASU 2021-08 to determine whether we will adopt early or in fiscal 2024. Amendments within the standard are required to be applied on a prospective basis from the date of adoption. We will apply the provisions of ASU 2021-08 after adoption to future acquisitions, if any.

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

Note 5 — Fair Value Measurements

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

We utilize valuation methodologies to determine the fair values of our financial assets and liabilities in conformity with the concepts of “exit price” and the fair value hierarchy as prescribed in ASC 820. All valuation methods and assumptions are validated at least quarterly to ensure the accuracy and relevance of the fair values. There were no material changes to the valuation methods or assumptions used to determine fair values during the current period. 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.

Financial Instruments Recorded at Fair Value

We used quoted market prices to determine the fair value of Level 1 assets and liabilities. Our cash and cash equivalents (Level 1), which are required to be carried at fair value and measured on a recurring basis, were \$284.1 million and \$223.2 million as of November 30, 2022 and August 31, 2022, respectively.

We hold a small number of strategic investments totaling \$12.0 million and \$11.9 million as of November 30, 2022 and August 31, 2022, respectively. These investments are primarily equity instruments in privately-held entities over which we do not exercise significant influence or control. We generally account for these investments at fair value on a recurring basis; however, these investments do not have readily determinable fair value. We have elected the practical expedient in ASC Topic 321, *Investments—Equity Securities*, to measure these investments at cost less any impairment adjusted for observable price changes, if any. As such, these investments are excluded from the fair value hierarchy.

Changes in the fair values of these financial instruments during the three months ended November 30, 2022 and 2021 were not material to our financial condition, results of operations, or cash flows.

Disclosures of Fair Value of Financial Instruments

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

ACUITY BRANDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Fair value for our outstanding debt obligations is estimated based on discounted future cash flows using rates currently available for debt of similar terms and maturity (Level 2). Our senior unsecured public notes are carried at the outstanding balance, net of unamortized bond discount and deferred costs, as of the end of the reporting period. The estimated fair value of our senior unsecured public notes was \$388.4 million and \$399.2 million as of November 30, 2022 and August 31, 2022, respectively. The decrease in fair value is due to increases in market bond yields since the end of fiscal 2022. We had no short-term borrowings and \$18.0 million of short-term borrowings outstanding under our revolving credit facility as of November 30, 2022 and August 31, 2022, respectively. These borrowings are variable-rate instruments that reset on a frequent short-term basis; therefore, we estimate that any outstanding carrying values, which are equal to the face amounts, of these instruments approximate their fair values. See *Debt and Lines of Credit* footnote for further details on our outstanding borrowings.

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

Note 6 — Inventories

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

	November 30, 2022	August 31, 2022
Raw materials, supplies, and work in process ⁽¹⁾	\$ 272.3	\$ 252.6
Finished goods	245.1	264.0
Inventories excluding reserves	517.4	516.6
Less: Reserves	(30.4)	(30.9)
Total inventories	<u>\$ 487.0</u>	<u>\$ 485.7</u>

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

We review inventory quantities on hand and record a provision for excess 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.

Note 7 — Property, Plant, and Equipment

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

	November 30, 2022	August 31, 2022
Land	\$ 22.2	\$ 22.0
Buildings and leasehold improvements	202.8	202.3
Machinery and equipment	681.1	667.6
Total property, plant, and equipment, at cost	906.1	891.9
Less: Accumulated depreciation and amortization	(626.5)	(615.4)
Property, plant, and equipment, net	<u>\$ 279.6</u>	<u>\$ 276.5</u>

ACUITY BRANDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 8 — Goodwill and Intangible Assets

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

We recorded amortization expense for definite-lived intangible assets of \$13.6 million and \$10.3 million during the three months ended November 30, 2022 and 2021, respectively. Amortization expense is generally recorded on a straight-line basis and is expected to be approximately \$41.5 million in fiscal 2023, \$36.9 million in fiscal 2024, \$29.4 million in fiscal 2025, \$26.7 million in fiscal 2026, and \$25.2 million in fiscal 2027.

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

	ABL	ISG	Total
Balance as of August 31, 2022	\$ 1,014.2	\$ 70.1	\$ 1,084.3
Derecognitions for divestitures	(0.7)	—	(0.7)
Foreign currency translation adjustments	(0.4)	(1.2)	(1.6)
Balance as of November 30, 2022	<u>\$ 1,013.1</u>	<u>\$ 68.9</u>	<u>\$ 1,082.0</u>

	ABL	ISG	Total
Balance as of August 31, 2021	\$ 1,022.2	\$ 72.5	\$ 1,094.7
Foreign currency translation adjustments	(3.0)	(0.7)	(3.7)
Balance as of November 30, 2021	<u>\$ 1,019.2</u>	<u>\$ 71.8</u>	<u>\$ 1,091.0</u>

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

Note 9 — Other Current Liabilities

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

	November 30, 2022	August 31, 2022
Customer incentive programs ⁽¹⁾	\$ 49.1	\$ 40.7
Refunds to customers ⁽¹⁾	26.6	28.0
Current deferred revenues ⁽¹⁾	11.6	11.4
Sales commissions	30.4	41.9
Freight costs	12.9	22.8
Warranty and recall costs ⁽²⁾	18.1	22.4
Tax-related items ⁽³⁾	7.7	13.9
Interest on long-term debt ⁽⁴⁾	5.0	2.3
Other	36.7	30.7
Total other current liabilities	<u>\$ 198.1</u>	<u>\$ 214.1</u>

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

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

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

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

Note 10 — Debt and Lines of Credit

Long-term Debt

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

Lines of Credit

On June 30, 2022, we entered into a credit agreement (the “Credit Agreement”) with a syndicate of banks that provides us with a \$600.0 million five-year unsecured revolving credit facility (the “Revolving Credit Facility”) with the ability to request an additional \$400.0 million of borrowing capacity. We had no short-term borrowings at November 30, 2022 and \$18.0 million in short-term borrowings at August 31, 2022 outstanding under the Revolving Credit Facility.

The Revolving Credit Facility uses the Secured Overnight Financing Rate (“SOFR”) as the applicable benchmark for U.S. Dollar borrowings and an applicable benchmark rate for non-U.S. Dollar borrowings as defined in the Credit Agreement. The applicable margin pricing grid mechanics are based on the better of our public credit ratings or our net leverage ratio and range from 0.80% to 1.20% for base rate borrowings and from 0.00% to 0.20% for floating rate advances. We are also required to pay certain fees in connection with the Credit Agreement, including administrative service fees and annual facility fees, which range from 0.075% to 0.175% of the aggregate \$600.0 million remaining commitment of the lenders under the Credit Agreement.

The Credit Agreement contains a leverage ratio covenant (“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 Maximum Leverage Ratio of 3.75 (subject to a temporary increase to 4.25 in the event of a significant acquisition) and allows netting of all unrestricted cash and cash equivalents against debt.

We were in compliance with all financial covenants under the Credit Agreement as of November 30, 2022. At November 30, 2022, we had additional borrowing capacity under the Credit Agreement of \$595.9 million under the most restrictive covenant in effect at the time, which represents the full amount of the Revolving Credit Facility less outstanding letters of credit of \$4.1 million issued under the Revolving Credit Facility, primarily for securing collateral requirements under our casualty insurance programs.

Borrowings and repayments on our Revolving Credit Facility with terms of three months or less are reported on a net basis on our *Consolidated Statements of Cash Flows*.

Interest Expense, net

Interest expense, net, is comprised primarily of interest expense on long-term debt, line of credit borrowings, and loans that are secured by and presented net of company-owned life insurance policies on our *Consolidated Balance Sheets*. Interest expense is partially offset by interest income earned on cash and cash equivalents.

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

	Three Months Ended	
	November 30, 2022	November 30, 2021
Interest expense	\$ 7.9	\$ 6.2
Interest income	(1.3)	(0.3)
Interest expense, net	<u>\$ 6.6</u>	<u>\$ 5.9</u>

Note 11 — Commitments and Contingencies

In the normal course of business, we are subject to the effects of certain contractual stipulations, events, transactions, and laws and regulations that may, at times, require the recognition of liabilities, such as those related to self-insurance estimated liabilities and claims, legal and contractual issues, environmental laws and regulations, guarantees, and indemnities. We establish estimated liabilities when the associated costs related to uncertainties or guarantees become probable and can be reasonably estimated. For the period ended November 30, 2022, no material changes have occurred in our estimated liabilities for self-insurance, litigation, environmental matters, guarantees and indemnities, or relevant events and circumstances, from those disclosed in the *Commitments and Contingencies* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K other than the items discussed below.

Product Warranty and Recall Costs

Our products generally have a standard warranty term of five years that assures our products comply with agreed upon specifications. We record an accrual for the estimated amount of future warranty costs when the related revenue is recognized. Estimated future warranty and recall costs are primarily based on historical experience of identified warranty and recall claims. Estimated costs related to product warranty and recall costs outside of our historical experience, which could include significant product recalls or formal campaigns soliciting repair or return of a product, are accrued when they are deemed to be probable and can be reasonably estimated. Any estimated or actual loss recoveries that offset our costs and payments are reflected as assets and included within *Other current assets* or *Other long-term assets* on the *Consolidated Balance Sheets* based on the expected timing of receipt of recovery.

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 increases in the accrual may be required, which could have a material adverse impact on our results of operations and cash flows.

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

	Three Months Ended	
	November 30, 2022	November 30, 2021
Beginning balance	\$ 27.3	\$ 20.3
Warranty and recall costs	3.7	4.4
Payments and other deductions	(8.6)	(4.5)
Ending balance	<u>\$ 22.4</u>	<u>\$ 20.2</u>

Shareholder Derivative Complaint

As previously disclosed, on October 1, 2021, certain alleged shareholders of the Company filed a putative derivative complaint in the United States District Court for the Northern District of Georgia asserting claims against three former executives for breach of fiduciary duty and certain other claims (the "Derivative Complaint"). The Company is named as a nominal defendant, and the plaintiffs seek on behalf of the Company unspecified damages from the

ACUITY BRANDS, INC.
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individual defendants and other relief. Prior to filing the Derivative Complaint, the derivative plaintiffs sent letters to the Company's Board of Directors (the "Board") demanding that the Company investigate and pursue substantially the same claims against the individual defendants that are asserted in the Derivative Complaint. The Company's Board formed a demand evaluation committee consisting of independent directors to investigate these matters and make a recommendation to the Board regarding the best interests of the Company in connection therewith. On December 14, 2021, the Company filed a motion to stay the derivative action pending the conclusion of the related securities class action or, in the alternative, to dismiss the derivative action without prejudice as premature, given the demand evaluation committee's ongoing work. Also on December 14, 2021, the individual defendants filed a motion to dismiss the Derivative Complaint for failure to adequately plead any claim for relief against them.

On August 3, 2022, the Court entered a stipulated consent order extending the deadline for the individual defendants and the Company to answer, move against, or otherwise respond to the Derivative Complaint until thirty days after the filing of an amended complaint or the designation of an operative complaint. Subsequently, the demand evaluation committee completed its investigation and recommended that the Board reject the demands and direct the Company to seek dismissal of the Derivative Complaint. The Board approved and adopted the recommendation from the committee and rejected the demands and directed the Company to seek dismissal of the Derivative Complaint. The parties advised the Court of the Board's decision during the status conference held on October 6, 2022. The Court directed the parties to submit a written status report within forty-five days as to the litigation.

The parties subsequently negotiated a Stipulated Confidentiality Agreement, which was filed with the Court on October 31, 2022. Pursuant to the Stipulated Confidentiality Agreement and Order, the Company produced the demand evaluation committee report and recommendation regarding the claims asserted in the Derivative Complaint, along with exhibits, to the plaintiffs for review. On December 21, 2022, the parties filed a joint status report notifying the Court that the plaintiffs had completed their review of the demand evaluation committee report and that the parties expect to update the Court by January 20, 2023 regarding the next steps in the litigation.

Data Security Incidents

On December 14, 2022, a former employee filed a putative class action complaint against the Company in the United States District Court for the Northern District of Georgia on behalf of all persons whose personal information was compromised as a result of data security incidents we experienced in October 2020 and/or December 2021. The plaintiff alleges that the Company failed to exercise reasonable caution in securing and safeguarding her and the other putative class members' personal information, and on that basis, asserts claims for negligence, breach of contract, breach of implied contract, unjust enrichment, and breach of fiduciary duty. The plaintiff seeks class certification, unspecified monetary damages, certain injunctive relief regarding our data-security measures, additional credit-monitoring services, other equitable relief (including disgorgement), attorneys' fees, costs, and pre- and post-judgment interest. We dispute the allegations in the complaint and, given the recency of the lawsuit, are planning our response strategy, which we currently expect to include a vigorous defense of the 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 are in the early stages of the proceedings where key evidential and legal issues have not been resolved. In addition, we have received inquiries from, and it is also possible that investigations or other actions are taken by, state and/or federal agencies regarding the data security incidents and related data privacy matters. 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 have insurance, subject to certain terms and conditions, for these types of matters.

Litigation

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

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However, we cannot make a meaningful estimate of actual costs to be incurred that could possibly be higher or lower than the accrued amounts.

Note 12 — Changes in Stockholders' Equity

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

	Common Stock Outstanding		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock, at cost	Total
	Shares	Amount					
Balance, August 31, 2022	32.5	\$ 0.5	\$ 1,036.3	\$ 3,176.2	\$ (125.8)	\$ (2,175.4)	\$ 1,911.8
Net income	—	—	—	74.9	—	—	74.9
Other comprehensive loss	—	—	—	—	(0.4)	—	(0.4)
Share-based payment amortization, issuances, and cancellations	0.2	—	(1.8)	—	—	—	(1.8)
Employee stock purchase plan issuances	—	—	0.5	—	—	—	0.5
Cash dividends of \$0.13 per share paid on common stock	—	—	—	(4.3)	—	—	(4.3)
Stock options exercised	—	—	0.4	—	—	—	0.4
Repurchases of common stock	(0.5)	—	—	—	—	(77.6)	(77.6)
Balance, November 30, 2022	32.2	\$ 0.5	\$ 1,035.4	\$ 3,246.8	\$ (126.2)	\$ (2,253.0)	\$ 1,903.5

	Common Stock Outstanding		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock, at cost	Total
	Shares	Amount					
Balance, August 31, 2021	35.2	\$ 0.5	\$ 995.6	\$ 2,810.3	\$ (98.2)	\$ (1,663.7)	\$ 2,044.5
Net income	—	—	—	87.6	—	—	87.6
Other comprehensive loss	—	—	—	—	(10.7)	—	(10.7)
Share-based payment amortization, issuances, and cancellations	0.1	—	0.4	—	—	—	0.4
Employee stock purchase plan issuances	—	—	0.6	—	—	—	0.6
Cash dividends of \$0.13 per share paid on common stock	—	—	—	(4.7)	—	—	(4.7)
Stock options exercised	0.1	—	8.0	—	—	—	8.0
Repurchases of common stock	(0.3)	—	—	—	—	(52.8)	(52.8)
Balance, November 30, 2021	35.1	\$ 0.5	\$ 1,004.6	\$ 2,893.2	\$ (108.9)	\$ (1,716.5)	\$ 2,072.9

Note 13 — 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. We allocate the expected consideration to be collected to each distinct performance obligation identified in a sale based on its standalone selling price. Sales and use taxes collected on behalf of governmental authorities are excluded from revenues.

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

Contract Balances

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

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

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

	November 30, 2022	August 31, 2022
Current deferred revenues	\$ 11.6	\$ 11.4
Non-current deferred revenues	52.1	53.1

Current deferred revenues primarily consist of software licenses as well as professional service and service-type warranty fees collected prior to performing the related service and are included within *Other current liabilities* on the *Consolidated Balance Sheets*. These services are expected to be performed within one year. Revenue recognized from beginning balances of contract liabilities during the three months ended November 30, 2022 totaled \$3.9 million.

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

Unsatisfied performance obligations that do not represent contract liabilities are generally expected to be satisfied within one year from November 30, 2022 and consist primarily of orders for physical goods that have not yet been shipped.

Disaggregated Revenues

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

	Three Months Ended	
	November 30, 2022	November 30, 2021
ABL:		
Independent sales network	\$ 673.7	\$ 636.8
Direct sales network	106.4	90.0
Retail sales	49.9	46.9
Corporate accounts	49.1	37.0
OEM and other	68.0	72.9
Total ABL	947.1	883.6
ISG	56.8	46.4
Eliminations	(6.0)	(3.9)
Total	\$ 997.9	\$ 926.1

Note 14 — Share-based Payments

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

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

	Three Months Ended	
	November 30, 2022	November 30, 2021
Share-based payment expense	\$ 10.7	\$ 7.6

We recognized excess tax benefits of \$1.3 million and \$4.2 million related to share-based payment awards during the three months ended November 30, 2022 and 2021, respectively.

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

Note 15 — Pension Plans

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

Service cost of net periodic pension cost is allocated between *Cost of products sold* and *Selling, distribution, and administrative expenses* in the *Consolidated Statements of Comprehensive Income* based on the 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 included the following components before tax for the periods presented (in millions):

	Three Months Ended	
	November 30, 2022	November 30, 2021
Service cost	\$ 1.1	\$ 1.2
Interest cost	2.2	1.5
Expected return on plan assets	(2.4)	(3.4)
Amortization of prior service cost	0.7	0.7
Recognized actuarial loss	0.8	0.9
Net periodic pension cost	<u>\$ 2.4</u>	<u>\$ 0.9</u>

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

Note 16 — Special Charges

During the first three months of fiscal 2023, we recognized pre-tax special charges of \$6.9 million within *Special charges* on the *Consolidated Statements of Comprehensive Income* primarily for impairments of operating lease right-of-use assets for \$4.3 million associated with our previously owned Sunoptics prismatic skylights business that were not transferred in connection with the sale. We additionally recognized associate severance and other costs totaling \$2.6 million primarily in connection with the Sunoptics divestiture.

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Note 17 — Earnings Per Share

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

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

	Three Months Ended	
	November 30, 2022	November 30, 2021
Net income	\$ 74.9	\$ 87.6
Basic weighted average shares outstanding	32.308	35.063
Common stock equivalents	0.396	0.476
Diluted weighted average shares outstanding	32.704	35.539
Basic earnings per share ⁽¹⁾	\$ 2.32	\$ 2.50
Diluted earnings per share ⁽¹⁾	\$ 2.29	\$ 2.46

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

The following table presents stock options, performance stock awards, and restricted stock awards that were excluded from the diluted earnings per share calculation for the periods presented as the effect of inclusion would have been antidilutive (in millions):

	Three Months Ended	
	November 30, 2022	November 30, 2021
Stock options	0.1	0.1
Performance stock awards	— *	— *
Restricted stock awards	0.1	— *

* Represents shares of less than 0.1 million.

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

Note 18 — Comprehensive Income

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

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

	Foreign Currency Items	Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss Items
Balance at August 31, 2022	\$ (73.5)	\$ (52.3)	\$ (125.8)
Other comprehensive loss before reclassifications	(1.5)	—	(1.5)
Amounts reclassified from accumulated other comprehensive loss ⁽¹⁾	—	1.1	1.1
Net current period other comprehensive (loss) income	(1.5)	1.1	(0.4)
Balance at November 30, 2022	<u>\$ (75.0)</u>	<u>\$ (51.2)</u>	<u>\$ (126.2)</u>
	Foreign Currency Items	Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss Items
Balance at August 31, 2021	\$ (40.2)	\$ (58.0)	\$ (98.2)
Other comprehensive loss before reclassifications	(11.9)	—	(11.9)
Amounts reclassified from accumulated other comprehensive loss ⁽¹⁾	—	1.2	1.2
Net current period other comprehensive (loss) income	(11.9)	1.2	(10.7)
Balance at November 30, 2021	<u>\$ (52.1)</u>	<u>\$ (56.8)</u>	<u>\$ (108.9)</u>

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

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

	Three Months Ended					
	November 30, 2022			November 30, 2021		
	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
Foreign currency translation adjustments	\$ (1.5)	\$ —	\$ (1.5)	\$ (11.9)	\$ —	\$ (11.9)
Defined benefit pension plans:						
Amortization of defined benefit pension items:						
Prior service cost	0.7	(0.2)	0.5	0.7	(0.2)	0.5
Actuarial losses	0.8	(0.2)	0.6	0.9	(0.2)	0.7
Total defined benefit pension plans, net	1.5	(0.4)	1.1	1.6	(0.4)	1.2
Other comprehensive loss	<u>\$ —</u>	<u>\$ (0.4)</u>	<u>\$ (0.4)</u>	<u>\$ (10.3)</u>	<u>\$ (0.4)</u>	<u>\$ (10.7)</u>

Note 19 — Segment Information

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

The accounting policies of our reportable segments are the same as those described in the *Significant Accounting Policies* footnote of the *Notes to Consolidated Financial Statements* within our Form 10-K. Corporate expenses that are primarily administrative in function and benefit the Company on an entity-wide basis are not allocated to our segments. These include expenses related to governance, policy setting, compliance, and certain other shared services functions. Beginning in fiscal 2023, we now allocate special charges to operating segment information presented to the chief operating decision maker on a prospective basis. Special charges during the three months ended November 30, 2022 of \$6.9 million pertained to the ABL segment. We recorded no special charges during fiscal 2022.

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

	ABL	ISG	Corporate	Eliminations ⁽¹⁾	Total
Three Months Ended November 30, 2022					
Net sales	\$ 947.1	\$ 56.8	\$ —	\$ (6.0)	\$ 997.9
Operating profit (loss)	118.1	7.7	(16.9)	—	108.9
Depreciation and amortization	22.7	3.5	0.3	—	26.5
Three Months Ended November 30, 2021					
Net sales	\$ 883.6	\$ 46.4	\$ —	\$ (3.9)	\$ 926.1
Operating profit (loss)	128.1	2.0	(15.0)	—	115.1
Depreciation and amortization	20.4	3.6	0.3	—	24.3

⁽¹⁾ This column represents intersegment sales. Profit on these sales eliminates within gross profit on a consolidated basis.

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

	Three Months Ended	
	November 30, 2022	November 30, 2021
Operating profit - ABL	\$ 118.1	\$ 128.1
Operating profit - ISG	7.7	2.0
Unallocated corporate amounts	(16.9)	(15.0)
Operating profit	108.9	115.1
Interest expense, net	6.6	5.9
Miscellaneous expense, net	9.1	0.3
Income before income taxes	\$ 93.2	\$ 108.9

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

The purpose of this discussion and analysis is to enhance the understanding and evaluation of the results of operations, financial position, cash flows, indebtedness, and other key financial information of Acuity Brands, Inc. (referred to herein as "we," "our," "us," the "Company," or similar references) and its subsidiaries as of November 30, 2022 and for the three months ended November 30, 2022 and 2021. The following discussion should be read in conjunction with the *Consolidated Financial Statements and Notes to Consolidated Financial Statements* included within this report. Also, please refer to Acuity Brands, Inc.'s Annual Report on Form 10-K for the fiscal year ended August 31, 2022, filed with the Securities and Exchange Commission (the "SEC") on October 26, 2022 ("Form 10-K").

Overview

Company

We are a market-leading industrial technology company. We use technology to solve problems in spaces and light. Through our two business segments, Acuity Brands Lighting and Lighting Controls ("ABL") and the Intelligent Spaces Group ("ISG"), we design, manufacture, and bring to market products and services that make a valuable difference in people's lives. We achieve growth through the development of innovative new products and services, including lighting, lighting controls, building management systems, and location-aware applications.

The results of operations for the three months ended November 30, 2022 are not necessarily indicative of the results to be expected for the full fiscal 2023 year due primarily to continued uncertainty of general economic conditions that may impact our key end markets for fiscal 2023; the impact of inflation; component shortages; disruptions in the global supply chain; seasonality; and the impact of any acquisitions and/or divestitures, among other reasons. We are uncertain of the future impact of the ongoing COVID-19 pandemic or recovery of prior deterioration in economic conditions to our sales channels, supply chain, manufacturing, and distribution as well as overall construction, renovation, and consumer spending. Additionally, the current conflict between Russia and Ukraine and the related sanctions and other penalties imposed by countries across the globe against Russia are creating substantial uncertainty in the global economy. While we do not have operations in Russia or Ukraine and do not have significant direct exposure to customers and vendors in those countries, we are unable to predict the impact that these actions will have on the global economy or on our financial condition, results of operations, and cash flows as of the date of these financial statements.

Financial Condition, Capital Resources, and Liquidity

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

Our significant contractual cash requirements primarily include principal and interest on our unsecured notes and borrowings under our credit agreement, payments for operating lease liabilities, and certain purchase obligations incurred in the ordinary course of business that are enforceable and legally binding. Our obligations related to these items are described further within *Management's Discussion and Analysis of Financial Condition and Results of Operations* within our Annual Report filed on Form 10-K. We believe that we will be able to meet our liquidity needs over the next 12 months based on our cash on hand, current projections of cash flows from operations, 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 borrowing capacity, will sufficiently support our long-term liquidity needs. In the event of a sustained market deterioration, we may need additional capital, which would require us to evaluate available alternatives and take appropriate actions.

Cash

Our cash position at November 30, 2022 was \$284.1 million, an increase of \$60.9 million from August 31, 2022. Cash generated from operating activities and cash on hand were used during the current year to fund our capital allocation priorities as discussed below.

We generated \$186.6 million of cash flows from operating activities during the three months ended November 30,

2022, compared with \$83.7 million in the prior-year period, an increase of \$102.9 million. This increase was due primarily to increased cash collections from customers and fewer inventory purchases during the current period as well as the timing of quarterly income tax payments.

Financing Arrangements

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

At November 30, 2022, our outstanding debt balance was \$495.1 million, which consisted solely of our Unsecured Notes, compared to our cash position of \$284.1 million. We were in compliance with all financial covenants under our financing arrangements as of November 30, 2022.

At November 30, 2022, we had additional borrowing capacity under the Revolving Credit Facility of \$595.9 million under the most restrictive covenant in effect at the time, which represents the full amount of the Revolving Credit Facility less outstanding letters of credit of \$4.1 million issued under the facility. As of November 30, 2022, our cash on hand combined with the additional borrowing capacity under the Revolving Credit Facility totaled \$880.0 million.

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

Summarized Balance Sheet Information	November 30, 2022	August 31, 2022
Current assets	\$ 1,021.0	\$ 1,056.6
Amounts due from non-guarantor affiliates	300.9	280.2
Non-current assets	1,385.0	1,414.3
Current liabilities	593.3	620.4
Non-current liabilities	822.7	821.0

Summarized Income Statement Information	Three Months Ended November 30, 2022
Net sales	\$ 845.4
Gross profit	347.0
Net income	63.3

Capital Allocation Priorities

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

Investments in Current Business for Growth

We invested \$18.2 million and \$9.3 million in property, plant, and equipment during the three months ended November 30, 2022 and 2021, respectively. We invested more in fiscal 2023 primarily for investments in new and enhanced equipment and tooling.

Strategic Acquisitions, Investments, and Divestitures

We seek opportunities to strategically expand and enhance our portfolio of solutions. There were no acquisitions during the first three months of fiscal 2023 or fiscal 2022. During the three months ended November 30, 2022, we committed to a plan to sell our Sunoptics prismatic skylights business, which we completed on November 10, 2022. We recognized a loss of \$11.2 million on the sale of the business.

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

Dividends

We paid dividends on our common stock of \$4.3 million (\$0.13 per share) and \$4.7 million (\$0.13 per share) during the three months ended November 30, 2022 and 2021, respectively. All decisions regarding the declaration and payment of dividends are at the discretion of the Board of Directors (the "Board") and are evaluated regularly in light of our financial condition, earnings, growth prospects, funding requirements, applicable law, and any other factors the Board deems relevant.

Share Repurchases

During the first three months of fiscal 2023, we repurchased 0.5 million shares of our outstanding common stock for \$77.6 million. Total cash outflows for share repurchases during the three months ended November 30, 2022 were \$76.5 million. We expect to repurchase shares on an opportunistic basis subject to various factors including stock price, Company performance, market conditions, and other possible uses of cash. As of November 30, 2022, the maximum number of shares that may yet be repurchased under the share repurchase program authorized by the Board equaled 2.4 million shares.

The COVID-19 Pandemic

The COVID-19 pandemic has resulted in intermittent worldwide government restrictions on the movement of people, goods, and services resulting in increased volatility in and disruptions to global markets. We remain committed to prioritizing the health and well-being of our associates and their families and ensuring that we operate effectively. We have implemented various health and safety policies and processes at our facilities in the United States, Mexico, Canada, and other locations as permitted by law.

The COVID-19 pandemic has had an adverse impact on our results of operations. The pandemic has caused reduced construction and renovation spending as well as a disruption in our supply chain for certain components, both of which negatively impacted our operating results. Although our facilities are open, a resurgence in COVID-19 cases, including as a result of new variants, may lead to the reimposition of previously lifted business closure requirements, the imposition of new restrictions, or the issuance of new or revised local or national health guidance. We also continue to incur additional health and safety costs including expenditures for personal protection equipment and facility enhancements to maintain proper distancing guidelines issued by the Centers for Disease Control and Prevention. We have taken actions to reduce costs, including the realignment of headcount with volumes, a limit on all non-essential employee travel, other efforts to decrease discretionary spending, and reductions in our real estate footprint. Additionally, we elected to defer certain employer payroll taxes as allowable under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES" Act) signed into law on March 27, 2020. We paid half of these deferrals in December 2021 and the other half in December 2022.

Although we have implemented significant measures to mitigate further spread of the virus, our employees, customers, suppliers, and contractors may continue to experience disruptions to business activities due to potential further government-mandated or voluntary shutdowns, general economic conditions, or other negative impacts of the COVID-19 pandemic. We are continuously monitoring the adverse effects of the pandemic and identifying steps to mitigate those effects. As the COVID-19 pandemic is continually evolving, we are uncertain of its ultimate duration and impact. See *Part I, Item 1a. Risk Factors* of our Form 10-K for further details regarding the potential impacts of COVID-19 to our results of operations, financial position, and cash flows.

Results of Operations

First Quarter of Fiscal 2023 Compared with First Quarter of Fiscal 2022

The following table sets forth information comparing the components of net income for the three months ended November 30, 2022 and 2021 (in millions except per share data):

	Three Months Ended		Increase (Decrease)	Percent Change
	November 30, 2022	November 30, 2021		
Net sales	\$ 997.9	\$ 926.1	\$ 71.8	7.8 %
Cost of products sold	581.4	540.3	41.1	7.6 %
Gross profit	416.5	385.8	30.7	8.0 %
<i>Percent of net sales</i>	41.7 %	41.7 %	— bps	
Selling, distribution, and administrative expenses	300.7	270.7	30.0	11.1 %
Special charges	6.9	—	6.9	NM
Operating profit	108.9	115.1	(6.2)	(5.4) %
<i>Percent of net sales</i>	10.9 %	12.4 %	(150) bps	
Other expense:				
Interest expense, net	6.6	5.9	0.7	11.9 %
Miscellaneous expense, net	9.1	0.3	8.8	NM
Total other expense	15.7	6.2	9.5	153.2 %
Income before income taxes	93.2	108.9	(15.7)	(14.4) %
<i>Percent of net sales</i>	9.3 %	11.8 %	(250) bps	
Income tax expense	18.3	21.3	(3.0)	(14.1) %
<i>Effective tax rate</i>	19.6 %	19.6 %		
Net income	\$ 74.9	\$ 87.6	\$ (12.7)	(14.5) %
Diluted earnings per share	\$ 2.29	\$ 2.46	\$ (0.17)	(6.9) %
NM - not meaningful				

Net Sales

Net sales for the three months ended November 30, 2022 increased \$71.8 million, or 7.8%, to \$997.9 million, compared with \$926.1 million in the prior-year period. Both our ABL and ISG segments benefited from recent price increases as well as favorable mix. Changes in foreign currency rates and the divestiture from our Sunoptics prismatic skylight business did not have a meaningful impact on net sales for the first quarter of fiscal 2023.

Gross Profit

Gross profit for the first quarter of fiscal 2023 increased \$30.7 million, or 8.0%, to \$416.5 million, compared with \$385.8 million in the prior-year period, while gross profit margin remained flat at 41.7% compared with the prior-year period. Our gross profit margin remained flat with the prior year as we were able to offset material, labor, and other cost escalations with price and favorable mix.

Operating Profit

Selling, distribution, and administrative expenses ("SD&A") expenses for the three months ended November 30, 2022 were \$300.7 million, compared with \$270.7 million in the prior-year period, an increase of \$30.0 million, or 11.1%. The increase in SD&A expenses was due primarily to higher commissions and freight costs associated with higher sales. Amortization expense of definite-lived intangibles increased in fiscal 2023 as we recorded \$4.0 million of accelerated amortization for intangibles associated with certain brands that were discontinued.

We recognized special charges of \$6.9 million during the first quarter of fiscal 2023. Please refer to the *Special Charges* footnote of the *Note to Consolidated Financial Statements* for further details.

Operating profit for the first quarter of fiscal 2023 was \$108.9 million (10.9% of net sales), compared with \$115.1 million (12.4% of net sales) for the prior-year period, a decrease of \$6.2 million, or 5.4%. The operating profit margin

decrease of 150 bps year over year was due primarily to higher special charges, commission rates, and amortization expense.

Other Expense

Other expense consists 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 \$6.6 million and \$5.9 million for the three months ended November 30, 2022 and 2021, respectively.

We reported net miscellaneous expense of \$9.1 million and \$0.3 million for the three months ended November 30, 2022 and 2021, respectively. The year-over-year change in net miscellaneous expense was largely due to the \$11.2 million loss of the sale of the Sunoptics prismatic skylights business, the details of which are described in the *Acquisitions and Divestitures* footnote of the *Note to Consolidated Financial Statements*. This loss was partially offset by higher gains on foreign currency-related items compared to the prior year.

Income Taxes and Net Income

Our effective income tax rate was 19.6% for the three months ended November 30, 2022 and 2021 and reflects favorable discrete items recognized in both periods.

Net income for the three months ended November 30, 2022 decreased \$12.7 million, or 14.5%, to \$74.9 million, from \$87.6 million reported for the prior-year period. The decrease in net income resulted primarily from \$22.1 million in combined losses and special charges recognized from the Sunoptics sale and other restructuring activities as well as accelerated amortization of intangible assets. Diluted earnings per share for the three months ended November 30, 2022 decreased \$0.17, or 6.9%, to \$2.29 compared with diluted earnings per share of \$2.46 for the prior-year period. This decrease reflects lower net income, partially offset by lower outstanding diluted shares.

Segment Results

The following table sets forth information comparing the operating results of our segments, ABL and ISG, for the three months ended November 30, 2022 and 2021 (in millions).

	Three Months Ended		Increase (Decrease)	Percent Change
	November 30, 2022	November 30, 2021		
ABL:				
Net sales	\$ 947.1	\$ 883.6	\$ 63.5	7.2 %
Operating profit	118.1	128.1	(10.0)	(7.8) %
Operating profit margin	12.5 %	14.5 %	(200) bps	
ISG:				
Net sales	\$ 56.8	\$ 46.4	\$ 10.4	22.4 %
Operating profit	7.7	2.0	5.7	285.0 %
Operating profit margin	13.6 %	4.3 %	930 bps	

ABL net sales for the three months ended November 30, 2022 increased \$63.5 million, or 7.2%, to \$947.1 million, compared with \$883.6 million in the prior-year period. Sales within the ABL segment benefited from recent price increases as well as favorable mix year over year.

Operating profit for ABL was \$118.1 million (12.5% of ABL net sales) for the three months ended November 30, 2022, compared with \$128.1 million (14.5% of ABL net sales) in the prior-year period, a decrease of \$10.0 million. The decrease in operating profit was due primarily to the recognition of special charges of \$6.9 million attributed to the segment in the current period, the acceleration of amortization for definite-lived intangibles related to brands that were discontinued, and increased commission rates.

ISG net sales for the three months ended November 30, 2022 increased \$10.4 million, or 22.4%, to \$56.8 million, compared with \$46.4 million in the prior-year period, driven primarily by strong demand for building management controls, improved component availability, and price increases. ISG operating profit was \$7.7 million for the three

months ended November 30, 2022, compared with \$2.0 million in the prior-year period, an increase of \$5.7 million. This increase was due primarily to contributions from higher sales, partially offset by increased employee costs.

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

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

Cautionary Statement Regarding Forward-Looking Statements and Information

This filing contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the "Act"). Forward-looking statements use words such as "expect," "believe," "intend," "anticipate," "indicative," "projection," "predict," "plan," "may," "could," "should," "would," "potential," and words of similar meaning, as well as other words or expressions referencing future events, conditions, or circumstances. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Act. Statements that describe or relate to the Company's plans, goals, intentions, strategies, or financial outlook, and statements that do not relate to historical or current fact, are examples of forward-looking statements. Forward-looking statements are not guarantees of future performance. Our forward-looking statements are based on our current beliefs, expectations, and assumptions, which may not prove to be accurate, and are subject to known and unknown risks and uncertainties, many of which are outside of our control. These risks and uncertainties could cause actual results to differ materially from our historical experience and management's present expectations or projections. These risks and uncertainties are discussed in our filings with the U.S. Securities and Exchange Commission, including our most recent annual report on Form 10-K (including, but not limited to, *Part I, Item 1a. Risk Factors*), quarterly reports on Form 10-Q, and current reports on Form 8-K. Any forward-looking statement speaks only as of the date on which it is made. You are cautioned not to place undue reliance on any forward-looking statements. Except as required by law, we undertake no obligation to publicly update or release any revisions to these forward-looking statements to reflect any events or circumstances after the date of this quarterly report or to reflect the occurrence of unanticipated events, whether as a result of new information, future events, or otherwise.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks that may impact our *Consolidated Balance Sheets*, *Consolidated Statements of Comprehensive Income*, and *Consolidated Statements of Cash Flows* due primarily to fluctuations in interest rates, foreign exchange rates, and commodity prices. There have been no material changes to our exposure from market risks from those disclosed in *Part II, Item 7a. Quantitative and Qualitative Disclosures About Market Risk* of our Form 10-K.

Item 4. Controls and Procedures

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

As required by SEC rules, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of November 30, 2022. 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 November 30, 2022. However, because all disclosure procedures must rely to a significant degree on actions or decisions made by employees throughout the organization, such as reporting of material events, the Company and its reporting officers believe that they cannot provide absolute assurance that all control issues and instances of fraud or errors and omissions, if any, within the Company will be detected. Limitations within any control system, including our control system, include faulty judgments in decision-making or simple errors or mistakes. In addition, controls can be circumvented by an individual, by collusion between two or more people, or by management override of the control. Because of these limitations, misstatements due to error or fraud may occur and may not be detected.

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

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Information regarding reportable legal proceedings is contained in *Part I, Item 3. Legal Proceedings* in our Form 10-K. Information set forth in this report's *Commitments and Contingencies* footnote of the *Notes to Consolidated Financial Statements* describes any legal proceedings that became reportable during the three months ended November 30, 2022, and updates any descriptions of previously reported legal proceedings in which there have been material developments during such period. The discussion of legal proceedings included within the *Commitments and Contingencies* footnote of the *Notes to Consolidated Financial Statements* is incorporated into this Item 1 by reference.

Item 1a. Risk Factors

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

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

On March 31, 2022, the Board of Directors (the "Board") authorized the repurchase of up to five million shares of our common stock. Under the current share repurchase authorization, we may repurchase shares of our common stock from time to time at prevailing market prices, depending on market conditions, through open market or privately negotiated transactions. No date has been established for the completion of the share repurchase program, and we are not obligated to repurchase any shares. Subject to applicable corporate securities laws, repurchases may be made at such times and in such amounts as management deems appropriate. Repurchases under the program can be discontinued at any time management feels additional repurchases are not warranted. As of November 30, 2022, the maximum number of shares that may yet be repurchased under the share repurchase program authorized by the Board equaled 2.4 million shares. The following table reflects activity related to equity securities we repurchased during the quarter ended November 30, 2022:

Purchases of Equity Securities				
Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Maximum Number of Shares that May Yet Be Purchased Under the Plans
9/1/2022 through 9/30/2022	196,491	\$ 161.27	196,491	2,621,709
10/1/2022 through 10/31/2022	105,557	\$ 169.35	105,557	2,516,152
11/1/2022 through 11/30/2022	149,619	\$ 187.14	149,619	2,366,533
Total	451,667	\$ 171.73	451,667	2,366,533

Item 5. Other Information

None.

Item 6. Exhibits

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

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 Restated Certification of Incorporation 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)	Certificate of Amendment to the Restated Certificate of Incorporation of Acuity Brands, Inc., dated as of January 7, 2021.	Reference is made to Exhibit 3(d) of registrant's Form 10-Q as filed with the Commission on January 7, 2021, which is incorporated herein by reference.
	(e)	Amended and Restated Bylaws of Acuity Brands, Inc., dated as of January 7, 2021.	Reference is made to Exhibit 3(e) of registrant's Form 10-Q as filed with the Commission on January 7, 2021, which is incorporated herein by reference.
EXHIBIT 10	(1)	Acuity Brands, Inc. Amended and Restated 2012 Omnibus Stock Incentive Compensation Plan Global Performance Unit Notification and Award Agreement (TSR October 2022).	Filed with the Commission as part of this Form 10-Q.
EXHIBIT 22		List of Guarantors and Subsidiary Issuers of Guaranteed Securities.	Reference is made to Exhibit 22 of registrant's Form 10-K as filed with the Commission on October 26, 2022, which is incorporated herein by reference.
EXHIBIT 31	(a)	Certification of the Chief Executive Officer of the Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed with the Commission as part of this Form 10-Q.
	(b)	Certification of the Chief Financial Officer of the Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed with the Commission as part of this Form 10-Q.
EXHIBIT 32	(a)	Certification of the Chief Executive Officer of the Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Filed with the Commission as part of this Form 10-Q.
	(b)	Certification of the Chief Financial Officer of the Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Filed with the Commission as part of this Form 10-Q.
EXHIBIT 101	.INS	XBRL Instance Document	The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
	.SCH	XBRL Taxonomy Extension Schema Document.	Filed with the Commission as part of this Form 10-Q.
	.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	Filed with the Commission as part of this Form 10-Q.
	.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	Filed with the Commission as part of this Form 10-Q.
	.LAB	XBRL Taxonomy Extension Label Linkbase Document.	Filed with the Commission as part of this Form 10-Q.
	.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	Filed with the Commission as part of this Form 10-Q.
EXHIBIT 104		Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)	Filed with the Commission as part of this Form 10-Q



ACUITY BRANDS, INC.
Amended and Restated 2012 Omnibus Stock Incentive Compensation Plan
Global Performance Unit Notification and Award Agreement
(rTSR Performance Award)

Grantee:	/\$ParticipantName\$
Grant Type:	/\$GrantType\$
Grant ID:	/\$GrantID\$
Grant Date:	/\$GrantDate\$
Target Award Amount:	/\$AwardsGranted\$
Maximum Award Amount:	Up to 200% of the Target Award Amount
Performance Period:	Three-Year Period Comprised of Fiscal Years 2023, 2024, and 2025
Service Period:	Three-Year Cliff Vest on October 24, 2025
Grantee Level:	/\$UserCode2\$ for Stock Ownership Guidelines (<u>Exhibit A</u>)
Accept by Date:	/\$AcceptByDate\$

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. In the event of any conflict between the terms of the Plan and the terms of this Agreement, the terms of the Plan shall prevail. 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 B 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 B.

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 B 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 Following 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 Following Termination with Tenure. Notwithstanding Section 5(a) above, if Grantee's employment terminates for a reason other than Cause on or after the date on which the number of completed years of Grantee's continuous service to the Company or a Subsidiary or Affiliate is at least five (5) ("Tenure"), the Performance Units will remain outstanding and will remain available to vest on a pro rata basis (as described below) at the end of the Service Period set forth above and subject to the terms set forth in this Agreement, including Exhibit B attached hereto, as though Grantee had remained employed, 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 pro-rata portion of the Performance Units that will remain outstanding and available to vest following Grantee's termination with Tenure will be calculated based on the ratio of (x) each full year worked by Grantee from the Grant Date to Grantee's Date of Termination (as defined below), to (y) the total number of years in the Service Period. The Company, in its sole discretion, will determine whether Grantee has completed five (5) 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 with Tenure, 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 and any Dividend Equivalents 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 and other Legal 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; Stock Ownership Guidelines. 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. Grantee acknowledges its obligations, if and as applicable to Grantee's position, described in the Company's Stock Ownership Guidelines in effect from time to time, as summarized in Exhibit A.

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 are 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 payable 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 or Section 17(g) below, 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. For avoidance of doubt, any vesting and settlement of Performance Units effected to cover Tax-Related Items pursuant to this Section 17(g) shall apply only to the applicable number of Performance Units and not to any associated Dividend Equivalents thereon, which shall remain subject to vesting on the dates or events set forth in Section 5 and payable pursuant to Section 7 of this Agreement.

18. Data Privacy. *Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Grantee's personal data as described in this Agreement and any other Performance Unit grant materials ("Data") by and among, as applicable, the Company and its other Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing Grantee's participation in the Plan.*

Grantee understands that the Company may hold certain personal information about Grantee, including, but not limited to, Grantee's name, home address, email address, telephone number, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any Shares of stock or directorships held in the Company, details of all Performance Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Grantee's favor, for the exclusive purpose of implementing, administering and managing the Plan.

Grantee understands that Data will be transferred to Bank of America Merrill Lynch ("Merrill Lynch"), or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Grantee understands that the recipients of the Data may be located in the U.S. or elsewhere, and that the recipients' country (e.g., the U.S.) may have different data privacy laws and protections than Grantee's country. Grantee understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Grantee authorizes the Company, Merrill Lynch and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Grantee understands that Data will be held only as long as is necessary to implement, administer and manage Grantee's participation in the Plan. Grantee understands he or she may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Grantee understands that he or she is providing the consents herein on a purely voluntary basis. If Grantee does not consent, or if Grantee later seeks to revoke his or her consent, his or her employment status will not be adversely affected; the only consequence of refusing or withdrawing Grantee's 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 his or her consent may affect Grantee's ability to participate in the Plan. For more information on the consequences of Grantee's refusal to consent or withdrawal of consent, Grantee understands that he or she may contact his or her local human resources 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 C to this Agreement for Grantee's country. Moreover, if Grantee relocates to one of the countries included in Exhibit C, 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 C constitutes part of this Agreement.

24. Language. Grantee acknowledges that he or she is sufficiently proficient in English, or has consulted with an advisor who is sufficiently proficient in English, so as to allow Grantee to understand the terms of this Agreement. Furthermore, 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.

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

STOCK OWNERSHIP GUIDELINES 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 acknowledge that you have read the Company's Stock Ownership Guidelines ("Guidelines"), as posted on the Company's website, and that you are expected to adhere to those Guidelines.

Your stock ownership level and retention requirements are set forth below based on the Grantee Level stated on the first page of this Agreement.

<u>Grantee Level / Title</u>	<u>Ownership Multiple of Annual Base Salary</u>	<u>Retention Requirement Percentage</u>
0 – CEO	6	50%
1 – Other Named Executive Officers (NEOs)	3	50%
2 – Senior Vice Presidents (other than NEOs)	2	50%
3 – All Other Associates/Participants	0	0%

EXHIBIT B

PERFORMANCE GOAL FOR rTSR PERFORMANCE UNIT AWARD

Grant ID: /\$GrantID\$/

Grant Date: /\$GrantDate\$/

Target Share Units: /\$AwardsGranted\$/

Performance Period: Three-Year Period Comprised of Fiscal Years 2023, 2024 and 2025 (September 1, 2022 through August 31, 2025)

Measurement Date: August 31, 2025 (end of third fiscal year)

Vesting Date: The later of the date on which the Committee certifies the achievement level of the Performance Goal after the Measurement Date, or the third anniversary of the Grant Date, October 24, 2025

Benchmark Group: S&P 400 Capital Goods Index (see below for list of companies in this Index)

Performance Goal:

The achievement of a level of the relative Total Shareholder Return Performance Measure (as defined below) between the Threshold and Maximum as shown in the table below (the "Achievement Level"). Final performance will be measured against the payout curve as of the Measurement Date. The number of shares you will receive will be calculated by multiplying your Target Share Units by the Payout % between 0% and 200%. The exact Payout % will be determined by linear interpolation of the Achievement Level of the Performance Measure between the bend points illustrated below. **If the Performance Measure is at or below Threshold, no payout will be received.**

The following table shows the Achievement Levels.

	Threshold Payout	Target Payout	Maximum Payout
Performance Measure	25 th Percentile Rank and Below 25 th Percentile Rank compared to Benchmark Group	50 th Percentile Rank of Company compared to Benchmark Group	75 th and above Percentile Rank of Company compared to Benchmark Group
Achievement Level	0%	100%	200%

Definition:

Total Shareholder Return ("TSR") means the stock price appreciation from the beginning to end of the Performance Period, plus dividends and distributions made or declared during the Performance Period (it shall be assumed that such dividends or distributions are reinvested as of the ex-dividend date), expressed as a percentage return. Relative total shareholder return ("rTSR") is the percentile rank of the Company's TSR over the Performance Period as compared to the TSR of each company in the Benchmark Group (the "Performance Measure").

Calculation of Relative Total Shareholder Return (rTSR):

TSR for Acuity and each peer company will be calculated using the equation shown below:

$$\text{TSR} = \frac{(\text{Ending Stock Price} - \text{Beginning Stock Price})}{\text{Beginning Stock Price}} \times 100$$

The Beginning Stock Price equals the average closing stock price during the 20-trading day period preceding the start of the Performance Period. The Ending Stock Price will equal the average closing price over the 20-trading day period ending on the last day of the Performance Period, assuming dividends distributed during the Performance Period are reinvested on the ex-dividend date for additional shares of the issuing company's stock.

At the end of the Performance Period the TSR of each company in the peer group (excluding Acuity) will be ranked from highest to lowest, with the company with the highest TSR being assigned a rank of 1. Acuity's percentile rank within the Peer Group will be calculated using the formula below, where N is the total companies in the Peer Group excluding Acuity and R is Acuity's ranking within the Peer Group. N equals 45 as of the Valuation Date.

$$\text{Percentile Rank} = \frac{N - R}{N - 1}$$

The percentile rank of Acuity's TSR within the peer group will be calculated using the equation below, where PR_{Acuity} and TSR_{Acuity} equal Acuity's percentile rank and TSR, PR_{above} and TSR_{above} equal the percentile rank and TSR of the peer company performing just above Acuity, and PR_{below} and TSR_{below} equal the percentile rank and TSR of the peer company performing just below Acuity.

$$PR_{\text{Acuity}} = PR_{\text{above}} + (PR_{\text{below}} - PR_{\text{above}}) \times \frac{(TSR_{\text{above}} - TSR_{\text{Acuity}})}{(TSR_{\text{above}} - TSR_{\text{below}})}$$

If Acuity's TSR is greater than the highest TSR of the peer companies, its TSR will be positioned at the 100th percentile. Similarly, if Acuity's TSR is less than the lowest TSR of the peer companies, its TSR will be positioned at the 0th percentile.

Payout Example:

A payout example assuming an award of 100 Target Share Units would be as follows:

Determine Acuity Brands TSR. The Beginning Stock Price for Acuity Brands was \$25.01 per share and the Ending Stock Price was \$41.45 per share, then the TSR for Acuity Brands would be 65.73%. The calculation is as follows:

$$\text{Acuity Brands TSR} = \frac{(\$41.45 - \$25.01)}{\$25.01} \times 100 = 0.6573$$

Determine Benchmark Group rank and percentile rank.

Company	TSR	Rank	Percentile
Company A	95.54%	1	100.00%
Company B	92.53%	2	92.30%
Company C	91.19%	3	84.61%
Company D	71.00%	4	76.92%
Company E	65.87%	5	69.23%
Company F	62.56%	6	61.53%
Company G	46.59%	7	53.84%
Company H	46.29%	8	46.15%
Company I	45.02%	9	38.46%
Company J	37.92%	10	30.76%
Company K	24.70%	11	23.07%
Company L	9.62%	12	15.38%
Company M	7.46%	13	7.69%
Company N	0.95%	14	0.00%

Acuity Brands, Inc. 65.73%

Determine the relative percentile rank of Acuity Brands' TSR within the Benchmark Group.

$$\text{PRAcuity} = 69.23\% + (61.53\% - 69.23\%) \times \frac{(65.87\% - 65.73\%)}{(65.87\% - 62.56\%)}$$

PRAcuity = **68.90%**

A 68.90% percentile rank results in an achievement level of between Target (50th percentile) and Maximum (75th percentile and above). The payout percentage would be interpolated between 100% and 200% to be 176%. The number of shares earned as a result are as follows:

100 Target Shares x 176% payout percentage = **176 shares earned**

S&P 400 Capital Goods Index - 45 Companies

The S&P 400 Capital Goods Index (the “Benchmark Group”) will be considered “closed” as of September 1, 2022, with no new companies being added subsequent to the establishment of the Benchmark Group.

AECOM	MasTec, Inc.
AGCO Corporation	MDU Resources Group, Inc.
Axon Enterprise, Inc.	Mercury Systems, Inc.
Builders FirstSource, Inc.	MSC Industrial Direct Co., Inc.
Carlisle Companies Incorporated	nVent Electric plc
Chart Industries, Inc.	Oshkosh Corporation
Crane Holdings Incorporated	Owens Corning
Curtiss-Wright Corporation	Regal Rexnord Corporation
Donaldson Company, Inc.	Simpson Manufacturing Co., Inc.
Dycom Industries, Inc.	SunPower Corporation
EMCOR Group, Inc.	Sunrun Inc.
EnerSys	Terex Corporation
ESAB Corporation	The Middleby Corporation
Flowserve Corporation	The Timken Company
Fluor Corporation	The Toro Company
GATX Corporation	Trex Company, Inc.
Graco Inc.	Univar Solutions Inc.
Hexcel Corporation	Valmont Industries, Inc.
Hubbell Incorporated	Vicor Corporation
ITT Inc.	Watsco, Inc.
Kennametal Inc.	Watts Water Technologies, Inc.
Lennox International Inc.	Woodward, Inc.
Lincoln Electric Holdings, Inc.	

EXHIBIT C

ADDITIONAL TERMS AND CONDITIONS FOR GRANTEES OUTSIDE THE U.S.

Terms and Conditions

This Exhibit C 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 C 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 October 2020. 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 C 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 C have the meanings set forth in the Plan and the Agreement.

EUROPEAN UNION/EUROPEAN ECONOMIC AREA (Including United Kingdom)

Data Privacy. The provisions below replace Section 18 of the Agreement if Grantee is located in the European Union/European Economic Area (including the United Kingdom).

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. Further, 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: Rob Selker at rob.selker@eldoled.com, Loic Mrissa at lmrissa@distech-controls.com, or Ian Doyle at IDoyle@holophane.co.UK. Bank of America Merrill Lynch has not 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 18(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 Rob Selker at rob.selker@eldoled.com, Loic Mrissa at lmrissa@distech-controls.com, or Ian Doyle at IDoyle@holophane.co.UK. 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 Rob Selker at rob.selker@eldoled.com, Loic Mrissa at lmrissa@distech-controls.com, or Ian Doyle at IDoyle@holophane.co.UK.

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. This period may extend beyond Grantee’s employment with the Employer. When the Company no longer needs Grantee’s Personal Data, the Company will remove it from its systems to the fullest extent reasonably practicable. 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.

Controller and Authorized EU Representative. The Company is the controller responsible for the processing of Grantee's Personal Data as described in this Section 18. The Company's authorized representative in the EU is Rob Selker, eldoLED B.V., Science Park Eindhoven 5125, 5692 ED Son, The Netherlands, and Loic Mrissa, Distech Controls, ZAC de Sacuny, 558 avenue Marcel Mérieux Brignais, France.

**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 judiciaires 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)**

Terms and Conditions

Termination of Service. The following provision supplements Section 5(d) of the Agreement:

Notwithstanding Section 5(d) of the Agreement, if applicable employment standards legislation explicitly requires continued entitlement to vesting during a statutory notice period, Grantee's right to vest in the RSUs under the Plan, if any, will terminate effective as of the last day of Grantee's minimum statutory notice period, but Grantee will not earn or be entitled to pro-rated vesting if the Vesting Date falls after the end of Grantee's statutory notice period, nor will Grantee be entitled to any compensation for lost vesting.

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 specified foreign property on Form T1135 (Foreign Income Verification Statement) if the total cost of the foreign specified property exceeds C\$100,000 at any time in the year. Foreign specified 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. However, provided the Common Stock is listed on a recognized stock exchange (e.g., the New York Stock Exchange) and Grantee owns less than 1% of the Company, this requirement will not apply. Grantee should consult with his or her personal tax advisor to ensure Grantee complies with applicable reporting obligations.

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 C; (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 C. 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 paying 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 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.

K. **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.

L. **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.

M. **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.

- N. **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.
- O. **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.

- P. **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.
- Q. **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.
- R. **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.
- S. **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, a list of actual or potential customers or suppliers, or any other proprietary information 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 “good and sufficient reason” or “just cause” (either at common law or civil law) for termination of employment without notice, payment in lieu of notice or any indemnity whatsoever.”

The following provision replaces Section 1(j) of the Confidentiality Provisions:

“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”, also known as “Work Made in the Course of Employment” under s. 13(3) of the Canadian *Copyright Act*, (“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.

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 in any Inventions that are non-assignable, including, but not limited to common law rights, moral rights 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 2(e) of the Confidentiality Provisions:

E. 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 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:

F. Non-Solicitation of Customers.

Grantee acknowledges and agrees that during his/her employment, and for eighteen (18) months after the Date of Termination, Grantee has not and will not solicit Customers (as defined in Section 1(c) above) with whom he/she had Material Contact (as defined in 1(h) above) for the purpose of providing goods and/or services competitive with the Company's Business.

The following provision replaces Section 2(g) of the Confidentiality Provisions:

G. Non-Solicitation of Employees and Agents.

Grantee acknowledges and agrees that during his/her employment, and for a period of eighteen (18) months after the Date of Termination, Grantee has not and will not, whether on behalf of Grantee or others, solicit, lure or attempt to hire away any of the Company's employees or agents.

The following provision replaces Section 2(h) of the Confidentiality Provisions:

H. Non-Solicitation of Sales Agents.

Grantee acknowledges and agrees that during his/her employment, and for a period of eighteen (18) months after the Date of Termination, Grantee has not and will not, 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.

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.

GERMANY

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 a 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 replaces Section 1(i) of the Confidentiality Provisions:

"Termination for Cause" or "Terminated for Cause" means any termination within the meaning of Section 626 German Civil Code (*Bürgerliches Gesetzbuch, BGB*).

Section 1(j) of the Confidentiality Provisions is deleted.

The following provision replaces Section 2(d) of the Confidentiality Provisions:

Inventions. Except for patentable inventions which are subject to and are dealt with in accordance with the German Act on Employee Inventions (*ArbNErfG*), all rights of works (including computer software programs, object codes, source codes and associated documentation) and of all inventions, knowledge and experience of technical and commercial nature which Grantee creates during the term of his/her employment relationship as part of his/her duties is worldwide the sole property of the Company, including the right of reproduction, distribution, sale, the grant of usage rights – also of exclusive nature - to third parties, processing and further development. To the extent legally possible, Grantee transfers and assigns these rights to the Company, alternatively Grantee grants the Company an exclusive, fully paid-up, royalty-free, world-wide license for all types of exploitation and for the entire period of protection of their respective intellectual property rights, in particular copyright. The Company is also entitled to make modifications and additions to the copyrightable works created by Grantee. Grantee waives the right to be named as the author in connection with the work. The transfer of rights is deemed fully compensated by the remuneration received under the employment relationship.

Section 2(e) is re-titled as “Post-Contractual Non-Compete Covenant, Contractual Penalty”

The following provisions replace Sections 2(e) and 2(f) of the Confidentiality Provisions:

- (i) Grantee is obliged, for a period of two years after the termination of the employment, not to engage in a business which is in competition with the Company’s Business. Also included are such areas of work, which are relevantly affected by the activities of Grantee under his/her employment contract.

Should the areas of activity change during the term of employment, those activities Grantee was engaged in while performing his/her working duties during the past two years shall be deemed to be included in the non-compete covenant.

- (ii) Similarly, Grantee is not permitted, during this period of time, to set up or to participate in any competing enterprise as a majority shareholder or as the holder of a blocking minority within such enterprise.
- (iii) Within two years after the termination of the employment relationship, Grantee is obliged not to carry out work for such clients who belonged to the customer/client list of the Company during the past two years before the termination of the employment relationship. The non-compete covenant also applies for the benefit of any businesses connected with the Company with which Grantee dealt either directly or indirectly.
- (iv) This non-compete covenant applies for the Territory.
- (v) For the duration of the non-compete covenant, the Company is obliged to pay Grantee compensation in the amount of the legal minimum compensation. The compensation is to be paid in monthly instalments at the end of each month.

In case the violation of the non-competition clause consists in a continuing obligation, in particular in the conclusion of an employment, service, agency or consultancy agreement with a company, which is in competition with the Company or in case Grantee maintains a capital interest in such, the contractual penalty shall accrue for each new month of activity or interest ("continuing violation").

- (vi) Every time Grantee breaches the obligations described under Sections 2(e)(i) to 2(e)(iv), he/she shall pay a contractual penalty in the amount of one monthly gross salary. The amount of the contractual penalty depends on the monthly gross base salary Grantee last received under the employment contract.
- (vi) During the period of breach of the non-competition clause, the Company's obligation to pay compensation according to Section 2(e)(v) shall be suspended.
- (vii) The Company's right to further damages shall not be affected.

Section 2(f) of the Confidentiality Provisions is deleted.

Section 2(h) of the Confidentiality Provisions is deleted.

The following provision replaces Section 7 of the Confidentiality Provisions:

Amendments and Modifications. Any changes of or amendments to the Confidentiality Provisions and any Exhibit, including this provision, must be made in writing in order to become legally effective. This shall not apply to individual agreements.

ITALY

For the purpose of the provisions hereafter, the "Company" means the local entity in Italy 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 Italy 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 duration of the obligations indicated under Section 2(e) through (h) of the Confidentiality Provisions is all meant to be for a period of twelve (12) months, and Grantee acknowledges and agrees that for twelve (12) months after the Date of Termination his/her will be bound to such obligations.

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 is added to Section 1(i) of the Confidentiality Provisions:

“Termination for Cause” or **“Terminated for Cause”** means any disciplinary termination issued pursuant to Art. 7, Act no. 300/1970, for a disciplinary reason including but not limited to involuntary termination of Grantee by the Company for the reasons listed under Section 1(I) from letter (i) and (v).

The following provision replaces Section 2(d) of the Confidentiality Provisions:

Inventions Retained and Licensed. Attached hereto, as **Schedule 1**, is a list describing all inventions, original works of authorship, developments, improvements, and trade secrets which were made by the Grantee prior to the Grantee's employment with the Company (collectively referred to as **“Prior Inventions”**), which belong to the Grantee, which relate to the Company’s proposed business, products or research and development, and which are not assigned to the Company hereunder; or, if **Schedule 1** is left blank, the Grantee hereby represents that there are no such Prior Inventions. If in the course of the Grantee’s employment with the Company, the Grantee incorporates into a Company product, process or machine a Prior Invention owned by the Grantee or in which the Grantee has an interest, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license to make, have made, modify, use and sell such Prior Invention as part of or in connection with such product, process or machine.

Assignment of 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 articles 12-bis and 12-ter of the Copyright Law no. 633/1941, Grantee acknowledges that the copyrights to any software, database and their documentation and to any industrial design developed by Grantee in the course of his/her employment contract belong as a matter of law to the Company. Furthermore, in accordance with article 64(1) of the Legislative Decree no. 30/2005 (Industrial Property Code), Grantee further acknowledges that the inventions made within the context of his/her employment providing for an "inventive activity" which corresponds to his/her actual duties, or, as part of studies or research which have been specifically entrusted to Grantee, and for which he/her is remunerated, belong to the Company as a right.

In accordance with article 64(2) of the Industrial Property Code, which provides that the employee is entitled to receive an additional remuneration for the invention made during the performance of its employment duties but outside the scope of article 64(1), Grantee agrees that such additional remuneration will be due provided that the Company or its assignees patent the invention or use it under a secrecy regime and will be determined pursuant to applicable law, taking into consideration the value of the invention, the duties and compensation of the employee and the contribution/assistance received by the Company in developing the invention.

Grantee further acknowledges that for all the other inventions created either (i) in the field of the Company's activity, or (ii) 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 pursuant to article 64(3) of the Industrial Property Code and upon the payment of a consideration to be agreed between the parties taking into consideration the help and support that the employee received from the Company in developing the invention.

Grantee further undertakes 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.

The following change is made to Sections 2(f), 2(g), and 2(h): The phrase "twenty-four (24) months after the Date of Termination" is replaced with "twelve (12) months after the Date of Termination".

The following provision replaces Section 2(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. 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 (*provvedimento cautelare*) as well as a Court's order for specific performance, in addition to any other rights or remedies the Company may have.

The following new Sections 2(j) through (m) are added after Section 2(i) of the Confidentiality Provisions:

J. Consideration. As consideration for the post termination non-competition and non-solicitation obligations under Section 2 ((e), (f), (g), and (h)) under the condition that Grantee complies with such obligations, Grantee will receive a monthly gross indemnity as determined by the Company pursuant to local law, to be no less than thirty percent (30%) of his/her fixed gross monthly salary received the last full month of employment (excluding any variable or bonus pay), multiplied for the number of months of duration of the obligations under Section 2 ((e), (f), (g), and (h)), it being understood that this indemnity will be subject to social security contributions.

K. Reduction In Scope Or Withdrawal. 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 three (3) days following the notification of the termination of the employment agreement and no later than Grantee's last day of effective work. In such an event, Grantee will receive from the Company an indemnity equal to one gross fixed monthly salary (as resulting at the date of termination).

L. Damages. If Grantee breaches the post-employment non-competition and non-solicitation obligations, the Company will no longer be required to pay the gross monthly indemnity provided under

Section 2(j) and Grantee will be required to reimburse the Company for any amount that he/she may have been granted in this respect as well as may be required to pay any further damages or be requested to cease any activity in breach of these obligations through an injunctive relief per Section 2(i).

M. **Legitimacy.** 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.

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 R.L. de C.V., 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 213 of the Criminal Code of the Federal District of Mexico, 210 and 211 of the Federal Criminal Code."

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 damages 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), and (i) 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 changes in made in 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.

I, Neil M. Ashe, certify that:

1. I have reviewed this report on Form 10-Q 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 first 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: January 9, 2023

/s/ Neil M. Ashe

Neil M. Ashe

Chairman, President and Chief Executive Officer

[A signed original of this written statement required by Section 302 of the Sarbanes-Oxley Act has been provided to Acuity 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 report on Form 10-Q 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 first 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: January 9, 2023

/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 Quarterly Report on Form 10-Q of Acuity Brands, Inc. (the "Corporation") for the quarter ended November 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, the Chairman, President and Chief Executive Officer of the Corporation, certifies that:

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

/s/ Neil M. Ashe

Neil M. Ashe

Chairman, President and Chief Executive Officer

January 9, 2023

[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 Quarterly Report on Form 10-Q of Acuity Brands, Inc. (the "Corporation") for the quarter ended November 30, 2022, 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

January 9, 2023

[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.]