



Date: May 8<sup>th</sup>, 2019

To: Acuity Brands U.S. Customers

Subject: Tariff Price Increase

In November 2018, Acuity Brands notified customers about a price increase of up to an additional 15% on January 2, 2019, because of increases in our product input costs, including the direct and indirect impact from higher tariffs. During the G20 Summit meeting, held December 1, 2018, the Trump Administration announced a pause on any additional tariffs for a period of 90 days while U.S. and China trade negotiations continued. As a result, Acuity Brands delayed the January 2<sup>nd</sup> increase until March 4, 2019. In February, the Trump Administration announced an intent to delay an increase to the tariffs, and in response, Acuity Brands delayed the March 4<sup>th</sup> increase. All other previously announced and implemented increases from 2018 remained in full effect.

Over the last several weeks, USTR and Chinese officials have met several times to discuss a potential trade deal. This week, Chinese delegates will travel again to the US for continuation of trade talks, but no deal has been reached. In a briefing held on May 6, 2019, the USTR indicated the additional tariffs will go into effect on Friday, May 10<sup>th</sup>.

Therefore, our previously announced increase of up to an additional 15% on certain products will be implemented and effective on Wednesday, May 15<sup>th</sup>, 2019. The last day for entry and shipping release of orders for impacted products at current prices is Tuesday, May 14<sup>th</sup>, 2019. All orders entered or released for shipping after this date will be invoiced at the new prices, without exception.

We will continue to monitor the USTR actions and communicate any changes to the tariff rate, implementation date, or scope of items that would affect this announced increase or future increases accordingly.

Price increase levels by product family and updated customer stock price sheets will be communicated ahead of the May 15<sup>th</sup> implementation date.

We remain committed to our industry partners and we appreciate your support through these dynamic market conditions.

Best Regards,

Handwritten signature of Sero Cardamone in black ink.

Handwritten signature of Amra Boucher in black ink.

Handwritten signature of Mike DeBlois in black ink.

Sero Cardamone  
SVP, Global Sales

Amra Boucher  
VP, Customer Engagement

Mike DeBlois  
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