

## **Returned Goods Allowance Program**

We recognize and appreciate the ongoing relationship that exists between our distributor partners and Acuity Brands Lighting, Inc. ("Acuity Brands"). In recognition of your support, Acuity Brands is pleased to make available a Returned Goods Allowance Program on the terms and conditions set forth below. This Returned Goods Allowance Program is effective as of February 1 of the current calendar year through January 31 of the following calendar year (each, a "Program Year").

### **Return of Stock Products**

Stock products that Acuity Brands maintains in its inventory may be returned four (4) times per program year. Such returns will be accepted by Acuity Brands without restocking charges under the following conditions:

- Products must be inventoried by Acuity Brands (non-stock products are excluded).
- Products must have been purchased by distributor for inclusion into their inventory for the purpose of speculative sale.
- Products must have been purchased by distributor within twelve (12) months of the return date, unopened and in good, resalable condition.
- All returns must be accompanied by a replacement stock order of equal or greater value. The replacement order must be for stock products intended to be placed in distributor's inventory for the purpose of speculative sale.
- No return order size limit.
- No restocking charges.
- Distributor must pay return freight.

### **Inventory Clean-Up Allowance**

Distributor will receive an Inventory Clean-Up Allowance equal to one percent (**1%**) of distributor's C&I stock purchases, excluding Corporate Accounts (including, without limitation, A2, A2C, Government, Utility and Catalog) and all Services (including, without limitation, all labor (repair, field service, installation, etc.), controls start-up or commissioning, design, data, monitoring and apps) and all non-product charges (including, without limitation, taxes, disposition charges, etc.) purchases, during the previous calendar year (the "Inventory Clean-Up Allowance"). Inventory Clean-Up Allowance applies to Stock products that Acuity Brands maintains in its inventory and are not covered by other policies (i.e., Acuity Brands errors or agency errors) may be returned or field scrapped up to the amount of the Inventory Clean-Up Allowance subject to the following conditions:

- Inventory Clean-Up Allowance must be utilized during Program Year. Any Inventory Clean-Up Allowance not used by January 31<sup>st</sup> of the applicable Program Year is forfeited.
- Field scrap of stock products consisting of: concealed damage outside the freight company's policy, incidental defective products, and customer damaged inventory; provided that products have been purchased by distributor within twelve (12) months of request date.
- Acuity Brands reserves the right to request the return of any products credited against the Inventory Clean-Up Allowance under this Agreement. If applicable, distributor must pay return freight. Products not returned, but credited against the Inventory Clean-Up Allowance are to be disposed of appropriately and in accordance with applicable law and not held in distributor's inventory.