Triodos Investment Management

ACUITY BRANDS INC

MEETING DATE	Wed, 06 Jan 2016 11:00 am	TYPE	AGM	ISSUE DATE	Wed, 02 Dec 2015
MEETING LOCATION	Four Seasons Hotel - Ballroom 75 Fourteenth Street, NE Atlanta, Georgia				
CURRENT INDICES	PIRC Global				
SECTOR	Electric lighting and wiring equipment				

	PROPOSALS	ADVICE
1.01	**Elect James H. Hance Jr.** Independent Non-Executive Director.	**For**
1.02	**Elect Vernon J. Nagel** Chairman and CEO. Combined roles at the head of the Company which Triodos does not support. There should be a clear division of responsibilities at the head of the Company between the running of the board and the executive responsibility for the running of the Company's business. No one individual should have unfettered powers of decision. Combining the two roles in one person represents a concentration of power that is potentially detrimental to board balance, effective debate, and board appraisal.	**Withhold**
1.03	**Elect Julia B. North** Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the board.	**For**
2	**Appoint the Auditors** EY proposed. Non-audit fees represented 15.38% of audit fees during the year under review and 14.25% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Triodos oppose this resolution.	**Oppose**
3	**Advisory vote on executive compensation** The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: CEC. The Company used non-GAAP accounting targets for the annual bonus and long-term equity award. In addition, the Company uses adjusted earnings per share for both awards. Payouts were considered very excessive as for the annual bonus, achievement of target performance results in a payout of 200% of target. Actual payouts were approximately 333% of target or 833% of base salary for the CEO. Long-term equity is granted in the form of two-thirds restricted stock and one-third stock options, which is based against adjusted earnings per share over a one year performance period. The use of an adjusted financial figure (especially earning per share) is not considered appropriate in evaluating the overall performance of the Company. In addition, these awards vest ratably over three to four years, which is not considered sufficiently long-term. Finally, long-term equity awards were excessive with the CEO receiving a grant of 533.41% of base salary. Severance and change in control payments are considered excessive with the CEO entitled to $42.34m in a change of control, which includes $16.84m in accelerated equity. Based on the excessive payouts and insufficiently long vesting period, Triodos opposes this resolution.	**Oppose**

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 3 - Advisory vote on executive compensation

Disclosure: C- The Company used non-GAAP accounting targets for the annual bonus and long-term equity award. In addition, the Company uses adjusted earnings per share for both awards.

Balance: E- Payouts were considered very excessive as for the annual bonus, achievement of target performance results in a payout of 200% of target. Actual payouts were approximately 333% of target or 833% of base salary for the CEO. Long-term equity is granted in the form of two-thirds restricted stock and one-third stock options, which is based against adjusted earnings per share over a one year performance period. The use of an adjusted financial figure (especially earning per share) is not considered appropriate in evaluating the overall performance of the Company. In addition, these awards vest ratably over three to four years, which is not considered sufficiently long-term. Finally, long-term equity awards were excessive with the CEO receiving a grant of 533.41% of base salary.

Contract: C- Severance and change in control payments are considered excessive with the CEO entitled to $42.34m in a change of control, which includes $16.84m in accelerated equity.

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