

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

**Form 10-K/A
Amendment No. 1**

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

For the Fiscal Year Ended December 31, 2020

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 001-08454

ACCO Brands Corporation

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation or Organization)

36-2704017
(I.R.S. Employer
Identification Number)

Four Corporate Drive
Lake Zurich, Illinois 60047
(Address of Registrant's Principal Executive Office, Including Zip Code)
(847) 541-9500
(Registrant's Telephone Number, Including Area Code)

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$.01 per share	ACCO	NYSE

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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

As of June 30, 2020, the aggregate market value of the shares of Common Stock held by non-affiliates of the registrant was approximately \$647.9 million. As of February 16, 2021, the registrant had outstanding 95,030,156 shares of Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be issued in connection with registrant's annual stockholders' meeting expected to be held on May 19, 2021 are incorporated by reference into Part III of this report.

EXPLANATORY NOTE

This Amendment No.1 on Form 10-K/A (this "Amendment") amends the Annual Report on Form 10-K of ACCO Brands Corporation (the "Company") for the year ended December 31, 2020, as filed with the Securities and Exchange Commission ("SEC") on February 26, 2021 (the "Form 10-K"). In the Form 10-K, the Company inadvertently omitted "/s/ KPMG LLP" on the signature line in the document titled "Report of Independent Registered Public Accounting Firm" (the "Audit Report"). The Audit Report was signed by KPMG LLP and delivered to the Company prior to the original filing of the Form 10-K, but the conformed signature line was inadvertently omitted from the version of the Audit Report included in the filing.

As required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended, new certifications by our principal executive officer and principal financial officer are being filed as Exhibits 31.1, 31.2, 32.1 and 32.2 to this Amendment.

This Amendment consists solely of the preceding cover page, this explanatory note, the information required by Items 8 and 15 of Form 10-K, a signature page, and certifications required to be filed as exhibits hereto. Except as described in this Explanatory Note, this Amendment does not modify, amend, or update any of the financial information or any other information set forth in the Form 10-K, and this Amendment does not reflect events that occurred subsequent to February 26, 2021.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>Page</u>
Report of Independent Registered Public Accounting Firm	4
Consolidated Balance Sheets	7
Consolidated Statements of Income	8
Consolidated Statements of Comprehensive Income	9
Consolidated Statements of Cash Flows	10
Consolidated Statements of Stockholders' Equity	11
Notes to Consolidated Financial Statements	13

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
ACCO Brands Corporation:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of ACCO Brands Corporation and subsidiaries (the Company) as of December 31, 2020 and 2019, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2020, and the related notes and financial statement schedule II – Valuation and Qualifying Accounts and Reserves (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2020, based on criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework (2013)*.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020 based on criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework (2013)*.

The Company completed the PowerA Acquisition during 2020, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2020, PowerA's internal control over financial reporting associated with total assets of \$31.8 million and total revenues of \$7.9 million included in the consolidated financial statements of the Company as of and for the year ended December 31, 2020. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of PowerA.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company has changed its method of accounting for leases as of January 1, 2019, due to the adoption of accounting standard ASU No. 2016-02, *Leases (Topic 842)*.

Basis for Opinions

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

Critical Audit Matters

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

Evaluation of the write-down of certain finished goods inventory for obsolete and slow-moving items

As discussed in Notes 2 and 8 to the consolidated financial statements, the inventory balance as of December 31, 2020 was \$305.1 million. The Company records inventory at the lower of cost (principally first-in, first-out) or net realizable value. The write-down of inventory for obsolete and slow-moving inventory items (OSMI) is recorded based on future product demand for finished goods.

We identified the evaluation of the write-down of certain finished goods inventory for OSMI as a critical audit matter, due to the magnitude of the inventory and the subjective auditor judgment involved in evaluating the Company's estimate of the OSMI write-down specifically for finished goods inventory. The key assumption used in determining the OSMI write-down for finished goods inventory was future product demand.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's evaluation of the OSMI finished goods inventory write-down process, including controls over the assessment of future product demand. We obtained the OSMI finished goods inventory write-down assessment, and tested that the OSMI write-down was recorded based on future product demand applied to on-hand finished goods inventory. We also analyzed a sample of inventory items to evaluate the forecasted future product demand by comparison of that forecast to historical sales and any known changes that could impact future demand.

Assessment of the fair value of acquired customer relationships and vendor relationships

As discussed in Note 3 and Note 10 to the consolidated financial statements, the Company acquired PowerA on December 17, 2020. The Company accounts for acquired businesses using the acquisition method of accounting by recording assets acquired and liabilities assumed at their respective fair values. As a result of the transaction, the Company acquired customer relationships of \$127.6 million and vendor relationships of \$87.7 million, the fair values of which are included in intangible assets acquired of \$239.7 million. The determination of the acquisition-date fair value of the customer relationships and vendor relationships required the Company to make significant estimates and assumptions regarding (1) future revenue growth rates, (2) future cost of sales and operating expenses, (3) attrition rate, (4) future cash flows without vendor relationships, and (5) discount rates.

We identified the assessment of the fair value of acquired customer relationships and vendor relationships as a critical audit matter. Depending on the asset, the key assumptions included one or more of the following: (1) future revenue growth rates, (2) future cost of sales and operating expenses, (3) attrition rate, (4) future cash flows without vendor relationships, and (5) discount rates. Testing the key assumptions that were used to estimate the fair values of individual assets acquired involved a high degree of subjective auditor judgment.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's intangible asset valuation process, including controls related to the development of the key assumptions discussed above. We evaluated the future revenue growth rates by comparing them to historical compound annual growth rates of PowerA and growth in the industry. We evaluated the future cost of sales and operating expenses as a percentage of revenue compared to PowerA's historical percentages. We evaluated the future cash flows without vendor relationships by analyzing the time period necessary to re-establish key vendor relationships and the impact to forecasted cash flows. We involved valuation professionals with specialized skills and knowledge who assisted in:

- reperforming the attrition rate analysis using historical revenue by customer and comparing the rate to prior acquisitions,
- evaluating the discount rates by comparing them against discount rate ranges that were independently developed using publicly available data for comparable entities based on its relative risk profile, leveragability, and liquidity.

/s/ KPMG LLP

We have served as the Company's auditor since 2009.

Chicago, Illinois
February 26, 2021

ACCO Brands Corporation and Subsidiaries
Consolidated Balance Sheets

<i>(in millions)</i>	December 31, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 36.6	\$ 27.8
Accounts receivable less allowances for discounts and doubtful accounts of \$25.5 and \$16.4, respectively	356.0	453.7
Inventories	305.1	283.3
Other current assets	30.5	41.2
Total current assets	728.2	806.0
Total property, plant and equipment	657.8	651.7
Less: accumulated depreciation	(416.4)	(384.6)
Property, plant and equipment, net	241.4	267.1
Right of use asset, leases	89.2	101.9
Deferred income taxes	136.5	119.0
Goodwill	827.4	718.6
Identifiable intangibles, net of accumulated amortization of \$307.4 and \$271.9, respectively	977.0	758.6
Other non-current assets	49.0	17.4
Total assets	\$ 3,048.7	\$ 2,788.6
Liabilities and Stockholders' Equity		
Current liabilities:		
Notes payable	\$ 5.7	\$ 3.7
Current portion of long-term debt	70.8	29.5
Accounts payable	180.2	245.7
Accrued compensation	41.0	48.5
Accrued customer program liabilities	91.4	99.7
Lease liabilities	22.6	21.8
Other current liabilities	145.2	139.9
Total current liabilities	556.9	588.8
Long-term debt, net of debt issuance costs of \$5.5 and \$5.6, respectively	1,054.6	777.2
Long-term lease liabilities	76.5	89.8
Deferred income taxes	170.6	177.5
Pension and post-retirement benefit obligations	317.1	283.2
Other non-current liabilities	130.3	98.4
Total liabilities	2,306.0	2,014.9
Stockholders' equity:		
Preferred stock, \$0.01 par value, 25,000,000 shares authorized; none issued and outstanding	—	—
Common stock, \$0.01 par value, 200,000,000 shares authorized; 99,129,455 and 100,412,933 shares issued and 94,942,565 and 96,445,488 outstanding, respectively	1.0	1.0
Treasury stock, 4,186,890 and 3,967,445 shares, respectively	(39.9)	(38.2)
Paid-in capital	1,883.1	1,890.8
Accumulated other comprehensive loss	(564.2)	(505.7)
Accumulated deficit	(537.3)	(574.2)
Total stockholders' equity	742.7	773.7
Total liabilities and stockholders' equity	\$ 3,048.7	\$ 2,788.6

See notes to consolidated financial statements.

ACCO Brands Corporation and Subsidiaries
Consolidated Statements of Income

<i>(in millions, except per share data)</i>	Year Ended December 31,		
	2020	2019	2018
Net sales	\$ 1,655.2	\$ 1,955.7	\$ 1,941.2
Cost of products sold	1,162.8	1,322.2	1,313.4
Gross profit	492.4	633.5	627.8
Operating costs and expenses:			
Selling, general and administrative expenses	336.3	389.9	392.4
Amortization of intangibles	32.8	35.4	36.7
Restructuring charges	10.9	12.0	11.7
Total operating costs and expenses	380.0	437.3	440.8
Operating income	112.4	196.2	187.0
Non-operating expense (income):			
Interest expense	38.8	43.2	41.2
Interest income	(1.0)	(3.2)	(4.4)
Non-operating pension income	(5.6)	(5.5)	(9.3)
Other expense (income), net	1.6	(1.8)	1.6
Income before income tax	78.6	163.5	157.9
Income tax expense	16.6	56.7	51.2
Net income	\$ 62.0	\$ 106.8	\$ 106.7
Per share:			
Basic income per share	\$ 0.65	\$ 1.07	\$ 1.02
Diluted income per share	\$ 0.65	\$ 1.06	\$ 1.00
Weighted average number of shares outstanding:			
Basic	94.9	99.5	104.8
Diluted	96.1	101.0	107.0

See notes to consolidated financial statements.

ACCO Brands Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income

<i>(in millions)</i>	Year Ended December 31,		
	2020	2019	2018
Net income	\$ 62.0	\$ 106.8	\$ 106.7
Other comprehensive (loss) income, net of tax:			
Unrealized (loss) income on derivative instruments, net of tax benefit (expense) of \$1.1, \$0.9 and \$(0.8), respectively	(2.9)	(2.3)	1.9
Foreign currency translation adjustments, net of tax expense of \$(3.3), \$(1.3) and \$(0.6), respectively	(19.3)	(0.3)	6.2
Recognition of deferred pension and other post-retirement items, net of tax benefit of \$10.5, \$13.6 and \$2.2, respectively	(36.3)	(41.4)	(8.7)
Other comprehensive loss, net of tax	(58.5)	(44.0)	(0.6)
Comprehensive income	\$ 3.5	\$ 62.8	\$ 106.1

See notes to consolidated financial statements.

ACCO Brands Corporation and Subsidiaries
Consolidated Statements of Cash Flows

<i>(in millions)</i>	Year Ended December 31,		
	2020	2019	2018
Operating activities			
Net income	\$ 62.0	\$ 106.8	\$ 106.7
Amortization of inventory step-up	—	0.9	0.1
Loss on disposal of assets	0.2	0.7	0.2
Deferred income tax (benefit) expense	(7.6)	8.7	22.7
Depreciation	37.9	34.9	34.0
Amortization of debt issuance costs	2.4	2.3	2.1
Amortization of intangibles	32.8	35.4	36.7
Stock-based compensation	6.5	10.1	8.8
Loss on debt extinguishment	—	0.2	0.3
Other non-cash items	1.1	—	—
Changes in balance sheet items:			
Accounts receivable	101.6	(14.8)	46.0
Inventories	2.2	71.4	(92.9)
Other assets	14.7	(0.4)	5.5
Accounts payable	(68.8)	(32.8)	101.0
Accrued expenses and other liabilities	(58.2)	(26.7)	(72.5)
Accrued income taxes	(7.6)	7.2	(3.9)
Net cash provided by operating activities	119.2	203.9	194.8
Investing activities			
Additions to property, plant and equipment	(15.3)	(32.8)	(34.1)
Proceeds from the disposition of assets	—	0.5	0.2
Cost of acquisitions, net of cash acquired	(339.4)	(41.3)	(38.0)
Other assets acquired	—	(6.0)	—
Net cash used by investing activities	(354.7)	(79.6)	(71.9)
Financing activities			
Proceeds from long-term borrowings	438.6	325.8	225.3
Repayments of long-term debt	(151.9)	(387.9)	(249.5)
Proceeds (repayments) of notes payable, net	2.1	(8.5)	—
Payments for debt issuance costs	(3.2)	(3.4)	(0.6)
Repurchases of common stock	(18.9)	(65.0)	(75.0)
Dividends paid	(24.6)	(24.4)	(25.1)
Payments related to tax withholding for stock-based compensation	(1.8)	(4.2)	(7.5)
Proceeds from the exercise of stock options	4.4	4.2	6.8
Net cash provided (used) by financing activities	244.7	(163.4)	(125.6)
Effect of foreign exchange rate changes on cash and cash equivalents	(0.4)	(0.1)	(7.2)
Net increase (decrease) in cash and cash equivalents	8.8	(39.2)	(9.9)
Cash and cash equivalents			
Beginning of the period	27.8	67.0	76.9
End of the period	\$ 36.6	\$ 27.8	\$ 67.0
Cash paid during the year for:			
Interest	\$ 36.0	\$ 42.1	\$ 37.9
Income taxes	\$ 32.2	\$ 41.9	\$ 33.7

See notes to consolidated financial statements.

ACCO Brands Corporation and Subsidiaries
Consolidated Statements of Stockholders' Equity

<i>(in millions)</i>	Common Stock	Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Accumulated Deficit	Total
Balance at December 31, 2017	\$ 1.1	\$ 1,999.7	\$ (461.1)	\$ (26.4)	\$ (739.2)	\$ 774.1
Cumulative effect due to the adoption of ASU 2014-09	—	—	—	—	1.6	1.6
Adjusted balance at December 31, 2017	1.1	1,999.7	(461.1)	(26.4)	(737.6)	775.7
Net income	—	—	—	—	106.7	106.7
Gain on derivative financial instruments, net of tax	—	—	1.9	—	—	1.9
Translation impact	—	—	6.2	—	—	6.2
Pension and post-retirement adjustment, net of tax	—	—	(8.7)	—	—	(8.7)
Common stock repurchases	—	(75.0)	—	—	—	(75.0)
Stock-based compensation	—	9.5	—	—	(0.7)	8.8
Common stock issued, net of shares withheld for employee taxes	—	6.8	—	(7.5)	—	(0.7)
Dividends declared per share, \$0.24	—	—	—	—	(25.1)	(25.1)
Other	—	—	—	—	(0.1)	(0.1)
Balance at December 31, 2018	1.1	1,941.0	(461.7)	(33.9)	(656.8)	789.7
Cumulative effect due to the adoption of ASU 2016-02	—	—	—	—	0.5	0.5
Adjusted balance at December 31, 2018	1.1	1,941.0	(461.7)	(33.9)	(656.3)	790.2
Net income	—	—	—	—	106.8	106.8
Loss on derivative financial instruments, net of tax	—	—	(2.3)	—	—	(2.3)
Translation impact	—	—	(0.3)	—	—	(0.3)
Pension and post-retirement adjustment, net of tax	—	—	(41.4)	—	—	(41.4)
Common stock repurchases	(0.1)	(64.9)	—	—	—	(65.0)
Stock-based compensation	—	10.5	—	—	(0.4)	10.1
Common stock issued, net of shares withheld for employee taxes	—	4.2	—	(4.3)	—	(0.1)
Dividends declared per share, \$0.245	—	—	—	—	(24.4)	(24.4)
Other	—	—	—	—	0.1	0.1
Balance at December 31, 2019	1.0	1,890.8	(505.7)	(38.2)	(574.2)	773.7
Net income	—	—	—	—	62.0	62.0
Loss on derivative financial instruments, net of tax	—	—	(2.9)	—	—	(2.9)
Translation impact	—	—	(19.3)	—	—	(19.3)
Pension and post-retirement adjustment, net of tax	—	—	(36.3)	—	—	(36.3)
Common stock repurchases	—	(18.9)	—	—	—	(18.9)
Stock-based compensation	—	6.7	—	—	(0.2)	6.5
Common stock issued, net of shares withheld for employee taxes	—	4.4	—	(1.8)	—	2.6
Dividends declared per share, \$0.26	—	—	—	—	(24.6)	(24.6)
Other	—	0.1	—	0.1	(0.3)	(0.1)
Balance at December 31, 2020	\$ 1.0	\$ 1,883.1	\$ (564.2)	\$ (39.9)	\$ (537.3)	\$ 742.7

See notes to consolidated financial statements.

ACCO Brands Corporation and Subsidiaries
Consolidated Statements of Stockholders' Equity (Continued)

Shares of Capital Stock

	Common Stock	Treasury Stock	Net Shares
Shares at December 31, 2017	109,597,197	2,913,113	106,684,084
Common stock issued, net of shares withheld for employee taxes	2,646,084	587,509	2,058,575
Common stock repurchases	(5,993,959)	—	(5,993,959)
Shares at December 31, 2018	106,249,322	3,500,622	102,748,700
Common stock issued, net of shares withheld for employee taxes	2,012,765	466,823	1,545,942
Common stock repurchases	(7,849,154)	—	(7,849,154)
Shares at December 31, 2019	100,412,933	3,967,445	96,445,488
Common stock issued, net of shares withheld for employee taxes	1,406,814	219,445	1,187,369
Common stock repurchases	(2,690,292)	—	(2,690,292)
Shares at December 31, 2020	99,129,455	4,186,890	94,942,565

See notes to consolidated financial statements.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements

1. Basis of Presentation

As used in this Annual Report on Form 10-K for the fiscal year ended December 31, 2020, the terms "ACCO Brands," "ACCO," the "Company," "we," "us," and "our" refer to ACCO Brands Corporation, a Delaware corporation incorporated in 2005, and its consolidated domestic and international subsidiaries.

The management of ACCO Brands Corporation is responsible for the accuracy and internal consistency of the preparation of the consolidated financial statements and notes contained in this Annual Report on Form 10-K.

The consolidated financial statements include the accounts of ACCO Brands Corporation and its domestic and international subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation.

Effective December 17, 2020, we completed the acquisition (the "PowerA Acquisition") of PowerA, a leading provider of third-party video gaming console accessories in North America. The preliminary purchase price was \$340.0 million, plus an additional earnout of up to \$55.0 million in cash, contingent upon PowerA achieving one- and two-year sales and profit growth objectives, and is subject to working capital and other adjustments. The results of PowerA are included in all three of the Company's segments effective December 17, 2020.

Effective August 1, 2019, we completed the acquisition (the "Foroni Acquisition") of Indústria Gráfica Foroni Ltda. ("Foroni"), a leading provider of Foroni® branded notebooks and paper-based school and office products in Brazil. The purchase price was \$41.5 million inclusive of working capital adjustments. We also assumed \$7.6 million of debt. The Foroni Acquisition increased our share of the back-to-school market in Brazil. The results of Foroni are included in the ACCO Brands International segment effective August 1, 2019.

On July 2, 2018, we completed the acquisition (the "GOBA Acquisition") of GOBA Internacional, S.A. de C.V. ("GOBA") for a purchase price of \$37.2 million, net of cash acquired and working capital adjustments. GOBA is a leading provider of Barrilito® branded school and craft products in Mexico. The acquisition increased the breadth and depth of our distribution throughout Mexico, especially with wholesalers and retailers and added a strong offering of school and craft products to our product portfolio in Mexico. The results of GOBA are included in the ACCO Brands International segment as of July 2, 2018.

For more information on these acquisitions, see "Note 3. Acquisitions."

2. Significant Accounting Policies, Recent Accounting Pronouncements and Adopted Accounting Standards

Nature of Business

ACCO Brands is a designer, marketer and manufacturer of recognized consumer and end-user demanded brands used in businesses, schools, and homes.

ACCO Brands has three operating business segments based in different geographic regions. Each business segment designs, markets, sources, manufactures, and sells recognized consumer, technology and other end-user demanded branded products used in businesses, schools, and homes. Product designs are tailored to end-user preferences in each geographic region, and where possible, leverage common engineering, design, and sourcing.

Our product categories include computer and gaming accessories; storage and organization; notebooks; laminating, shredding, and binding machines; calendars; stapling; punching; dry erase boards; and do-it-yourself tools, among others. Our portfolio includes both globally and regionally recognized brands.

We distribute our products through a wide variety of retail and commercial channels to ensure that our products are readily and conveniently available for purchase by consumers and other end-users, wherever they prefer to shop. These channels include mass retailers, e-tailers, discount, drug/grocery and variety chains, warehouse clubs, hardware and specialty stores, independent office product dealers, office superstores, wholesalers, contract stationers, and specialist technology businesses. We also sell directly to commercial and consumer end-users through e-commerce sites and our direct sales organization.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

Use of Estimates

Our financial statements are prepared in conformity with generally accepted accounting principles in the U.S. ("GAAP"). Preparation of our financial statements requires us to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses presented for each reporting period in the financial statements and the related accompanying notes. Actual results could differ significantly from those estimates. We regularly review our assumptions and estimates, which are based on historical experience and, where appropriate, current business trends.

Cash and Cash Equivalents

Highly liquid investments with an original maturity of three months or less are included in cash and cash equivalents.

Accounts Receivable and Allowances for Sales/Pricing/Cash Discounts and Doubtful Accounts

Trade receivables are recorded at the stated amount, less allowances for sales/pricing discounts and doubtful accounts. The allowance for sales/pricing/cash discounts represents estimated uncollectible receivables associated with the products previously sold to customers, and is recorded at the same time that the sales are recognized. The allowance is based on historical trends.

The allowance for doubtful accounts represents estimated uncollectible receivables associated with potential customer defaults on contractual obligations, usually due to a customer's potential insolvency. The allowance includes amounts for certain customers where a risk of default has been specifically identified. In addition, the allowance includes a provision for customer defaults on a general formulaic basis when it is determined the risk of some default is probable and estimable, but cannot yet be associated with a specific customer. The assessment of the likelihood of customer defaults is based on various factors, including the length of time the receivables are past due, historical experience and existing economic conditions.

The allowances are recorded as reductions to "Net sales" and "Accounts receivable, net."

Inventories

Inventories are priced at the lower of cost (principally first-in, first-out) or net realizable value. When necessary, the write-down of inventory to its net realizable value is recorded for obsolete or slow-moving inventory based on assumptions about future demand and marketability of products, the impact of new product introductions and specific identification of items, such as product discontinuance or engineering/material changes. These estimates could vary significantly, either favorably or unfavorably, from actual requirements if future economic conditions, customer inventory levels or competitive conditions differ from our expectations.

Property, Plant and Equipment

Property, plant and equipment are carried at cost. Depreciation is provided, principally on a straight-line basis, over the estimated useful lives of the assets. Gains or losses resulting from dispositions are included in operating income. Betterments and renewals, which improve and extend the life of an asset are capitalized; maintenance and repair costs are expensed. Purchased computer software is capitalized and amortized over the software's useful life.

The following table shows estimated useful lives of property, plant and equipment:

Property, plant and equipment	Useful Life
Buildings	40 to 50 years
Leasehold improvements	Lesser of lease term or the life of the asset
Machinery, equipment and furniture	3 to 10 years
Computer software	5 to 10 years

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

We capitalize interest for major capital projects. Capitalized interest is added to the cost of the underlying assets and is depreciated over the useful lives of those assets. We capitalized interest of \$0.3 million, \$0.5 million and \$0.6 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Long-Lived Assets

We test long-lived assets for impairment whenever events or changes in circumstances indicate that the assets' carrying amount may not be recoverable from its undiscounted future cash flow. When such events occur, we compare the sum of the undiscounted cash flow expected to result from the use and eventual disposition of the asset or asset group to the carrying amount of a long-lived asset or asset group. The cash flows are based on our best estimate at the time of future cash flow, derived from the most recent business projections. If this comparison indicates that there is an impairment, the amount of the impairment is typically calculated using discounted expected future cash flow. The discount rate applied to these cash flows is based on our weighted average cost of capital, computed by selecting market rates at the valuation dates for debt and equity that are reflective of the risks associated with an investment in our industry as estimated by using comparable publicly traded companies.

Intangible Assets

Intangible assets are comprised primarily of indefinite-lived and amortizable intangible assets acquired and arising from the application of purchase accounting. Indefinite-lived intangible assets are not amortized, but are evaluated at least annually to determine whether the indefinite useful life is appropriate. Certain of our trade names have been assigned an indefinite life as we currently anticipate that these trade names will contribute cash flows to ACCO Brands indefinitely. Amortizable intangible assets are amortized over their useful lives.

We test indefinite-lived intangibles for impairment annually, during the second quarter, and during any interim period when market or business events indicate there may be a potential adverse impact on a particular intangible. The test may be on a qualitative or quantitative basis as allowed by GAAP. We consider the implications of both external factors (e.g., market growth, pricing, competition, and technology) and internal factors (e.g., product costs, margins, support expenses, and capital investment) and their potential impact on cash flows in both the near and long term, as well as their impact on any identifiable intangible asset associated with the business. Based on recent business results, consideration of significant external and internal factors, and the resulting business projections, indefinite-lived intangible assets are reviewed to determine whether they are likely to remain indefinite-lived, or whether a finite life is more appropriate. In addition, based on events in the period and future expectations, management considers whether the potential for impairment exists. Finite lived intangibles are amortized over 5, 7, 10, 15, 23 or 30 years.

We performed our annual assessment, in the second quarter of 2020, on a qualitative basis, and concluded that it was not more likely than not that the fair value of any indefinite-lived intangibles was less than its carrying amounts. In addition, we have not identified a triggering event through December 31, 2020 that more likely than not would result in impairment.

Goodwill

Goodwill has been recorded on our balance sheet and represents the excess of the cost of an acquisition when compared with the fair value of the net assets acquired. The authoritative guidance on goodwill and other intangible assets requires that goodwill be tested for impairment at a reporting unit level. We have determined that our reporting units are ACCO Brands North America, ACCO Brands EMEA and ACCO Brands International.

We test goodwill for impairment annually, during the second quarter, or any interim period when market or business events indicate there may be a potential adverse impact on goodwill. As permitted by GAAP, we may perform a qualitative assessment to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform a quantitative goodwill impairment test as required by GAAP. We performed our annual assessment in the second quarter of 2020, on a qualitative basis, and concluded that it was not more likely than not that the fair value of any reporting unit was less than its carrying amount.

If the qualitative assessment determines that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, or if it is determined that a qualitative assessment is not appropriate, we would perform a quantitative goodwill impairment test where we calculate the fair value of the reporting units. When applying a fair-value-based test, the fair

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

value of a reporting unit is compared with its carrying value. If the fair value of a reporting unit exceeds the carrying value of the net assets assigned to a reporting unit, goodwill is considered not impaired and no further testing is required. If the carrying value of the net assets assigned to a reporting unit exceeds the fair value of a reporting unit, an impairment charge is recognized, however, the loss recognized is not to exceed the total amount of goodwill allocated to the reporting unit.

The implied fair values of all three of our reporting units, more likely than not, exceed their carrying values at December 31, 2020. In addition, we have not identified a triggering event that would cause us to perform a quantitative goodwill impairment analysis. In management's opinion, the goodwill balance for our ACCO Brands International reporting unit could be at risk for impairment if operating performance does not recover as expected from the current impacts of COVID-19, if we experience negative changes to the long-term outlook for the business, or changes in factors and assumptions which impact the fair value of our reporting units such as low or declining revenue growth rates, depressed operating margins or adverse changes to the discount rates impacting this report unit.

Employee Benefit Plans

We provide a range of benefits to our employees and retired employees, including pension, post-retirement, post-employment and health care benefits. We record annual amounts relating to these plans based on calculations specified by GAAP, which include various actuarial assumptions, including discount rates, assumed rates of return, mortality rate tables, compensation increases, turnover rates and health care cost trends. Actuarial assumptions are reviewed on an annual basis and modifications to these assumptions are made based on current rates and trends when it is deemed appropriate. As required by GAAP, the effect of our modifications and unrecognized actuarial gains and losses are generally recorded to a separate component of accumulated other comprehensive income (loss) ("AOCI") in stockholders' equity and amortized over future periods.

Income Taxes

Deferred tax liabilities or assets are established for temporary differences between financial and tax reporting bases and are subsequently adjusted to reflect changes in tax rates expected to be in effect when the temporary differences reverse. A valuation allowance is recorded to reduce deferred tax assets to an amount that is more likely than not to be realized. Facts and circumstances may change and cause us to revise our conclusions regarding our ability to realize certain net operating losses and other deferred tax attributes.

The amount of income taxes that we pay is subject to ongoing audits by federal, state and foreign tax authorities. Our estimate of the potential outcome of any uncertain tax position is subject to management's assessment of relevant risks, facts and circumstances existing at that time. We believe that we have adequately provided for reasonably foreseeable outcomes related to these matters. However, our future results may include favorable or unfavorable adjustments to our estimated tax liabilities in the period any assessments are received, revised or resolved.

With the enactment of the U.S. Tax Act, we believe that our offshore cash can be accessed without adverse U.S. tax consequences. After analyzing our global working capital and cash requirements, the Company has reassessed and updated its indefinite reinvestment assertion under ASC 740. As of December 31, 2020, the Company has recorded \$4.6 million of deferred taxes on approximately \$328 million of unremitted earnings of non-U.S. subsidiaries that may be remitted to the U.S. The Company has approximately \$219 million of additional unremitted earnings of non-U.S. subsidiaries, which are indefinitely reinvested and for which no deferred taxes have been provided.

Revenue Recognition

Revenue is recognized when control of the promised goods or services is transferred to our customers in an amount reflective of the consideration we expect to receive in exchange for those goods or services. Taxes we collect concurrent with revenue producing activities are excluded from revenue. Incidental items incurred that are immaterial in the context of the contract are expensed.

At the inception of each contract, the Company assesses the products and services promised and identifies each distinct performance obligation. To identify the performance obligations, the Company considers all products and services promised regardless of whether they are explicitly stated or implied within the contract or by standard business practices.

Products: For our products, we transfer control and recognize a sale primarily when we either ship the product from our

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

manufacturing facility or distribution center, or upon delivery to a customer specified location depending upon the terms in the customer agreement. In addition, we recognize revenue for private label products as the product is manufactured (or over time) when a contract has an enforceable right to payment. For consignment arrangements, revenue is not recognized until the products are sold to the end customer.

Customer Program Costs: Customer programs and incentives ("Customer Program Costs") are a common practice in our industry. We incur Customer Program Costs to obtain favorable product placement, to promote sell-through of products and to maintain competitive pricing. The amount of consideration we receive and revenue we recognize is impacted by Customer Program Costs, including sales rebates (which are generally tied to achievement of certain sales volume levels); in-store promotional allowances; shared media and customer catalog allowances; other cooperative advertising arrangements; freight allowance programs offered to our customers; allowances for discounts and reserves for returns. We recognize Customer Program Costs, primarily as a deduction to gross sales, at the time that the associated revenue is recognized. Customer Program Costs are based on management's best estimates using the most likely amount method and is an amount that is probable of not being reversed. In the absence of a signed contract, estimates are based on historical or projected experience for each program type or customer. We adjust our estimate of revenue when the most likely amount of consideration we expect to receive changes.

Service or Extended Maintenance Agreements ("EMAs"): Depending on the terms of the EMA, we may defer recognition of the consideration received for any unsatisfied obligations. We use an observable price to determine the stand-alone selling price for separate performance obligations or an estimated cost plus margin approach, for our separately priced service/maintenance agreements that extend mechanical and maintenance coverage beyond our base warranty coverage to our Print Finishing Solutions customers. These agreements range in duration from three to sixty months, however, most agreements are one year or less. We generally receive payment at inception of the EMAs and recognize revenue over the term of the agreement on a straight line basis.

Shipping and Handling: Freight and distribution activities performed before the customer obtains control of the goods are not considered promised services under customer contracts and therefore are not distinct performance obligations. The Company has chosen to account for shipping and handling activities as a fulfillment activity, and therefore accrues the expense of freight and distribution in "Cost of products sold" when products are shipped.

We reflect all amounts billed to customers for shipping and handling in net sales and the costs we incurred for shipping and handling (including costs to ship and move product from the seller's place of business to the buyer's place of business, as well as costs to store, move and prepare products for shipment) in cost of products sold.

Reserve for Sales Returns: The reserve for sales returns represents estimated uncollectible receivables associated with the potential return of products previously sold to customers, and is recorded at the same time that the sales are recognized. The reserve includes a general provision for product returns based on historical trends. In addition, the reserve includes amounts for currently authorized customer returns that are considered to be abnormal in comparison to the historical trends. We record the returns reserve, on a gross basis, as a reduction to "Net sales" and "Cost of products sold" with increases to "Other current liabilities" and "Inventories."

Cost of Products Sold

Cost of products sold includes all manufacturing, product sourcing and distribution costs, including depreciation related to assets used in the manufacturing, procurement and distribution process, allocation of certain information technology costs supporting those processes, inbound and outbound freight, shipping and handling costs, purchasing costs associated with materials and packaging used in the production processes, and inventory valuation adjustments.

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") include advertising, marketing, and selling (including commissions) expenses, research and development, customer service, depreciation related to assets outside the manufacturing and distribution processes and all other general and administrative expenses outside the manufacturing and distribution functions (e.g., finance, human resources, information technology, legal and other corporate expenses).

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

Advertising Expenses

Advertising expenses were \$99.0 million, \$98.4 million and \$105.5 million for the years ended December 31, 2020, 2019 and 2018, respectively. These costs primarily include, but are not limited to, cooperative advertising and promotional allowances as described in "Customer Program Costs" above, and are principally expensed as incurred.

Warranty Reserves

We offer our customers various warranty terms based on the type of product that is sold. Estimated future obligations related to products sold under these warranty terms are provided by charges to cost of products sold in the same period in which the related revenue is recognized.

Research and Development Expenses

Research and development expenses were \$19.7 million, \$21.8 million and \$23.8 million for the years ended December 31, 2020, 2019 and 2018, respectively, are classified as SG&A expenses and are charged to expense as incurred.

Stock-Based Compensation

Our primary types of share-based compensation consist of stock options, restricted stock unit awards and performance stock unit awards. Stock-based compensation cost is measured at the grant date, based on the fair value of the award, and is recognized as expense over the requisite service period. Where awards are made with non-substantive vesting periods (for example, where a portion of the award vests due to retirement eligibility), we estimate and recognize expense based on the period from the grant date to the date on which the employee is retirement eligible. The Company accounts for forfeitures as they occur.

Foreign Currency Translation

Foreign currency balance sheet accounts are translated into U.S. dollars at the rates of exchange at the balance sheet date. Income and expenses are translated at the average rates of exchange in effect during the period. The related translation adjustments are made directly to a separate component of AOCI in stockholders' equity. Some transactions are made in currencies different from an entity's functional currency; gains and losses on these foreign currency transactions are included in the income statement.

Derivative Financial Instruments

We recognize all derivatives as either assets or liabilities on the balance sheet and record those instruments at fair value. If the derivative is designated as a fair value hedge and is effective, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings in the same period. If the derivative is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative are recorded in AOCI and are recognized in the Consolidated Statements of Income when the hedged item affects earnings. Ineffective portions of changes in the fair value of cash flow hedges are recognized in earnings.

Certain forecasted transactions, and assets and liabilities are exposed to foreign currency risk. We continually monitor our foreign currency exposures in order to maximize the overall effectiveness of our foreign currency hedge positions. Principal currencies hedged against the U.S. dollar include the Euro, Australian dollar, Canadian dollar, Swedish krona, British pound and Japanese yen.

Recent Accounting Pronouncements

In December 2019, the Financial Accounting Standards Board (FASB) issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, which removes certain exceptions for investments, intraperiod allocations and interim calculations, and adds guidance to reduce complexity in accounting for income taxes. ASU 2019-12 is effective for annual periods, and interim periods within those years, beginning after December 15, 2020. The Company does not expect a material impact on its consolidated financial statements from the adoption of this standard.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

There are no other recently issued accounting standards that are expected to have an impact on the Company's financial condition, results of operations or cash flow.

In March 2020, the FASB issued guidance which provides optional expedients and exceptions for applying current GAAP to contracts, hedging relationships, and other transactions affected by the transition from the use of LIBOR to an alternative reference rate. We are currently evaluating our contracts and hedging relationships that reference LIBOR and the potential effects of adopting this new guidance. The guidance can be adopted immediately and is applicable to contracts entered into on or before December 31, 2022.

Recently Adopted Accounting Standards

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, an accounting standard that requires companies to utilize an impairment model (current expected credit loss, or "CECL") for most financial assets measured at amortized cost and certain other financial instruments, which include, but are not limited to, trade and other receivables. This accounting standard replaced the incurred loss model with a model that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to estimate those losses. Effective January 1, 2020, the Company adopted this standard. The adoption of this standard did not have a material impact on our consolidated financial statements.

There were no other accounting standards that were adopted in 2020 that had a material effect on the Company's financial condition, results of operations or cash flow.

On January 1, 2019, the Company adopted accounting standard ASU No. 2016-02, Leases (Topic 842) The adoption of ASU 2016-02 did not materially affect our Consolidated Statements of Income, Consolidated Statements of Cash Flows or Consolidated Statement of Stockholders' Equity.

See "Note 5. Leases" for further details and the required disclosures related to ASU 2016-02.

On January 1, 2018, we adopted the accounting standard ASU 2014-09, Revenue from Contracts with Customers and all the related amendments (Topic 606) and applied it to contracts which were not completed as of January 1, 2018 using the modified retrospective method. A completed contract is one where all (or substantially all) of the revenue was recognized in accordance with the revenue guidance that was in effect before the date of initial application of ASU 2014-09. We recognized the cumulative effect of \$1.6 million, net of tax, upon adopting ASU 2014-09 as an addition to opening retained earnings as of January 1, 2018. See "Note 17. Revenue Recognition" for the required disclosures related to ASU 2014-09.

3. Acquisitions

Acquisition of PowerA

Effective December 17, 2020, we completed the acquisition (the "PowerA Acquisition") of PowerA, a leading provider of third-party video gaming console accessories in North America. The results of PowerA are included in all three of the Company's operating business segments effective December 17, 2020.

The preliminary purchase price was \$340.0 million, plus an additional earnout of up to \$55.0 million in cash, contingent upon PowerA achieving one- and two-year sales and profit growth objectives, which has a present value of \$18.2 million as of December 31, 2020, and is subject to working capital and other adjustments. The PowerA Acquisition and related expenses were funded by cash on hand, as well as borrowings from our revolving credit facility.

For accounting purposes, the Company was the acquiring enterprise. The PowerA Acquisition is being accounted for as a purchase business combination and PowerA's results are included in the Company's consolidated financial statements as of December 31, 2020. The additional net sales from PowerA for the 15 days owned during the year ended December 31, 2020 were \$7.9 million.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

The following table presents the preliminary allocation of the consideration given to the fair values of the assets acquired and liabilities assumed at the date of the PowerA Acquisition:

<i>(in millions)</i>	<i>At December 17, 2020</i>	
Calculation of Goodwill:		
Purchase price, net of working capital adjustment	\$	340.0
Fair value of contingent consideration	\$	18.2
Plus fair value of liabilities assumed:		
Accrued liabilities		9.5
Fair value of liabilities assumed	\$	9.5
Less fair value of assets acquired:		
Inventory		28.7
Property and equipment		0.2
Identifiable intangibles		239.7
Other assets		13.5
Fair value of assets acquired	\$	282.1
Goodwill	\$	85.6

We are continuing our review of our fair value estimate of assets acquired and liabilities assumed during the measurement period, which will conclude as soon as we receive the information we are seeking about facts and circumstances that existed as of the acquisition date or learn that more information is not available. This measurement period will not exceed one year from the acquisition date. The excess of the purchase price over the fair value of net assets acquired is allocated to goodwill. The preliminary goodwill of \$85.6 million is primarily attributable to synergies expected to be realized from leveraging our geographic footprint and from the existence of an assembled workforce.

Our fair value estimate of assets acquired and liabilities assumed is pending the completion of several elements, including the final determination of the purchase price, pending calculations of working capital and other adjustments, final determination of the fair value of the assets acquired and liabilities assumed and the final review by our management. The primary areas that are not yet finalized relate to intangible assets and contingent consideration. In particular, the determination of the preliminary fair value of the customer relationships and vendor relationships intangible assets required us to make significant estimates and assumptions regarding (1) future revenue growth rates, (2) future cost of sales and operating expenses, (3) attrition rate, (4) future cash flows without vendor relationships, and (5) discount rates. Accordingly, there could be material adjustments to our consolidated financial statements, including changes in our amortization expense related to the valuation of intangible assets and their respective useful lives, among other adjustments.

The final determination of the purchase price, fair values and resulting goodwill may differ significantly from what is reflected in these consolidated financial statements.

During 2020, transaction costs related to the PowerA Acquisition were \$3.7 million. These costs were reported as SG&A expenses in the Company's Consolidated Statements of Income.

Unaudited Pro Forma Consolidated Results

The accounting literature establishes guidelines regarding, and requires the presentation of, the following unaudited pro forma information. Therefore, the unaudited pro forma information presented below is not intended to represent, nor do we believe it is indicative of, the consolidated results of operations of the Company that would have been reported had the PowerA

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

Acquisition been completed on January 1, 2019. Furthermore, the unaudited pro forma information does not give effect to the anticipated synergies or other anticipated benefits of the PowerA Acquisition.

Had the PowerA Acquisition occurred on January 1, 2019, unaudited pro forma consolidated results of the Company for the years ended December 31, 2020 and 2019 would have been as follows:

<i>(in millions)</i>	<u>2020</u>	<u>2019</u>
Net sales	\$ 1,857.2	\$ 2,124.0
Net income	76.9	120.0
Net income per common share (diluted)	\$ 0.80	\$ 1.19

The pro forma amounts are based on the Company's historical results and the historical results for the acquired PowerA business, which have been translated at the average foreign exchange rates for the periods presented. The pro forma results of operations have been adjusted for amortization of finite-lived intangibles, and other charges related to the PowerA Acquisition accounting.

Acquisition of Foroni

Effective August 1, 2019, we completed the acquisition of Foroni, a leading provider of Foroni[®] branded notebooks and paper-based school and office products in Brazil. The Foroni Acquisition increased our share of the back-to-school market in Brazil. The results of Foroni are included in the ACCO Brands International segment effective August 1, 2019.

The purchase price was R\$157.2 million (US\$41.5 million based on July 31, 2019 exchange rates) inclusive of working capital adjustments. We also assumed \$7.6 million in debt. A portion of the purchase price (R\$25.0 million or US\$6.6 million based on July 31, 2019 exchange rates) is being held in an escrow account for a period of up to 6 years after closing in the event of any claims against the sellers under the quota purchase agreement. The Company may also make claims against the sellers directly, subject to limitations in the quota purchase agreement, if the escrow is depleted. The Foroni Acquisition and related expenses were funded by cash on hand.

For accounting purposes, the Company was the acquiring enterprise. The Foroni Acquisition is being accounted for as a purchase business combination and Foroni's results are included in the Company's consolidated financial statements as of August 1, 2019. The additional net sales from Foroni for the seven months ended July 31, 2020 was \$16.7 million.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

The following table presents the allocation of the consideration given to the fair values of the assets acquired and liabilities assumed at the date of the Foroni acquisition:

<i>(in millions)</i>	<i>At August 1, 2019</i>	
Calculation of Goodwill:		
Purchase price, net of working capital adjustment	\$	41.5
Plus fair value of liabilities assumed:		
Accounts payable and accrued liabilities		13.9
Deferred tax liabilities		5.4
Debt		7.6
Lease liabilities		5.3
Other non-current liabilities		1.5
Fair value of liabilities assumed	\$	33.7
Less fair value of assets acquired:		
Accounts receivable		17.5
Inventory		12.5
Property and equipment		8.8
Identifiable intangibles		11.1
Deferred tax assets		2.7
Right of use asset, leases		5.3
Other assets		3.6
Fair value of assets acquired	\$	61.5
Goodwill	\$	13.7

In the third quarter of 2020, we finalized our fair value estimate of assets acquired and liabilities assumed as of the acquisition date.

The transaction costs related to the Foroni Acquisition were \$1.3 million. These costs were reported as selling, general and administrative ("SG&A") expenses in the Company's Consolidated Statements of Income.

Cumberland Asset Acquisition

On January 31, 2019, the Company completed the purchase of certain assets, including inventory and certain identifiable intangibles, for the Cumberland brand (the "Cumberland Asset Acquisition") in Australia for a purchase price of A\$8.2 million (US\$6.0 million based on January 31, 2019 exchange rates). The Cumberland Asset Acquisition extends our presence in Australia into new product categories. The Company accounted for the transaction as an asset acquisition, as the set of assets acquired does not meet the criteria to be classified as a business under GAAP. During the twelve months ended December 31, 2019, transaction costs related to the Cumberland Asset Acquisition were US\$0.1 million. These costs were reported as SG&A expenses in the Company's Consolidated Statements of Income.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

The following table summarizes the fair value of assets acquired:

<i>(in millions)</i>	<i>At January 31, 2019</i>	
Inventory	\$	2.8
Identifiable intangibles		3.2
Fair value of assets acquired	\$	6.0

Acquisition of GOBA

On July 2, 2018, the Company completed the GOBA Acquisition. GOBA is a leading provider of Barrilito® branded school and craft products in Mexico. The acquisition increased the breadth and depth of our distribution throughout Mexico, especially with wholesalers and retailers and added a strong offering of school and craft products to our product portfolio in Mexico.

The purchase price paid at closing was Mex\$796.8 million (US\$39.9 million based on July 2, 2018 exchange rates), and was later reduced by US\$0.8 million of working capital adjustments. The purchase price, net of cash acquired of \$1.9 million, was \$37.2 million. A portion of the purchase price (Mex\$115.0 million (US\$5.8 million based on July 2, 2018 exchange rates)) is being held in an escrow account for a period of up to 5 years after closing in the event of any claims against the sellers under the stock purchase agreement. The Company may also make claims against the sellers directly, subject to limitations in the stock purchase agreement, if the escrow is depleted. The GOBA Acquisition and related expenses were funded by increased borrowing under our revolving facility.

For accounting purposes, the Company was the acquiring enterprise. The GOBA Acquisition was accounted for as a purchase business combination. The results of GOBA are included in the ACCO Brands International segment as of July 2, 2018. The net sales for GOBA for the six-month period ended June 30, 2019 were \$23.7 million.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

The following table presents the allocation of the consideration given to the fair values of the assets acquired and liabilities assumed at the date of the GOBA Acquisition:

<i>(in millions)</i>	<i>At July 2, 2018</i>	
Calculation of Goodwill:		
Purchase price, net of working capital adjustment	\$	39.1
Plus fair value of liabilities assumed:		
Accounts payable and accrued liabilities		10.1
Deferred tax liabilities		3.1
Other non-current liabilities		6.5
Fair value of liabilities assumed	\$	19.7
Less fair value of assets acquired:		
Cash acquired		1.9
Accounts receivable		30.0
Inventory		7.1
Property and equipment		0.6
Identifiable intangibles		10.3
Deferred tax assets		2.0
Other assets		4.2
Fair value of assets acquired	\$	56.1
Goodwill	\$	2.7

In the second quarter of 2019, we finalized our fair value estimate of assets acquired and liabilities assumed as of the acquisition date.

For the year ended December 31, 2018, transaction costs related to the GOBA Acquisition were US\$1.1 million. These costs were reported as interest and SG&A expenses in the Company's Consolidated Statements of Income.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

4. Long-term Debt and Short-term Borrowings

Notes payable and long-term debt, listed in order of the priority of security interests in assets of the Company, consisted of the following as of December 31, 2020 and 2019:

<i>(in millions)</i>	2020	2019
Euro Senior Secured Term Loan A, due May 2024 (floating interest rate of 2.50% at December 31, 2020 and 1.50% at December 31, 2019)	\$ 287.4	\$ 275.9
USD Senior Secured Term Loan A, due May 2024 (floating interest rate of 3.50% at December 31, 2020 and 3.44% at December 31, 2019)	92.5	97.5
Australian Dollar Senior Secured Term Loan A, due May 2024 (floating interest rate of 2.57% at December 31, 2020 and 2.45% at December 31, 2019)	43.4	41.6
U.S. Dollar Senior Secured Revolving Credit Facility, due May 2024 (floating interest rate of 3.50% at December 31, 2020 and 3.26% at December 31, 2019)	307.2	8.2
Australian Dollar Senior Secured Revolving Credit Facility, due May 2024 (floating interest rate of 2.57% at December 31, 2020 and 2.44% at December 31, 2019)	25.4	14.0
Senior Unsecured Notes, due December 2024 (fixed interest rate of 5.25%)	375.0	375.0
Other borrowings	5.7	3.8
Total debt	1,136.6	816.0
Less:		
Current portion	76.5	33.2
Debt issuance costs, unamortized	5.5	5.6
Long-term debt, net	<u>\$ 1,054.6</u>	<u>\$ 777.2</u>

The Company entered into a Third Amended and Restated Credit Agreement (the "Credit Agreement"), dated as of January 27, 2017, among the Company, certain subsidiaries of the Company, Bank of America, N.A., as administrative agent, and the other agents and various lenders party thereto. The Credit Agreement provided for a five-year senior secured credit facility, which consisted of a €300.0 million (US\$320.8 million based on January 27, 2017, exchange rates) term loan facility (the "Euro Term Loan"), an A\$80.0 million (US\$60.4 million based on January 27, 2017, exchange rates) term loan facility (the "Australian Term Loan"), and a US\$400.0 million multi-currency revolving credit facility (the "Revolving Facility").

Effective July 26, 2018, the Company entered into the First Amendment (the "First Amendment") to the Credit Agreement among the Company, certain subsidiaries of the Company, Bank of America, N.A., as administrative agent, and the other lenders party thereto. The First Amendment increased the aggregate revolving credit commitments under the Revolving Facility by \$100.0 million such that, after giving effect to such increase, the aggregate amount of revolving credit available under the Revolving Facility was \$500.0 million. In addition, the First Amendment also affected certain technical amendments to the Credit Agreement, including the addition of provisions relating to LIBOR successor rate procedures if LIBOR becomes unascertainable or is discontinued in the future and to expressly permit certain intercompany asset transfers. The changes related to LIBOR successor rate procedures are not expected to have a material effect on the Company.

Effective May 23, 2019, the Company entered into the Second Amendment (the "Second Amendment") to the Credit Agreement. Pursuant to the Second Amendment, the Credit Agreement was amended to, among other things:

- extend the maturity date to May 23, 2024;
- further increased the aggregate revolving credit commitments under the Revolving Facility from \$500.0 million to \$600.0 million;
- establish a new term loan facility denominated in U.S. Dollars in an aggregate principal amount of \$100.0 million (the "USD Term Loan");
- replace the minimum fixed charge coverage ratio of 1.25:1.00 with a minimum Interest Coverage Ratio (as defined in the Credit Agreement) of 3.00:1.00; and

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

- reflect a more favorable restricted payment covenant, with the Consolidated Leverage Ratio (as defined in the Credit Agreement) hurdle for unlimited restricted payments (including share repurchases and dividends) as calculated under the Credit Agreement increasing from 2.50:1.00 to 3.25:1.00.

The USD Term Loan, the Euro Term Loan and the Australian Term Loan are collectively referred to herein as the “Term Loan Facility.”

On May 1, 2020, the Company entered into a Third Amendment (the "Third Amendment") to its Credit Agreement, among the Company, certain subsidiaries of the Company, Bank of America, N.A., as administrative agent, and the other lenders party thereto. Pursuant to the Third Amendment, the Credit Agreement was amended to, among other things:

- increase the maximum Consolidated Leverage Ratio from 3.75:1.00 to 4.75:1.00, stepping back down to 3.75:1.00 for the first fiscal quarter ending after June 30, 2021;
- amend the pricing based on the Company’s Consolidated Leverage Ratio, with a scaled increase in interest rates and fees, effective May 1, 2020;
- reduce the Company’s capacity to incur certain other indebtedness, and impose additional limitations on certain restricted payments (other than dividends) and permitted acquisitions; and
- require that the Company pay down any amounts on the Revolving Facility when cash and cash equivalents of the loan parties exceed \$100.0 million.

In connection with the PowerA Acquisition, effective November 10, 2020, the Company entered into a Fourth Amendment (the "Fourth Amendment") to its Credit Agreement, among the Company, certain subsidiaries of the Company, Bank of America, N.A., as administrative agent, and the other lenders party thereto. Pursuant to the Fourth Amendment, the Credit Agreement was amended to, among other things:

- provide flexibility under the permitted acquisition provisions to accommodate the acquisition of PowerA;
- further amended the maximum Consolidated Leverage Ratio financial covenant by 0.50:1.00 from current levels for each of the six fiscal quarters ending March 31, 2021 and ending June 30, 2022, as follows:

Quarter Ended	Maximum Consolidated Leverage Ratio
March 2021	5.25:1.00
June 2021	5.25:1.00
September 2021	4.75:1.00
December 2021	4.25:1.00
March 2022	4.25:1.00
June 2022	4.25:1.00
September 2022 and thereafter	3.75:1.00

- exempt the borrowings made under the Credit Agreement, as amended, to fund the PowerA Acquisition from the Credit Agreement’s anti-cash hoarding clause.

We incurred and capitalized approximately \$3.2 million in bank, legal and other fees associated with the Third and Fourth Amendments.

Under the Fourth Amendment, pricing is locked at LIBOR plus 2.50 percent from the date of the closing of the PowerA Acquisition until the Company publishes its financial results for the fiscal quarter ending March 31, 2021, and is subject to the existing leverage-based pricing grid thereafter.

As of December 31, 2020, there was \$332.6 million in borrowings outstanding under the Revolving Facility. The

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

remaining amount available for borrowings was \$256.8 million (allowing for \$10.6 million of letters of credit outstanding on that date).

Amortization

The outstanding principal amounts under the Term Loan Facility are payable in quarterly installments in an amount representing, on an annual basis, 1.25 percent of the initial aggregate principal amount of such loan facility and increasing to 2.50 percent in September 2023.

Interest Rates

Amounts outstanding under the Credit Agreement, as amended, bear interest at a rate per annum equal to the Euro Rate (with a zero percent floor for Euro borrowings and a 1.00 percent floor for USD borrowings), the Australian BBSR Rate, the Canadian BA Rate or the Base Rate, as applicable and as each such rate is defined in the Credit Agreement, as amended, plus an "applicable rate." The applicable rate applied to outstanding Euro, Australian and Canadian dollar denominated loans and Base Rate loans is based on the Company's Consolidated Leverage Ratio as follows:

Consolidated Leverage Ratio	Applicable Rate on Euro/AUD/CDN Dollar Loans	Applicable Rate on Base Rate Loans	Undrawn Fee
> 4.25 to 1.00	2.75%	1.75%	0.50%
≤ 4.25 to 1.00 and > 4.00 to 1.00	2.50%	1.50%	0.50%
≤ 4.00 to 1.00 and > 3.50 to 1.00	2.25%	1.25%	0.38%
≤ 3.50 to 1.00 and > 3.25 to 1.00	2.00%	1.00%	0.38%
≤ 3.25 to 1.00 and > 3.00 to 1.00	1.75%	0.75%	0.30%
≤ 3.00 to 1.00 and > 2.00 to 1.00	1.50%	0.50%	0.25%
≤ 2.00 to 1.00	1.25%	0.25%	0.20%

As of December 31, 2020, the applicable rate on Euro, Australian and Canadian dollar loans was 2.50 percent and the applicable rate on Base Rate loans was 1.50 percent. Undrawn amounts under the Revolving Facility are subject to a commitment fee rate of 0.20 percent to 0.50 percent per annum, depending on the Company's Consolidated Leverage Ratio. As of December 31, 2020, the commitment fee rate was 0.50 percent.

Dividends and Share Repurchases

Under the Credit Agreement, as amended, the Company may pay dividends and/or repurchase shares in an aggregate amount not to exceed the sum of: (i) the greater of \$30.0 million and 1 percent of the Company's Consolidated Total Assets (as defined in the Credit Agreement, as amended); plus (ii) an additional amount not to exceed \$75.0 million in any fiscal year (provided the Company's consolidated leverage ratio after giving pro forma effect to the restricted payment would be greater than 3.25:1.00 and less than or equal to 3.75:1.00); plus (iii) an additional amount so long as the consolidated leverage ratio after giving pro forma effect to the restricted payment would be less than or equal to 3.25:1.00; plus (iv) any Net Equity Proceeds (as defined in the Credit Agreement). Effective through June 30, 2021, while the consolidated leverage ratio is >3.75:1.00, only dividends are permitted up to the greater of (i) \$30 million or (ii) 1% of Consolidated Total Assets.

Financial Covenants

As of December 31, 2020, our Consolidated Leverage Ratio was approximately 4.30 to 1.00 versus our maximum covenant of 4.75 to 1.00. Our Interest Coverage Ratio was approximately 5.44 to 1.00 versus the minimum financial covenant of 3.00 to 1.00.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

Other Covenants and Restrictions

The Credit Agreement, as amended, contains customary affirmative and negative covenants as well as events of default, including payment defaults, breach of representations and warranties, covenant defaults, cross-defaults, certain bankruptcy or insolvency events, certain ERISA-related events, changes in control or ownership and invalidity of any loan document. The Credit Agreement, as amended, also establishes limitations on the aggregate amount of Permitted Acquisitions and Investments (each as defined in the Credit Agreement, as amended) that the Company and its subsidiaries may make during the term of the Credit Agreement, as amended.

Incremental Facilities

The Credit Agreement, as amended, permits the Company to seek increases in the size of the Revolving Facility and the Term Loan Facility prior to maturity by up to \$500.0 million in the aggregate, subject to lender commitment and the conditions set forth in the Credit Agreement, as amended.

Senior Unsecured Notes due December 2024 (the "Senior Unsecured Notes")

The Senior Unsecured Notes Indenture contains covenants that could limit the ability of the Company and its restricted subsidiaries to, among other things: (i) incur additional indebtedness or issue disqualified stock or, in the case of the Company's restricted subsidiaries, preferred stock; (ii) create liens; (iii) pay dividends, make certain investments or make other restricted payments; (iv) sell certain assets or merge with or into other companies; (v) enter into transactions with affiliates; and (vi) allow any restricted subsidiary to pay dividends, loans, or assets to the Company or other restricted subsidiaries. These covenants are subject to a number of important limitations and exceptions. The Senior Unsecured Notes Indenture also provides for events of default, which, if any of them occurs, would permit or require the principal, premium, if any, and accrued but unpaid interest on all the then outstanding Senior Unsecured Notes to be immediately due and payable.

Compliance with Loan Covenants

As of and for the periods ended December 31, 2020 and December 31, 2019, the Company was in compliance with all applicable loan covenants under its senior secured credit facilities and the Senior Unsecured Notes.

Guarantees and Security

Generally, obligations under the Credit Agreement, as amended, are guaranteed by certain of the Company's existing and future subsidiaries, and are secured by substantially all of the Company's and certain guarantor subsidiaries' assets, subject to certain exclusions and limitations.

The Senior Unsecured Notes are irrevocably and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by each of our existing and future domestic subsidiaries other than certain excluded subsidiaries. The Senior Unsecured Notes and the related guarantees rank equally in right of payment with all of the existing and future senior debt of the Company and the guarantors, senior in right of payment to all of the existing and future subordinated debt of the Company and the guarantors, and effectively subordinated to all of the existing and future secured indebtedness of the Company and the guarantors to the extent of the value of the assets securing such indebtedness. The Senior Unsecured Notes and the guarantees are and will be structurally subordinated to all existing and future liabilities, including trade payables, of each of the Company's subsidiaries that do not guarantee the notes.

5. Leases

The Company leases its corporate headquarters, various other facilities for distribution, manufacturing, and offices, as well as vehicles, forklifts and other equipment. The Company determines if an arrangement is a lease at inception. Leases are included in "Right of use asset, leases" ("ROU Assets"), and the current portion of the lease liability is included in "Lease liabilities" and the non-current portion is included in "Long-term lease liabilities" in the Consolidated Balance Sheet. The Company currently has an immaterial amount of financing leases and leases with terms of more than one month and less than 12 months. ROU Assets and lease liabilities are recognized based on the present value of lease payments over the lease term. Because most of the Company's leases do not provide an implicit rate of return, the Company uses its incremental collateralized borrowing rate, on a regional basis, in determining the present value of lease payments. The incremental borrowing rate is

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

dependent upon duration of the lease and has been segmented into three groups of time. All leases within the same region and the same group of time share the same incremental borrowing rate. The Company has lease agreements with lease and non-lease components, which are combined for accounting purposes for all classes of assets except information technology equipment.

The components of lease expense for the years ended December 31, 2020 and 2019 were as follows:

<i>(in millions)</i>	2020	2019
Operating lease cost	\$ 28.3	\$ 29.6
Sublease income	(1.2)	(1.7)
Total lease cost	<u>\$ 27.1</u>	<u>\$ 27.9</u>

Total rental expense reported in our Consolidated Statements of Income for all non-cancelable operating leases (reduced by minor amounts for subleases) amounted to \$33.0 million for the year ended December 31, 2018.

Other information related to leases for the years ended December 31, 2020 and 2019 was as follows:

<i>(in millions, except lease term and discount rate)</i>	2020	2019
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 28.8	\$ 29.6
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 9.0	\$ 35.5
Weighted average remaining lease term:		
Operating leases	6.4 years	
Weighted average discount rate:		
Operating leases	5.2	%

Future minimum lease payments, net of sub-lease income, for all non-cancelable leases as of December 31, 2020 were as follows:

<i>(in millions)</i>	
2021	\$ 28.6
2022	21.1
2023	16.3
2024	13.2
2025	9.8
Thereafter	32.0
Total minimum lease payments	<u>121.0</u>
Less imputed interest	21.9
Future minimum payments for leases, net of sublease rental income and imputed interest	<u>\$ 99.1</u>

6. Pension and Other Retiree Benefits

We have a number of pension plans, principally in Germany, the U.K. and the U.S. The plans provide for payment of retirement benefits, primarily commencing between the ages of 60 and 65, and also for payment of certain disability and severance benefits. After meeting certain qualifications, an employee acquires a vested right to future benefits. The benefits payable under the plans are generally determined based on an employee's length of service and earnings. The majority of these

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

plans have been frozen and are no longer accruing additional service benefits. Cash contributions to the plans are made as necessary to ensure legal funding requirements are satisfied.

In the Esselte Acquisition, we acquired numerous pension plans, primarily in Germany (which is frozen to new participants) and the U.K. The Esselte U.K. plan is frozen and was merged into the legacy ACCO U.K. plan in 2019, which was frozen on September 30, 2012.

On January 20, 2009, the Company's Board of Directors approved plan amendments to temporarily freeze our ACCO Brands Corporation Pension Plan for Salaried and Certain Hourly Paid Employees in the U.S. (the "U.S. Salaried Plan") effective March 7, 2009. During the fourth quarter of 2014, the U.S. Salaried Plan became permanently frozen and, as of December 31, 2014, we permanently froze a portion of our U.S. pension plan for certain bargained hourly employees. As of December 31, 2016, all of our Canadian pension plans were frozen.

We also provide post-retirement health care and life insurance benefits to certain employees and retirees in the U.S., U.K. and Canada. All but one of these benefit plans is no longer open to new participants. Many employees and retirees outside of the U.S. are covered by government health care programs.

Our German Esselte Leitz Pension Plan had an unfunded liability of \$167.9 million and \$151.5 million for the years ended December 31, 2020 and 2019, respectively.

For the ACCO Europe Pension Plan, the Company's discount rate assumption methodology was based on the yield curve that uses a dataset of bonds with an average AA rating from main ratings agencies. Effective December 31, 2020, we changed our basis to estimate the discount rate assumption to the yield curve that uses a dataset of bonds rated AA by at least one of the main rating agencies, as we determined it better reflects the duration of the plan.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

The following table sets forth our defined benefit pension and post-retirement plans funded status and the amounts recognized in our Consolidated Balance Sheets:

<i>(in millions)</i>	Pension				Post-retirement	
	U.S.		International		2020	2019
	2020	2019	2020	2019		
Change in projected benefit obligation (PBO)						
Projected benefit obligation at beginning of year	\$ 211.6	\$ 188.3	\$ 690.7	\$ 627.3	\$ 5.3	\$ 6.2
Service cost	1.6	1.3	1.5	1.3	—	—
Interest cost	5.9	7.4	9.7	13.4	0.1	0.2
Actuarial loss (gain)	17.9	25.2	60.7	67.6	—	(0.9)
Participants' contributions	—	—	0.1	0.1	0.1	0.1
Benefits paid	(10.9)	(10.6)	(27.6)	(28.6)	(0.5)	(0.4)
Settlement	—	—	(27.4)	(0.4)	—	—
Foreign exchange rate changes	—	—	41.0	10.0	0.1	0.1
Projected benefit obligation at end of year	226.1	211.6	748.7	690.7	5.1	5.3
Change in plan assets						
Fair value of plan assets at beginning of year	158.0	141.1	460.3	417.6	—	—
Actual return on plan assets	18.6	21.9	45.0	45.5	—	—
Employer contributions	4.9	5.6	14.2	14.1	0.4	0.3
Participants' contributions	—	—	0.1	0.1	0.1	0.1
Benefits paid	(10.9)	(10.6)	(27.6)	(28.7)	(0.5)	(0.4)
Settlement	—	—	(27.4)	(0.4)	—	—
Foreign exchange rate changes	—	—	20.2	12.1	—	—
Fair value of plan assets at end of year	170.6	158.0	484.8	460.3	—	—
Funded status (Fair value of plan assets less PBO)	\$ (55.5)	\$ (53.6)	\$ (263.9)	\$ (230.4)	\$ (5.1)	\$ (5.3)
Amounts recognized in the Consolidated Balance Sheets consist of:						
Other non-current assets	\$ —	\$ —	\$ 0.6	\$ 1.2	\$ —	\$ —
Other current liabilities	—	—	7.5	6.8	0.5	0.5
Pension and post-retirement benefit obligations	55.5	53.6	257.0	224.8	4.6	4.8
Components of accumulated other comprehensive income, net of tax:						
Unrecognized actuarial loss (gain)	110.0	74.1	208.3	129.8	(4.4)	(4.0)
Unrecognized prior service cost (credit)	1.5	1.4	6.4	4.9	(0.1)	(0.2)

Pension and post-retirement benefit obligations of \$317.1 million as of December 31, 2020, increased from \$283.2 million as of December 31, 2019, primarily due to lower discount rate assumptions compared to the prior year. In addition, lower discount rates were the primary reason for the actuarial losses that were recognized in 2020.

The accumulated benefit obligation for all pension plans was \$962.6 million and \$891.3 million at December 31, 2020 and 2019, respectively.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

The following table sets out information for pension plans with an accumulated benefit obligation in excess of plan assets:

<i>(in millions)</i>	U.S.		International	
	2020	2019	2020	2019
	Accumulated benefit obligation	\$ 226.1	\$ 211.6	\$ 716.0
Fair value of plan assets	170.6	158.0	463.7	417.5

The following table sets out information for pension plans with a projected benefit obligation in excess of plan assets:

<i>(in millions)</i>	U.S.		International	
	2020	2019	2020	2019
	Projected benefit obligation	\$ 226.1	\$ 211.6	\$ 728.3
Fair value of plan assets	170.6	158.0	463.7	417.5

The components of net periodic benefit (income) expense for pension and post-retirement plans for the years ended December 31, 2020, 2019, and 2018, were as follows:

<i>(in millions)</i>	Pension						Post-retirement		
	U.S.			International			2020	2019	2018
	2020	2019	2018	2020	2019	2018			
Service cost	\$ 1.6	\$ 1.3	\$ 1.6	\$ 1.5	\$ 1.3	\$ 1.9	\$ —	\$ —	\$ 0.1
Interest cost	5.9	7.4	6.7	9.7	13.4	12.9	0.1	0.2	0.2
Expected return on plan assets	(11.4)	(11.7)	(11.8)	(18.6)	(20.5)	(22.7)	—	—	—
Amortization of net loss (gain)	3.2	2.2	2.7	4.9	3.3	3.4	(0.5)	(0.4)	(0.4)
Amortization of prior service cost (credit)	0.4	0.4	0.4	0.3	0.3	—	—	—	(0.1)
Curtailement gain	—	—	—	—	—	(0.6)	—	—	—
Settlement loss	—	—	—	0.4	0.1	—	—	—	—
Net periodic benefit income ⁽¹⁾	<u>\$ (0.3)</u>	<u>\$ (0.4)</u>	<u>\$ (0.4)</u>	<u>\$ (1.8)</u>	<u>\$ (2.1)</u>	<u>\$ (5.1)</u>	<u>\$ (0.4)</u>	<u>\$ (0.2)</u>	<u>\$ (0.2)</u>

(1) The components, other than service cost, are included in the line "Non-operating pension income" in the Consolidated Statements of Income.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

Other changes in plan assets and benefit obligations that were recognized in accumulated other comprehensive income (loss) during the years ended December 31, 2020, 2019, and 2018 were as follows:

<i>(in millions)</i>	Pension						Post-retirement		
	U.S.			International			2020	2019	2018
	2020	2019	2018	2020	2019	2018			
Current year actuarial loss (gain)	\$ 10.6	\$ 15.0	\$ 12.0	\$ 36.5	\$ 43.3	\$ 5.3	\$ —	\$ (1.0)	\$ (0.3)
Amortization of actuarial (loss) gain	(3.2)	(2.2)	(2.7)	(5.3)	(3.3)	(3.4)	0.5	0.4	0.4
Current year prior service cost	—	—	—	—	—	6.5	—	—	—
Amortization of prior service (cost) credit	(0.4)	(0.4)	(0.4)	(0.3)	(0.3)	0.3	—	—	0.1
Foreign exchange rate changes	—	—	—	8.5	3.4	(7.1)	—	—	0.1
Total recognized in other comprehensive income (loss)	<u>\$ 7.0</u>	<u>\$ 12.4</u>	<u>\$ 8.9</u>	<u>\$ 39.4</u>	<u>\$ 43.1</u>	<u>\$ 1.6</u>	<u>\$ 0.5</u>	<u>\$ (0.6)</u>	<u>\$ 0.3</u>
Total recognized in net periodic benefit cost (income) and other comprehensive income (loss)	<u>\$ 6.7</u>	<u>\$ 12.0</u>	<u>\$ 8.5</u>	<u>\$ 37.6</u>	<u>\$ 41.0</u>	<u>\$ (3.5)</u>	<u>\$ 0.1</u>	<u>\$ (0.8)</u>	<u>\$ 0.1</u>

Assumptions

The weighted average assumptions used to determine benefit obligations for the years ended December 31, 2020, 2019, and 2018 were as follows:

	Pension						Post-retirement		
	U.S.			International			2020	2019	2018
	2020	2019	2018	2020	2019	2018			
Discount rate	2.6 %	3.3 %	4.6 %	1.2 %	1.8 %	2.5 %	1.9 %	2.7 %	3.7 %
Rate of compensation increase	N/A	N/A	N/A	2.9 %	2.9 %	3.0 %	N/A	N/A	N/A

The weighted average assumptions used to determine net periodic benefit (income) expense for the years ended December 31, 2020, 2019, and 2018 were as follows:

	Pension						Post-retirement		
	U.S.			International			2020	2019	2018
	2020	2019	2018	2020	2019	2018			
Discount rate	3.2 %	4.0 %	3.5 %	1.6 %	2.4 %	2.1 %	2.7 %	3.6 %	3.2 %
Expected long-term rate of return	7.0 %	7.4 %	7.4 %	4.2 %	5.0 %	5.0 %	N/A	N/A	N/A
Rate of compensation increase	N/A	N/A	N/A	2.9 %	3.0 %	2.8 %	N/A	N/A	N/A

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

The weighted average health care cost trend rates used to determine post-retirement benefit obligations and net periodic benefit (income) expense as of December 31, 2020, 2019, and 2018 were as follows:

	Post-retirement		
	2020	2019	2018
Health care cost trend rate assumed for next year	6 %	7 %	7 %
Rate that the cost trend rate is assumed to decline (the ultimate trend rate)	4 %	4 %	5 %
Year that the rate reaches the ultimate trend rate	2028	2027	2026

Plan Assets

The investment strategy for the Company is to optimize investment returns through a diversified portfolio of investments, taking into consideration underlying plan liabilities and asset volatility. Each plan has a different target asset allocation, which is reviewed periodically and is based on the underlying liability structure. The target asset allocation for our U.S. plan is 64 percent in equity securities, 29 percent in fixed income securities and 7 percent in alternative assets. The target asset allocation for non-U.S. plans is set by the local plan trustees.

Our pension plan weighted average asset allocations as of December 31, 2020 and 2019 were as follows:

Asset category	2020		2019	
	U.S.	International	U.S.	International
Equity securities	64 %	21 %	56 %	13 %
Fixed income	29	54	33	46
Real estate	6	4	3	3
Other ⁽²⁾	1	21	8	38
Total	100 %	100 %	100 %	100 %

(2) Multi-strategy hedge funds, insurance contracts and cash and cash equivalents for certain of our plans.

U.S. Pension Plan Assets

The fair value measurements of our U.S. pension plan assets by asset category as of December 31, 2020 were as follows:

<i>(in millions)</i>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value as of December 31, 2020
Mutual funds	\$ 94.8	\$ —	\$ —	\$ 94.8
Exchange traded funds	74.6	—	—	74.6
Common collective trust funds	—	1.2	—	1.2
Total	\$ 169.4	\$ 1.2	\$ —	\$ 170.6

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

The fair value measurements of our U.S. pension plan assets by asset category as of December 31, 2019 were as follows:

<i>(in millions)</i>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value as of December 31, 2019
Mutual funds	\$ 103.2	\$ —	\$ —	\$ 103.2
Exchange traded funds	48.4	—	—	48.4
Common collective trust funds	—	1.5	—	1.5
Investments measured at net asset value ⁽³⁾				
Multi-strategy hedge funds				4.9
Total	\$ 151.6	\$ 1.5	\$ —	\$ 158.0

- (3) Certain investments that are measured at fair value using the net asset value per share practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the table that presents our defined benefit pension and post-retirement plans funded status.

Mutual funds and exchange traded funds: The fair values of mutual fund and common stock fund investments are determined by obtaining quoted prices on nationally recognized securities exchanges (level 1 inputs).

Common collective trusts: The fair values of participation units held in common collective trusts are based on their net asset values, as reported by the managers of the common collective trusts and as supported by the unit prices of actual purchase and sale transactions occurring as of or close to the financial statement date (level 2 inputs).

International Pension Plans Assets

The fair value measurements of our international pension plans assets by asset category as of December 31, 2020 were as follows:

<i>(in millions)</i>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value as of December 31, 2020
Cash and cash equivalents	\$ 8.5	\$ —	\$ —	\$ 8.5
Equity securities	99.9	—	—	99.9
Exchange traded funds	0.5	—	—	0.5
Corporate debt securities	—	85.6	—	85.6
Multi-strategy hedge funds	—	57.8	—	57.8
Insurance contracts	—	4.1	—	4.1
Real estate	—	9.7	—	9.7
Government debt securities	—	180.9	—	180.9
Investments measured at net asset value ⁽³⁾				
Multi-strategy hedge funds				29.8
Real estate				8.0
Total	\$ 108.9	\$ 338.1	\$ —	\$ 484.8

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

The fair value measurements of our international pension plans assets by asset category as of December 31, 2019 were as follows:

<i>(in millions)</i>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value as of December 31, 2019
Cash and cash equivalents	\$ 1.4	\$ —	\$ —	\$ 1.4
Equity securities	59.9	—	—	59.9
Exchange traded funds	0.4	—	—	0.4
Corporate debt securities	—	79.3	—	79.3
Multi-strategy hedge funds	—	85.9	—	85.9
Insurance contracts	—	29.6	—	29.6
Real estate	—	3.9	—	3.9
Government debt securities	—	132.5	—	132.5
Investments measured at net asset value ⁽³⁾				57.0
Multi-strategy hedge funds				57.0
Real estate				10.4
Total	\$ 61.7	\$ 331.2	\$ —	\$ 460.3

Equity securities and exchange traded funds: The fair values of equity securities are determined by obtaining quoted prices on nationally recognized securities exchanges (level 1 inputs).

Debt securities: Fixed income securities, such as corporate and government bonds and other debt securities, consist of index-linked securities. These debt securities are valued using quotes from independent pricing vendors based on recent trading activity and other relevant information, including market interest rate curves, referenced credit spreads, and estimated prepayment rates, where applicable (level 2 inputs).

Insurance contracts: Valued at contributions made, plus earnings, less participant withdrawals and administrative expenses, which approximate fair value (level 2 inputs).

Multi-strategy hedge funds: The fair values of participation units held in multi-strategy hedge funds are based on their net asset values, as reported by the managers of the funds and are based on the daily closing prices of the underlying investments (level 2 inputs).

Real estate: Real estate consists of managed real estate investment trust securities (level 2 inputs).

Cash Contributions

We contributed \$19.5 million to our pension and post-retirement plans in 2020 and expect to contribute approximately \$25 million in 2021.

The following table presents estimated future benefit payments to participants for the next ten fiscal years:

<i>(in millions)</i>	Pension Benefits	Post-retirement Benefits
2021	\$ 41.4	\$ 0.5
2022	41.8	0.4
2023	42.4	0.4
2024	42.8	0.4
2025	43.8	0.4
Years 2026 - 2030	223.5	1.7

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

We also sponsor a number of defined contribution plans. Contributions are determined under various formulas. Costs related to such plans amounted to \$6.8 million, \$12.4 million and \$13.3 million for the years ended December 31, 2020, 2019, and 2018, respectively.

Multi-Employer Pension Plan

We are a participant in a multi-employer pension plan. The plan has reported significant underfunded liabilities and declared itself in critical and declining status (red). As a result, the trustees of the plan adopted a rehabilitation plan ("RP") in an effort to forestall insolvency. Our required contributions to this plan could increase due to the shrinking contribution base resulting from the insolvency of or withdrawal of other participating employers, from the inability or the failure of withdrawing participating employers to pay their withdrawal liability, from lower than expected returns on pension fund assets, and from other funding deficiencies. In the event that we withdraw from participation in the plan, we will be required to make withdrawal liability payments for a period of 20 years or longer in certain circumstances. The present value of our withdrawal liability payments would be recorded as an expense in our Consolidated Statements of Income and as a liability on our Consolidated Balance Sheets in the first year of our withdrawal. The most recent Pension Protection Act ("PPA") zone status available in 2020 and 2019 is for the plan's years ended December 31, 2019, and 2018, respectively. The zone status is based on information that we received from the plan and is certified by the plan's actuary. Plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The Company's contributions are not more than 5 percent of the total contributions to the plan. Details regarding the plan are outlined in the table below.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/Implemented	Contributions Year Ended December 31,			Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
		2020	2019		2020	2019	2018		
PACE Industry Union-Management Pension Fund	11-6166763 / 001	Red	Red	Implemented	\$ 0.1	\$ 0.2	\$ 0.3	Yes	6/30/2023

7. Stock-Based Compensation

The ACCO Brands Corporation Incentive Plan (the "Plan") provides for stock based awards generally in the form of stock options, restricted stock units ("RSUs") and performance stock units ("PSUs"), any of which may be granted alone or with other types of awards and dividend equivalents. A total of up to 11,775,000 shares may be issued under awards to key employees and non-employee directors under the Plan.

Beginning in 2018, the Company initiated a cash dividend to stockholders and began accruing dividend equivalents ("DEs") on all outstanding RSUs and PSUs as permitted by the Plan. DEs entitle holders of RSUs and PSUs to the same dividend value per share as holders of common stock. RSUs and PSUs are credited with DEs that are converted to RSUs and PSUs at the fair market value of our common stock on the dates the dividend payments are made and are subject to the same terms and conditions as the underlying award. DEs credited to RSUs and PSUs will only be paid to the extent the awards vest and any performance goals are achieved.

We will satisfy the requirement for delivering shares of our common stock for our Plan by issuing new shares.

The following table summarizes the impact of all stock-based compensation expense on our Consolidated Statements of Income for the years ended December 31, 2020, 2019 and 2018:

<i>(in millions)</i>	2020	2019	2018
Selling, general and administrative expense	\$ 6.5	\$ 10.1	\$ 8.8
Loss before income tax	(6.5)	(10.1)	(8.8)
Income tax benefit	(1.6)	(2.4)	(2.2)
Net loss	<u>\$ (4.9)</u>	<u>\$ (7.7)</u>	<u>\$ (6.6)</u>

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

There was no capitalization of stock-based compensation expense.

Stock-based compensation expense by award type for the years ended December 31, 2020, 2019 and 2018 was as follows:

<i>(in millions)</i>	2020	2019	2018
Stock option compensation expense	\$ 2.7	\$ 2.7	\$ 2.0
RSU compensation expense	5.2	5.1	4.7
PSU compensation expense	(1.4)	2.3	2.1
Total stock-based compensation expense	<u>\$ 6.5</u>	<u>\$ 10.1</u>	<u>\$ 8.8</u>

Stock Options

The exercise price of each stock option equals or exceeds the fair market price of our stock on the date of grant. Options granted prior to 2020 can generally be exercised over a maximum term of up to seven years and starting in 2020 options can generally be exercised over a maximum term of up to ten years. Stock options outstanding as of December 31, 2020, generally vest ratably over three years from the grant date. The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model and the weighted average assumptions as outlined in the following table:

	Year Ended December 31,		
	2020	2019	2018
Weighted average expected lives	6.0 years	4.6 years	4.8 years
Weighted average risk-free interest rate	0.81 %	2.49 %	2.62 %
Weighted average expected volatility	36.0 %	36.1 %	36.4 %
Expected dividend yield	3.16 %	2.65 %	1.87 %
Weighted average grant date fair value	\$ 2.03	\$ 2.40	\$ 3.76

Volatility is calculated using ACCO Brands' historic volatility. The weighted average expected option term reflects the application of the simplified method, which defines the life as the average of the contractual term of the option and the weighted average vesting period for options granted in 2020. The weighted average expected option term reflects ACCO Brands' historic life for all options granted prior to 2020. The risk-free interest rate for the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

A summary of the changes in stock options outstanding under the Plan during the year ended December 31, 2020 is presented below:

	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2019	4,417,693	\$ 9.32		
Granted	1,437,188	\$ 8.25		
Exercised	(683,718)	\$ 6.49		
Forfeited	(208,278)	\$ 9.43		
Outstanding at December 31, 2020	<u>4,962,885</u>	\$ 9.40	5.0 years	\$ 1.7 million
Exercisable shares at December 31, 2020	2,564,242	\$ 9.84	2.7 years	\$ 1.4 million

We received cash of \$4.4 million, \$4.2 million and \$6.8 million from the exercise of stock options during the years ended December 31, 2020, 2019 and 2018, respectively. The aggregate intrinsic value of options exercised during the years ended December 31, 2020, 2019 and 2018 totaled \$1.6 million, \$1.0 million and \$4.1 million, respectively.

The fair value of options vested during the years ended December 31, 2020, 2019 and 2018 was \$2.7 million, \$1.9 million and \$2.3 million, respectively. As of December 31, 2020, we had unrecognized compensation expense related to stock options of \$3.3 million, which will be recognized over a weighted-average period of 1.7 years.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

Stock Unit Awards

RSUs vest over a pre-determined period of time, generally three years from the date of grant. Stock-based compensation expense for the years ended December 31, 2020, 2019 and 2018 includes \$0.9 million, \$1.1 million and \$1.1 million, respectively, of expense related to shares of stock (included in RSU compensation expense) which were RSUs granted to non-employee directors as a component of their compensation. The non-employee director RSUs became fully vested on the grant date. PSUs also vest over a pre-determined period of time, generally not longer than three years, but are further subject to the achievement of certain business performance criteria being met during the three-year performance period. Based upon the level of achieved performance, the number of shares actually awarded can vary from 0% to 200% of the original grant.

There were 2,050,085 RSUs outstanding as of December 31, 2020. All outstanding RSUs as of December 31, 2020 vest within three years of their date of grant. We generally recognize compensation expense for our RSU awards ratably over the service period. Upon vesting, all of the RSU awards will be converted into the right to receive one share of common stock of the Company for each unit that vests. The cost of these awards is determined using the fair value of the shares on the date of grant, and compensation expense is generally recognized over the period during which the employee provides the requisite service to the Company.

A summary of the changes in the RSUs outstanding under the Plan during 2020 is presented below:

	Stock Units	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2019	1,716,445	\$ 10.53
Granted	724,319	\$ 7.92
Vested and distributed	(323,818)	\$ 12.49
Forfeited and cancelled	(66,861)	\$ 10.20
Outstanding at December 31, 2020	<u>2,050,085</u>	<u>\$ 9.31</u>
Vested and deferred at December 31, 2020 ⁽¹⁾	613,853	\$ 8.82

(1) Included in outstanding at December 31, 2020. Vested and deferred RSUs are primarily related to deferred compensation for non-employee directors.

For the years ended December 31, 2019 and 2018, we granted 679,601 and 465,378 RSUs, respectively. The weighted-average grant date fair value of our RSUs was \$7.92, \$8.74, and \$12.71 for the years ended December 31, 2020, 2019 and 2018, respectively. The fair value of RSUs that vested during the years ended December 31, 2020, 2019 and 2018 was \$4.7 million, \$3.6 million and \$4.7 million, respectively. As of December 31, 2020, we have unrecognized compensation expense related to RSUs of \$5.7 million, which will be recognized over a weighted-average period of 1.8 years.

A summary of the changes in the PSUs outstanding under the Plan during 2020 is presented below:

	Stock Units	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2019	1,021,543	\$ 9.98
Granted	939,529	\$ 8.25
Vested	(377,073)	\$ 12.75
Forfeited and cancelled	(67,145)	\$ 8.56
Other - decrease due to performance of PSUs	(1,516,854)	\$ 8.28
Outstanding at December 31, 2020	<u>—</u>	<u>\$ —</u>

For the years ended December 31, 2019 and 2018, we granted 895,389 and 747,996 PSUs, respectively. For the years ended December 31, 2020, 2019 and 2018, 377,073, 1,059,825 and 1,327,613 PSUs vested, respectively. The weighted-average grant date fair value of our PSUs was \$8.25, \$8.35, and \$12.82 for the years ended December 31, 2020, 2019 and 2018, respectively. The fair value of PSUs that vested during the years ended December 31, 2020, 2019 and 2018 was \$4.8 million, \$8.1 million and \$10.0 million respectively. Based on the level of achievement of the performance targets associated with the

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

PSU awards, as of December 31, 2020, we have no unrecognized compensation expense. There was no value to our outstanding PSUs as of December 31, 2020.

8. Inventories

The components of inventories were as follows:

<i>(in millions)</i>	December 31,	
	2020	2019
Raw materials	\$ 36.8	\$ 44.4
Work in process	3.5	3.5
Finished goods	264.8	235.4
Total inventories	<u>\$ 305.1</u>	<u>\$ 283.3</u>

9. Property, Plant and Equipment, Net

The components of net property, plant and equipment were as follows:

<i>(in millions)</i>	December 31,	
	2020	2019
Land and improvements	\$ 23.2	\$ 1
Buildings and improvements to leaseholds	145.9	1
Machinery and equipment	480.4	4
Construction in progress	8.3	
	<u>657.8</u>	<u>6</u>
Less: accumulated depreciation	(416.4)	(3)
Property, plant and equipment, net ⁽¹⁾	<u>\$ 241.4</u>	<u>\$ 2</u>

- (1) Net property, plant and equipment as of December 31, 2020 and 2019 contained \$65.8 million and \$68.5 million of computer software assets, respectively, which are classified within machinery and equipment and construction in progress. Depreciation expense for software was \$11.4 million, \$8.9 million and \$8.2 million for the years ended December 31, 2020, 2019 and 2018, respectively.

10. Goodwill and Identifiable Intangible Assets

Goodwill

We test goodwill for impairment at least annually, during the second quarter, and on an interim basis if an event or circumstance indicates that there is a triggering event that would make it more likely than not that an impairment loss had been incurred.

During the second quarter ended June 30, 2020, we performed a qualitative assessment of impairment for goodwill for each of our three reporting units. We considered events and circumstances that may affect the fair value of each reporting unit to determine whether it is necessary to perform the quantitative impairment test. We focused on events or circumstances that could affect the significant inputs, including, but not limited to, financial performance, such as negative or declining cash flows, a decline in actual or planned revenue or earnings compared with actual and projected results of relevant prior periods, competitive, economic, industry and market considerations, and other factors that have or could impact each of our reporting units. If we determine that it is more likely than not that the goodwill is impaired, then we would perform a quantitative impairment test.

The results of our qualitative assessment performed during the second quarter ended June 30, 2020, was that there were no triggering events that would make it more likely than not that an impairment loss to our goodwill has been incurred for any of our three reporting units.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

Changes in the net carrying amount of goodwill by segment were as follows:

<i>(in millions)</i>	ACCO Brands North America	ACCO Brands EMEA	ACCO Brands International	Total
Balance at December 31, 2018	\$ 375.6	\$ 165.6	\$ 167.7	\$ 708.9
Acquisitions ⁽¹⁾	—	—	10.1	10.1
Foreign currency translation	—	0.1	(0.5)	(0.4)
Balance at December 31, 2019	375.6	165.7	177.3	718.6
Acquisitions ⁽¹⁾	85.6	—	3.9	89.5
Foreign currency translation	—	22.5	(3.2)	19.3
Balance at December 31, 2020	<u>\$ 461.2</u>	<u>\$ 188.2</u>	<u>\$ 178.0</u>	<u>\$ 827.4</u>

(1) Goodwill has been recorded on our Consolidated Balance Sheet related to the PowerA Acquisition and represents the excess of the cost of the PowerA Acquisition when compared to the fair value estimate of the net assets acquired on December 17, 2020 (the date of the PowerA Acquisition). Goodwill has been recorded on our Consolidated Balance Sheet related to the Foroni Acquisition and represents the excess of the cost of the Foroni Acquisition when compared to the fair value estimate of the net assets acquired on August 1, 2019 (the effective date of the Foroni Acquisition). Goodwill has been recorded on our Consolidated Balance Sheet related to the GOBA Acquisition and represents the excess of the cost of the GOBA Acquisition when compared to the fair value estimate of the net assets acquired on July 2, 2018 (the date of the GOBA Acquisition). See "Note 3. Acquisitions" for details on the calculation of the goodwill acquired in the acquisitions.

The goodwill balance includes \$215.1 million of accumulated impairment losses, which occurred prior to December 31, 2016.

The authoritative guidance on goodwill and other intangible assets requires that goodwill be tested for impairment at a reporting unit level. We have determined that our reporting units are ACCO Brands North America, ACCO Brands EMEA and ACCO Brands International. We test goodwill for impairment at least annually and on an interim basis if an event or circumstance indicates that it is more likely than not that an impairment loss has been incurred. The Company performed this annual assessment, on a qualitative basis, as allowed by GAAP, in the second quarter of 2020 and concluded that no impairment existed.

A considerable amount of management judgment and assumptions are required in performing the impairment tests, principally in determining the fair value of each reporting unit and the indefinite lived intangible assets. While we believe our judgments and assumptions are reasonable, different assumptions could change the estimated fair values and, therefore, impairment charges could be required. Significant negative industry or economic trends, disruptions to our business, loss of significant customers, inability to effectively integrate acquired businesses, unexpected significant changes or planned changes in the use of the assets or in entity structure, and divestitures may adversely impact the assumptions used in the valuations and ultimately result in future impairment charges.

Identifiable Intangibles

We test indefinite-lived intangibles for impairment at least annually and on an interim basis if an event or circumstance indicates that it is more likely than not that an impairment loss has been incurred. We performed this annual assessment, on a qualitative basis, as allowed by GAAP, for our indefinite-lived trade names as of the second quarter of 2020 and concluded that no impairment existed.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

Acquired Identifiable Intangibles

PowerA Acquisition

The preliminary valuation of identifiable intangible assets of \$239.7 million acquired in the PowerA Acquisition includes amortizable customer relationships, vendor relationships, trade names and developed technology, which have been recorded at their estimated fair values. The fair value of the customer relationships was determined using the multi-period excess earnings method which is based on the present value of the projected after-tax cash flows. The fair value of the vendor relationships was determined using the lost income method. The fair value of the trade name and the developed technology was determined using the relief from royalty method, which is based on the present value of royalty fees derived from projected revenues. The determination of the acquisition date fair value of the intangible assets required the Company to make significant estimates and assumptions regarding future revenue growth rates, future cost of sales, operating expenses and earnings before income tax, attrition rate, future cash flows without vendor relationships and discount rates.

The amortizable trade name, customer and vendor relationships will be amortized over 15 years while the developed technology will be amortized over 5 years on a straight-line basis. The allocation of the identifiable intangibles acquired in the PowerA Acquisition was as follows:

<i>(in millions)</i>	Fair Value	Remaining Useful Life Ranges
Trade name	\$ 21.6	15 years
Customer relationships	127.6	15 years
Vendor relationships	87.7	15 years
Developed technology	2.8	5 years
Total identifiable intangibles acquired	<u>\$ 239.7</u>	

Froni Acquisition

The valuation of identifiable intangible assets of \$11.1 million acquired in the Froni Acquisition includes an amortizable trade name, "Froni[®]," which has been recorded at its estimated fair value. The fair value of the trade name was determined using the relief from royalty method, which is based on the present value of royalty fees derived from projected revenues. The Froni[®] trade name is expected to be amortized over 23 years on a straight-line basis.

Cumberland Asset Acquisition

The valuation of identifiable intangible assets of \$3.2 million acquired in the Cumberland Asset Acquisition includes an amortizable trade name and amortizable customer relationships, which have been recorded at their estimated fair values. The fair value of the trade name was determined using the relief from royalty method, which is based on the present value of royalty fees derived from projected revenues. The fair value of the customer relationships was determined using the multi-period excess earnings method which is based on the present value of the projected after-tax cash flows.

The amortizable trade name is being amortized over 10 years on a straight-line basis while the customer relationships will be amortized on an accelerated basis over 7 years from January 31, 2019, the date the Cumberland assets were acquired by the Company. The allocation of the identifiable intangibles acquired in the Cumberland Asset Acquisition was as follows:

<i>(in millions)</i>	Fair Value	Remaining Useful Life Ranges
Trade name - amortizable	\$ 0.8	10 years
Customer relationships	2.4	7 years
Total identifiable intangibles acquired	<u>\$ 3.2</u>	

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

GOBA Acquisition

The valuation of identifiable intangible assets of \$10.3 million acquired in the GOBA Acquisition include an amortizable trade name and amortizable customer relationships, which have been recorded at their estimated fair values. The fair value of the trade name was determined using the relief from royalty method, which is based on the present value of royalty fees derived from projected revenues. The fair value of the customer relationships was determined using the multi-period excess earnings method which is based on the present value of the projected after-tax cash flows.

The amortizable trade name is being amortized over 15 years on a straight-line basis, while the customer relationships are being amortized on an accelerated basis over 10 years, from July 2, 2018, the date GOBA was acquired by the Company. The allocations of the identifiable intangibles acquired in the GOBA Acquisition were as follows:

<i>(in millions)</i>	Fair Value	Remaining Useful Life Ranges
Trade name - amortizable	\$ 3.8	15 years
Customer relationships	6.5	10 years
Total identifiable intangibles acquired	<u>\$ 10.3</u>	

The gross carrying value and accumulated amortization by class of identifiable intangible assets as of December 31, 2020 and 2019 were as follows:

<i>(in millions)</i>	December 31, 2020			December 31, 2019		
	Gross Carrying Amounts	Accumulated Amortization	Net Book Value	Gross Carrying Amounts	Accumulated Amortization	Net Book Value
Indefinite-lived intangible assets:						
Trade names	\$ 467.5	\$ (44.5) (1)	\$ 423.0	\$ 467.3	\$ (44.5) (1)	\$ 422.8
Amortizable intangible assets:						
Trade names	343.5	(97.7)	245.8	316.7	(83.7)	233.0
Customer and contractual relationships	376.8	(162.9)	213.9	241.0	(142.3)	98.7
Vendor relationships	87.7	(0.2)	87.5	—	—	—
Patents	8.9	(2.1)	6.8	5.5	(1.4)	4.1
Subtotal	<u>816.9</u>	<u>(262.9)</u>	<u>554.0</u>	<u>563.2</u>	<u>(227.4)</u>	<u>335.8</u>
Total identifiable intangibles	<u>\$ 1,284.4</u>	<u>\$ (307.4)</u>	<u>\$ 977.0</u>	<u>\$ 1,030.5</u>	<u>\$ (271.9)</u>	<u>\$ 758.6</u>

(1) Accumulated amortization prior to the adoption of authoritative guidance on goodwill and other intangible assets, at which time further amortization ceased.

The Company's intangible amortization expense was \$32.8 million, \$35.4 million and \$36.7 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Estimated amortization expense for amortizable intangible assets for the next five years is as follows:

<i>(in millions)</i>	2021	2022	2023	2024	2025
Estimated amortization expense ⁽²⁾	\$ 46.3	\$ 42.6	\$ 40.2	\$ 38.5	\$ 36.8

(2) Actual amounts of amortization expense may differ from estimated amounts due to changes in foreign currency exchange rates, additional intangible asset acquisitions, impairment of intangible assets, accelerated amortization of intangible assets and other events.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

COVID-19 Impact

We continue to monitor the significant global impact and uncertainty as a result of COVID-19 to assess the outlook for demand for our products and the effect on our business and our overall financial performance. This includes our risk of impairment of our goodwill and indefinite-lived intangible assets. Although the full impact of COVID-19 on demand remains uncertain, with impact varying significantly by geographic region, we remain committed to taking the actions necessary to protect our long-term financial performance expectations and position the Company for long-term growth. We expect the macroeconomic environment will recover in the medium to long-term. As a result of our analysis, and consideration of events and circumstances, we concluded based on the previously conducted annual assessment, on a qualitative basis, no impairment of our goodwill or indefinite-lived intangible assets was triggered as of June 30, 2020.

The implied fair values of all three of our reporting units, more likely than not, exceed their carrying values at December 31, 2020. In addition, we have not identified a triggering event that would cause us to perform a quantitative goodwill impairment analysis. In management's opinion, the goodwill balance for our ACCO Brands International reporting unit could be at risk for impairment if operating performance does not recover as expected from the current impacts of COVID-19, if we experience negative changes to the long-term outlook for the business, or if changes in factors and assumptions occur which impact the fair value of our reporting units such as low or declining revenue growth rates, depressed operating margins or adverse changes to the discount rates impacting this reporting unit.

11. Restructuring

The Company recorded \$10.9 million, \$12.0 million and \$11.7 million of restructuring charges for the years ended December 31, 2020, 2019 and 2018, respectively. Restructuring charges in 2020 were primarily related to severance costs in North America. Additional severance charges were also taken in Mexico, Brazil, EMEA and Australia.

In 2019, we recorded \$5.6 million of restructuring expense for our North America segment, \$2.3 million for our EMEA segment, and \$2.7 million for our International segment, primarily for severance expenses associated with several cost savings initiatives. In addition, we recorded \$1.4 million of restructuring expense for Corporate.

During 2018, the Company initiated cost savings plans related to changes in the operating structure of its North America segment and included costs associated with the integration of Esselte within the EMEA segment.

The summary of the activity in the restructuring liability for the year ended December 31, 2020 was as follows:

<i>(in millions)</i>	Balance at December 31, 2019	Provision	Cash Expenditures	Non-cash Items/ Currency Change	Balance at December 31, 2020
Employee termination costs ⁽¹⁾	\$ 10.7	\$ 8.5	\$ (11.1)	\$ —	\$ 8.1
Termination of lease agreements ⁽²⁾	0.6	1.5	(0.7)	(0.4)	1.0
Other ⁽³⁾	0.5	0.9	(0.5)	(0.7)	0.2
Total restructuring liability	<u>\$ 11.8</u>	<u>\$ 10.9</u>	<u>\$ (12.3)</u>	<u>\$ (1.1)</u>	<u>\$ 9.3</u>

(1) We expect the remaining \$8.1 million employee termination costs to be substantially paid within the next twelve months.

(2) We expect the remaining \$1.0 million termination of lease costs to be substantially paid within the next twelve months.

(3) We expect the remaining \$0.2 million of other costs to be substantially paid in the next twelve months.

The summary of the activity in the restructuring accounts for the year ended December 31, 2019 was as follows:

<i>(in millions)</i>	Balance at December 31, 2018	Provision	Cash Expenditures	Non-cash Items/ Currency Change	Balance at December 31, 2019
Employee termination costs	\$ 7.9	\$ 10.9	\$ (8.1)	\$ —	\$ 10.7
Termination of lease agreements	1.8	0.5	(1.7)	—	0.6
Other	—	0.6	(0.1)	—	0.5
Total restructuring liability	<u>\$ 9.7</u>	<u>\$ 12.0</u>	<u>\$ (9.9)</u>	<u>\$ —</u>	<u>\$ 11.8</u>

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

The summary of the activity in the restructuring accounts for the year ended December 31, 2018 was as follows:

<i>(in millions)</i>	Balance at December 31, 2017	Provision	Cash Expenditures	Non-cash Items/ Currency Change	Balance at December 31, 2018
Employee termination costs	\$ 12.0	\$ 8.3	\$ (12.1)	\$ (0.3)	\$ 7.9
Termination of lease agreements	0.8	3.2	(2.0)	(0.2)	\$ 1.8
Other	0.5	0.2	(0.6)	(0.1)	\$ —
Total restructuring liability	<u>\$ 13.3</u>	<u>\$ 11.7</u>	<u>\$ (14.7)</u>	<u>\$ (0.6)</u>	<u>\$ 9.7</u>

Restructuring charges for the years ended December 31, 2020, 2019 and 2018 by reporting segment were as follows:

<i>(in millions)</i>	2020	2019	2018
ACCO Brands North America	\$ 7.6	\$ 5.6	\$ 6.2
ACCO Brands EMEA	0.6	2.3	4.9
ACCO Brands International	2.6	2.7	0.6
Corporate	0.1	1.4	—
Total restructuring charges	<u>\$ 10.9</u>	<u>\$ 12.0</u>	<u>\$ 11.7</u>

12. Income Taxes

The components of income before income tax for the years ended December 31, 2020, 2019 and 2018 were as follows:

<i>(in millions)</i>	2020	2019	2018
Domestic operations	\$ 1.7	\$ 32.0	\$ 37.0
Foreign operations	76.9	131.5	120.9
Total	<u>\$ 78.6</u>	<u>\$ 163.5</u>	<u>\$ 157.9</u>

The reconciliation of income taxes computed at the U.S. federal statutory income tax rate of 21 percent to our effective income tax rate for the years ended December 31, 2020, 2019 and 2018 was as follows:

<i>(in millions)</i>	2020	2019	2018
Income tax at U.S. statutory rate; 21%	\$ 16.5	\$ 34.3	\$ 33.2
Effect of the U.S. Tax Act	—	—	3.1
Impact on final GILTI regulations for 2018 and 2019	(2.7)	—	—
Statutory tax rate changes	(2.0)	—	3.9
State, local and other tax, net of federal benefit	0.1	5.8	2.2
Impact from foreign inclusions	1.3	3.1	3.7
U.S. effect of foreign dividends and withholding taxes	1.0	2.1	2.2
Foreign income taxed at a higher effective rate	1.4	4.2	0.9
Net Brazilian Tax Assessments impact	1.5	6.5	(4.4)
Increase in valuation allowance	2.2	0.4	5.2
Excess expense (benefit) from stock-based compensation	0.9	0.2	(2.5)
Other	(3.6)	0.1	3.7
Income taxes as reported	<u>\$ 16.6</u>	<u>\$ 56.7</u>	<u>\$ 51.2</u>
Effective tax rate	21.1 %	34.7 %	32.4 %

For 2020, we recorded income tax expense of \$16.6 million on income before taxes of \$78.6 million, for an effective rate of 21.1 percent. The decrease in the effective rate versus 2019 was primarily due to an increase in reserves for uncertain tax

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

positions in the prior year, the election to exclude high-taxed intangible income from the global intangible low-taxed income ("GILTI") computation, and beneficial adjustments to deferred taxes resulting from statutory tax rate changes.

For 2019, we recorded income tax expense of \$56.7 million on income before taxes of \$163.5 million, for an effective rate of 34.7 percent. The increase in the effective rate versus 2018 was primarily due to the increase to the reserve for the unrecognized tax benefits of \$5.6 million in connection with the Brazil Tax Assessments.

For 2018, we recorded income tax expense of \$51.2 million on income before taxes of \$157.9 million, for an effective rate of 32.4 percent.

Final Section 951A Tax Regulations

On July 20, 2020, the U.S. Department of the Treasury and the Internal Revenue Service issued final section 951A regulations ("Final Regulations") on an election to exclude high-tax global intangible income from a U.S. shareholder's gross income for purposes of computing the GILTI tax. After assessing the impact of these regulations on the 2018 and 2019 tax years, the Company has decided to make the election to exclude high-tax global intangible income for both years and will file amended returns with benefits of \$1.1 million and \$1.4 million, respectively. The Company also intends to make the election for 2020 with a comparable benefit to the prior years.

Tax Reform

On December 22, 2017, the U.S. Tax Act was signed into law. The U.S. Tax Act made broad and complex changes to the U.S. tax code, including, but not limited to: (i) reducing the future U.S. federal corporate tax rate from 35 percent to 21 percent; (ii) requiring companies to pay a one-time transition tax on certain undistributed earnings of foreign subsidiaries (the "Transition Toll Tax"); (iii) bonus depreciation that will allow for full expensing of qualified property; (iv) a general elimination of U.S. federal income taxes on dividends from foreign subsidiaries; (v) a new provision designed to tax GILTI; (vi) the repeal of domestic production activity deductions; (vii) limitations on the deductibility of certain executive compensation expenses; (viii) limitations on the use of foreign tax credits to reduce U.S. income tax liability; and (ix) a new provision that allows a domestic corporation an immediate deduction for a portion of its foreign derived intangible income.

The Company was able to make reasonable estimates of the effects and recorded provisional estimates for these items. Changes in tax rates and tax laws are accounted for in the period of enactment. Therefore, during the year ended December 31, 2017, we recorded a net tax benefit totaling \$25.7 million related to our provisional estimate of the impact of the U.S. Tax Act. The benefit consisted of an expense of \$24.0 million, net of foreign tax credit carryforwards of \$14.0 million, for the one-time Transition Toll Tax and a net benefit of \$49.7 million in connection with the revaluation of the deferred tax assets and liabilities resulting from the decrease in the U.S. corporate tax rate.

As of December 31, 2018, the Company has revised these estimated amounts and recognized additional net tax expense in the amount of \$3.1 million. The Company recognized additional expenses of \$0.3 million related to the Transition Toll Tax. The Company recognized additional expense of \$3.3 million related to limitations on deductibility of executive compensation expenses including \$1.5 million of unrecognized tax benefits and a \$1.8 million impairment of deferred tax assets. The Company recognized a tax benefit of \$0.5 million on the difference between the 2018 U.S. enacted rate of 21 percent and the 2017 enacted rate of 35 percent, primarily related to a \$4.1 million deductible pension plan contribution included on the Company's 2017 U.S. Corporation income tax return.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

The components of the income tax expense for the years ended December 31, 2020, 2019 and 2018 were as follows:

<i>(in millions)</i>	2020	2019	2018
Current expense			
Federal and other	\$ (0.1)	\$ 5.8	\$ 2.7
Foreign	24.3	42.2	25.8
Total current income tax expense	24.2	48.0	28.5
Deferred expense			
Federal and other	(2.0)	8.4	11.1
Foreign	(5.6)	0.3	11.6
Total deferred income tax expense	(7.6)	8.7	22.7
Total income tax expense	<u>\$ 16.6</u>	<u>\$ 56.7</u>	<u>\$ 51.2</u>

The components of deferred tax assets (liabilities) as of December 31, 2020 and 2019 were as follows:

<i>(in millions)</i>	2020	2019
Deferred tax assets		
Compensation and benefits	\$ 13.3	\$ 15.4
Pension	60.1	52.7
Inventory	10.2	10.0
Other reserves	18.1	15.9
Accounts receivable	7.5	5.8
Foreign tax credit carryforwards	23.3	25.2
Net operating loss carryforwards	103.1	90.9
Interest expense carryforwards	9.3	6.2
Other	5.7	4.4
Gross deferred income tax assets	250.6	226.5
Valuation allowance	(55.4)	(51.6)
Net deferred tax assets	195.2	174.9
Deferred tax liabilities		
Depreciation	(19.0)	(18.0)
Unremitted non-U.S. earnings accrual	(4.6)	(2.0)
Identifiable intangibles	(199.9)	(209.1)
Other	(5.8)	(4.3)
Gross deferred tax liabilities	(229.3)	(233.4)
Net deferred tax liabilities	<u>\$ (34.1)</u>	<u>\$ (58.5)</u>

A valuation allowance of \$55.4 million and \$51.6 million as of December 31, 2020 and 2019, respectively, has been established for deferred income tax assets, primarily related to net operating loss (the "NOL") carryforwards that may not be realized. Realization of the net deferred income tax assets is dependent upon generating sufficient taxable income prior to the expiration of the applicable carryforward periods. Although realization is not certain, management believes that it is more likely than not that the net deferred income tax assets will be realized. However, the amount of net deferred tax assets considered realizable could change in the near term if estimates of future taxable income during the applicable carryforward periods fluctuate.

As of December 31, 2020, the Company has state NOL tax benefits of \$14.9 million which will expire between December 31, 2022 and December 31, 2032. As of December 31, 2020, the Company has \$2.1 million of federal general business credit carryforwards which will start to expire on December 31, 2038. As of December 31, 2020, the Company has \$23.3 million of foreign tax credit carryforwards which will expire on December 31, 2027. As of December 31, 2020, the Company has foreign NOLs of \$430 million and tax benefits of \$88.1 million, most of which have unlimited carryforward periods.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

With the enactment of the U.S. Tax Act, we believe that our offshore cash can be accessed without adverse U.S. tax consequences. After analyzing our global working capital and cash requirements, the Company has reassessed and updated its indefinite reinvestment assertion under ASC 740. As of December 31, 2020, the Company has recorded \$4.6 million of deferred taxes on approximately \$328 million of unremitted earnings of non-U.S. subsidiaries that may be remitted to the U.S. The Company has approximately \$219 million of additional unremitted earnings of non-U.S. subsidiaries, which are indefinitely reinvested and for which no deferred taxes have been provided.

A reconciliation of the beginning and ending amount of unrecognized tax benefits for the years ended December 31, 2020, 2019 and 2018 was as follows:

<i>(in millions)</i>	2020	2019	2018
Balance at beginning of year	\$ 50.5	\$ 43.7	\$ 47.2
Additions for tax positions of prior years	2.9	8.4	3.1
Additions for tax positions of current year	—	1.5	1.5
Reductions for tax positions of prior years	(1.1)	(2.5)	(8.2)
Acquisitions	1.4	—	5.3
Decrease resulting from foreign currency translation	(8.6)	(0.6)	(5.2)
Balance at end of year	<u>\$ 45.1</u>	<u>\$ 50.5</u>	<u>\$ 43.7</u>

As of December 31, 2020, the amount of unrecognized tax benefits decreased to \$45.1 million, all of which would impact our effective tax rate, if recognized. We expect the amount of unrecognized tax benefits to change within the next twelve months including releases of previously recorded reserves of approximately \$3.0 to \$4.0 million.

Interest and penalties related to unrecognized tax benefits are recognized within "Income tax expense" in the Consolidated Statements of Income. As of December 31, 2020, we have accrued a cumulative \$26.5 million for interest and penalties on the unrecognized tax benefits.

As of December 31, 2020, the U.S. federal statute of limitations remains open for the year 2017 and forward. Foreign and U.S. state jurisdictions have statutes of limitations generally ranging from 2 to 5 years. As of December 31, 2020, years still open to examination by foreign tax authorities in major jurisdictions include Australia (2015 forward), Brazil (2016 forward), Canada (2016 forward), Germany (2015 forward), Sweden (2015 forward) and the U.K. (2019 forward). We are currently under examination in various foreign jurisdictions.

Brazil Tax Assessments

In connection with our May 1, 2012, acquisition of the Mead Consumer and Office Products business ("Mead C&OP"), we assumed all of the tax liabilities for the acquired foreign operations including Tilibra Produtos de Papelaria Ltda. ("Tilibra"). In December of 2012, the Federal Revenue Department of the Ministry of Finance of Brazil ("FRD") issued a tax assessment against Tilibra, challenging the tax deduction of goodwill from Tilibra's taxable income for the year 2007 (the "First Assessment"). A second assessment challenging the deduction of goodwill from Tilibra's taxable income for the years 2008, 2009 and 2010 was issued by FRD in October 2013 (the "Second Assessment" and together with the First Assessment, the "Brazil Tax Assessments"). Tilibra is disputing both of the Brazil Tax Assessments.

The final administrative appeal of the Second Assessment was decided against the Company in 2017. In 2018, we decided to appeal this decision to the judicial level. In the event we do not prevail at the judicial level, we will be required to pay an additional penalty representing attorneys' costs and fees; accordingly, in the first quarter of 2019, the Company recorded an additional reserve in the amount of \$5.6 million. In connection with the judicial challenge, we were required to provide security to guarantee payment of the Second Assessment should we not prevail.

In the third quarter of 2020, the final administrative appeal of the First Assessment was decided against the Company. We have decided to appeal this decision to the judicial level. We recorded an additional expense in the third quarter of \$1.2 million representing additional attorneys' costs and fees, which we will be required to pay if we do not prevail at the judicial level.

We believe we have meritorious defenses and intend to vigorously contest both of the Brazil Tax Assessments; however, there can be no assurances that we will ultimately prevail. The ultimate outcome will not be determined until the Brazilian tax

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

appeal process is complete, which is expected to take a number of years. If the FRD's initial position is ultimately sustained, payment of the amount assessed would materially and adversely affect our cash flow in the year of settlement.

Because there is no settled legal precedent on which to base a definitive opinion as to whether we will ultimately prevail, we consider the outcome of this dispute to be uncertain. Since it is not more likely than not that we will prevail, in 2012, we recorded a reserve in the amount of \$44.5 million (at December 31, 2012 exchange rates) in consideration of this contingency, of which \$43.3 million was recorded as an adjustment to the purchase price and which included the 2007-2012 tax years plus penalties and interest through December 2012. Included in this reserve is an assumption of penalties at 75 percent, which is the standard penalty. While there is a possibility that a penalty of 150 percent could be imposed in connection with the First Assessment, based on the facts in our case and existing precedent, we believe the likelihood of a 150 percent penalty is not more likely than not as of December 31, 2020. We will continue to actively monitor administrative and judicial court decisions and evaluate their impact, if any, on our legal assessment of the ultimate outcome of our disputes. In addition, we will continue to accrue interest related to this contingency until such time as the outcome is known or until evidence is presented that we are more likely than not to prevail. The time limit for issuing an assessment for 2011 and 2012 expired in January 2018 and January 2019, respectively. Since we did not receive assessments for either of these periods, we reversed the amounts previously accrued, including \$5.6 million related to 2011, which was released in the first quarter of 2018. During the years ended December 31, 2020, 2019 and 2018, we accrued additional interest as a charge to current income tax expense of \$0.3 million, \$0.9 million and \$1.1 million, respectively. At current exchange rates, our accrual through December 31, 2020, including tax, penalties and interest, is \$28.4 million (reported in "Other non-current liabilities").

13. Earnings per Share

Total outstanding shares as of December 31, 2020, 2019 and 2018 were 94.9 million, 96.4 million and 102.7 million, respectively. Under our stock repurchase program, for the years ended December 31, 2020, 2019 and 2018, we repurchased and retired 2.7 million, 7.8 million and 6.0 million shares, respectively. For the years ended December 31, 2020, 2019 and 2018, we acquired 0.2 million, 0.5 million and 0.6 million shares, respectively, related to tax withholding in connection with share-based compensation.

The calculation of basic earnings per share of common stock is based on the weighted-average number of shares of common stock outstanding in the year, or period, over which they were outstanding. Our calculation of diluted earnings per share of common stock assumes that any shares of common stock outstanding were increased by shares that would be issued upon exercise of those stock awards for which the average market price for the period exceeds the exercise price less the shares that could have been purchased by the Company with the related proceeds, including compensation expense measured but not yet recognized.

Our weighted-average shares outstanding for the years ended December 31, 2020, 2019 and 2018 was as follows:

<i>(in millions)</i>	2020	2019	2018
Weighted-average number of shares of common stock outstanding - basic	94.9	99.5	104.8
Stock options	0.1	0.5	1.0
Restricted stock units	1.1	1.0	1.2
Adjusted weighted-average shares and assumed conversions - diluted	96.1	101.0	107.0

Awards of potentially dilutive shares of common stock, which have exercise prices that were higher than the average market price during the period, are not included in the computation of dilutive earnings per share as their effect would have been anti-dilutive. For the years ended December 31, 2020, 2019 and 2018, the number of anti-dilutive shares were approximately 7.1 million, 4.7 million and 4.0 million, respectively.

14. Derivative Financial Instruments

We are exposed to various market risks, including changes in foreign currency exchange rates and interest rate changes. We enter into financial instruments to manage and reduce the impact of these risks, not for trading or speculative purposes. The counterparties to these financial instruments are major financial institutions. We continually monitor our foreign currency exposures in order to maximize the overall effectiveness of our foreign currency hedge positions. Principal currencies hedged against the U.S. dollar include the Euro, Australian dollar, Canadian dollar, Swedish krona, British pound and Japanese yen.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

We are subject to credit risk, which relates to the ability of counterparties to meet their contractual payment obligations or the potential non-performance by counterparties to financial instrument contracts. Management continues to monitor the status of our counterparties and will take action, as appropriate, to further manage our counterparty credit risk. There are no credit contingency features in our derivative financial instruments.

When hedge accounting is applicable, on the date we enter into a derivative, the derivative is designated as a hedge of the identified exposure. We measure the effectiveness of our hedging relationships both at hedge inception and on an ongoing basis.

Forward Currency Contracts

We enter into forward foreign currency contracts with third parties to reduce the effect of fluctuating foreign currencies, primarily on foreign denominated inventory purchases and intercompany loans. The majority of the Company's exposure to local currency movements is in Europe (the Euro, the Swedish krona and the British pound), Brazil, Australia, Canada, and Mexico.

Forward currency contracts are used to hedge foreign denominated inventory purchases for Europe, Australia, Canada, Japan and New Zealand, and are designated as cash flow hedges. Unrealized gains and losses on these contracts are deferred in Accumulated Other Comprehensive Income ("AOCI") until the contracts are settled and the underlying hedged transactions relating to inventory purchases are recognized, at which time the deferred gains or losses will be reported in the "Cost of products sold" line in the Consolidated Statements of Income. As of December 31, 2020 and 2019, we had cash flow foreign exchange contracts outstanding with a U.S. dollar equivalent notional value of \$134.3 million and \$96.7 million, respectively, which were designated as hedges.

Forward currency contracts used to hedge foreign denominated intercompany loans are not designated as hedging instruments. Gains and losses on these derivative instruments are recognized within "Other expense (income), net" in the Consolidated Statements of Income and are largely offset by the change in the current translated value of the hedged item. The periods of the forward foreign exchange contracts correspond to the periods of the hedged transactions, with some relating to intercompany loans which extend beyond December 2021. As of December 31, 2020 and 2019, we had foreign exchange contracts outstanding with a U.S. dollar equivalent notional value of \$164.7 million and \$182.6 million, respectively, which were not designated as hedges.

The following table summarizes the fair value of our derivative financial instruments as of December 31, 2020 and 2019:

<i>(in millions)</i>	Fair Value of Derivative Instruments					
	Derivative Assets			Derivative Liabilities		
	Balance Sheet Location	December 31, 2020	December 31, 2019	Balance Sheet Location	December 31, 2020	December 31, 2019
Derivatives designated as hedging instruments:						
Foreign exchange contracts	Other current assets	\$ 0.1	\$ 0.4	Other current liabilities	\$ 5.0	\$ 0.9
Derivatives not designated as hedging instruments:						
Foreign exchange contracts	Other current assets	1.6	7.6	Other current liabilities	1.2	8.6
Foreign exchange contracts	Other non-current assets	32.1	—	Other non-current liabilities	32.1	—
Total derivatives		\$ 33.8	\$ 8.0		\$ 38.3	\$ 9.5

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

The following tables summarize the pre-tax effect of the Company's derivative financial instruments on the Consolidated Statements of Income for the years ended December 31, 2020, 2019 and 2018:

The Effect of Derivative Instruments in Cash Flow Hedging Relationships on the Consolidated Financial Statements								
<i>(in millions)</i>	Amount of Gain (Loss) Recognized in AOCI (Effective Portion)			Location of (Gain) Loss Reclassified from AOCI to Income	Amount of (Gain) Loss Reclassified from AOCI to Income (Effective Portion)			
	2020	2019	2018		2020	2019	2018	
Cash flow hedges:								
Foreign exchange contracts	\$ (4.5)	\$ 1.0	\$ 9.1	Cost of products sold	\$ 0.5	\$ (4.2)	\$ (6.4)	

The Effect of Derivatives Not Designated as Hedging Instruments on the Consolidated Statements of Income					
<i>(in millions)</i>	Location of (Gain) Loss Recognized in Income on Derivatives	Amount of (Gain) Loss Recognized in Income year ended December 31,			
		2020	2019	2018	
Foreign exchange contracts	Other expense (income), net	\$ (0.1)	\$ 0.1	\$ 0.7	

15. Fair Value of Financial Instruments

In establishing a fair value, there is a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The basis of the fair value measurement is categorized in three levels, in order of priority, as described below:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 Unadjusted quoted prices in active markets for similar assets or liabilities, or Unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or Inputs other than quoted prices that are observable for the asset or liability
- Level 3 Unobservable inputs for the asset or liability

We utilize the best available information in measuring fair value. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

We have determined that our financial assets and liabilities described in "Note 14. Derivative Financial Instruments" are Level 2 in the fair value hierarchy. The following table sets forth our financial assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2020 and 2019:

<i>(in millions)</i>	December 31, 2020	December 31, 2019
Assets:		
Forward currency contracts	\$ 33.8	\$ 8.0
Liabilities:		
Forward currency contracts	38.3	9.5

Our forward currency contracts are included in "Other current assets," "Other current liabilities," "Other non-current assets," or "Other non-current liabilities." The forward foreign currency exchange contracts are primarily valued based on the foreign currency spot and forward rates quoted by the banks or foreign currency dealers. As such, these derivative instruments are classified within Level 2.

The fair values of cash and cash equivalents, notes payable to banks, accounts receivable and accounts payable approximate carrying amounts due principally to their short maturities. The carrying amount of total debt was \$1,136.6 million and \$816.0 million and the estimated fair value of total debt was \$1,146.9 million and \$831.4 million as of December 31, 2020

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

and 2019, respectively. The fair values are determined from quoted market prices, where available, and from using current interest rates based on credit ratings and the remaining terms of maturity.

16. Accumulated Other Comprehensive Income (Loss)

AOCI is defined as net income (loss) and other changes in stockholders' equity from transactions and other events from sources other than stockholders. The components of, and changes in, AOCI were as follows:

<i>(in millions)</i>	Derivative Financial Instruments	Foreign Currency Adjustments	Unrecognized Pension and Other Post-retirement Benefit Costs	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2018	\$ 2.1	\$ (299.2)	\$ (164.6)	\$ (461.7)
Other comprehensive income (loss) before reclassifications, net of tax	0.6	(0.3)	(45.9)	(45.6)
Amounts reclassified from accumulated other comprehensive (loss) income, net of tax	(2.9)	—	4.5	1.6
Balance at December 31, 2019	(0.2)	(299.5)	(206.0)	(505.7)
Other comprehensive loss before reclassifications, net of tax	(3.2)	(19.3)	(43.0)	(65.5)
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	0.3	—	6.7	7.0
Balance at December 31, 2020	\$ (3.1)	\$ (318.8)	\$ (242.3)	\$ (564.2)

The reclassifications out of AOCI for the years ended December 31, 2020, 2019 and 2018 were as follows:

<i>(in millions)</i>	2020	2019	2018	
Details about Accumulated Other Comprehensive Income (Loss) Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)			Location on Income Statement
Gain (loss) on cash flow hedges:				
Foreign exchange contracts	\$ (0.5)	\$ 4.2	\$ 6.4	Cost of products sold
Tax benefit (expense)	0.2	(1.3)	(1.8)	Income tax expense
Net of tax	\$ (0.3)	\$ 2.9	\$ 4.6	
Defined benefit plan items:				
Amortization of actuarial loss	\$ (8.0)	\$ (5.2)	\$ (5.1)	(1)
Amortization of prior service cost	(0.7)	(0.7)	(0.3)	(1)
Total before tax	(8.7)	(5.9)	(5.4)	
Tax benefit	2.0	1.4	0.7	Income tax expense
Net of tax	\$ (6.7)	\$ (4.5)	\$ (4.7)	
Total reclassifications for the period, net of tax	\$ (7.0)	\$ (1.6)	\$ (0.1)	

- (1) These AOCI components are included in the computation of net periodic benefit cost (income) for pension and post-retirement plans (See "Note 6. Pension and Other Retiree Benefits" for additional details).

17. Revenue Recognition

On January 1, 2018, the Company adopted accounting standard ASU 2014-09, Revenue from Contracts with Customers and all related amendments (Topic 606), applying the modified retrospective transition method to all customer contracts that were not completed as of January 1, 2018.

Revenue is recognized when control of the promised goods or services is transferred to our customers in an amount

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

reflective of the consideration we expect to be received in exchange for those goods or services. Taxes we collect concurrent with revenue producing activities are excluded from revenue. Incidental items incurred that are immaterial in the context of the contract are expensed.

At the inception of each contract, the Company assesses the products and services promised and identifies each distinct performance obligation. To identify the performance obligations, the Company considers all products and services promised regardless of whether they are explicitly stated or implied within the contract or by standard business practices.

Freight and distribution activities performed before the customer obtains control of the goods are not considered promised services under customer contracts and therefore are not distinct performance obligations. The Company has chosen to account for shipping and handling activities as a fulfillment activity, and therefore accrues the expense of freight and distribution in "Cost of products sold" when product is shipped.

Service or Extended Maintenance Agreements ("EMAs"). As of December 31, 2019, there was \$5.5 million of unearned revenue associated with outstanding EMAs, primarily reported in "Other current liabilities." During the year ended December 31, 2020, \$4.8 million of the unearned revenue was earned and recognized. As of December 31, 2020, the amount of unearned revenue from EMAs was \$3.0 million. We expect to earn and recognize approximately \$2.3 million of the unearned amount in the next 12 months and \$0.7 million in periods beyond the next 12 months.

The following tables presents our net sales disaggregated by regional geography⁽¹⁾, based upon our reporting business segments for the years ended December 31, 2020, 2019 and 2018, and our net sales disaggregated by the timing of revenue recognition for the years ended December 31, 2020, 2019 and 2018:

<i>(in millions)</i>	2020	2019	2018
United States	\$ 725.3	\$ 847.9	\$ 819.7
Canada	96.8	118.9	121.0
ACCO Brands North America	822.1	966.8	940.7
ACCO Brands EMEA ⁽²⁾	523.9	569.3	605.2
Australia/N.Z.	128.7	145.3	169.2
Latin America	138.8	229.1	178.0
Asia-Pacific	41.7	45.2	48.1
ACCO Brands International	309.2	419.6	395.3
Net sales	\$ 1,655.2	\$ 1,955.7	\$ 1,941.2

(1) Net sales are attributed to geographic areas based on the location of the selling subsidiaries.

(2) ACCO Brands EMEA is comprised largely of Europe, but also includes export sales to the Middle East and Africa.

<i>(in millions)</i>	2020	2019	2018
Product and services transferred at a point in time	\$ 1,604.3	\$ 1,892.9	\$ 1,878.2
Product and services transferred over time	50.9	62.8	63.0
Net sales	\$ 1,655.2	\$ 1,955.7	\$ 1,941.2

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

18. Information on Business Segments

The Company has three operating business segments, each of which is comprised of different geographic regions. The Company's three operating segments are as follows:

Operating Segment	Geography	Primary Brands	Primary Products
ACCO Brands North America	United States and Canada	Five Star [®] , Quartet [®] , AT-A-GLANCE [®] , GBC [®] , Swingline [®] , Kensington [®] , Mead [®] , Hilroy [®] and PowerA [®]	Computer and gaming accessories, school products, planners, storage and organization (3-ring binders), dry erase boards, laminating, binding, stapling and punching products.
ACCO Brands EMEA	Europe, Middle East and Africa	Leitz [®] , Rapid [®] , Esselte [®] , Kensington [®] , Rexel [®] , GBC [®] , NOBO [®] , Derwent [®] and PowerA [®]	Storage and organization products (lever-arch binders, sheet protectors, indexes), computer and gaming accessories, stapling, punching, laminating, shredding, do-it-yourself tools, dry erase boards and writing instruments
ACCO Brands International	Australia/N.Z., Latin America and Asia-Pacific	Tilibra [®] , GBC [®] , Barrilito [®] , Foroni [®] , Marbig [®] , Kensington [®] , Artline [®] , Wilson Jones [®] , PowerA [®] , Quartet [®] , Spirax [®] and Rexel [®] <small>*Australia/N.Z. only</small>	School notebooks, storage and organization products (binders, sheet protectors and indexes), laminating, shredding, writing and arts products, janitorial supplies, dry erase boards and stapling and punching products

Each business segment designs, markets, sources, manufactures, and sells recognized consumer, technology and other end-user demanded branded products used in businesses, schools, and homes. Product designs are tailored to end-user preferences in each geographic region, and where possible, leverage common engineering, design, and sourcing.

Our product categories include computer and gaming accessories; storage and organization; notebooks; laminating, shredding, and binding machines; calendars; stapling; punching; dry erase boards; and do-it-yourself tools, among others. Our portfolio includes both globally and regionally recognized brands.

Customers

We distribute our products through a wide variety of retail and commercial channels to ensure that our products are readily and conveniently available for purchase by consumers and other end-users, wherever they prefer to shop. These channels include mass retailers, e-tailers, discount, drug/grocery and variety chains, warehouse clubs, hardware and specialty stores, independent office product dealers, office superstores, wholesalers, contract stationers, and specialist technology businesses. We also sell directly to commercial and consumer end-users through e-commerce sites and our direct sales organization.

Net sales by reportable business segment for the years ended December 31, 2020, 2019 and 2018 were as follows:

<i>(in millions)</i>	2020	2019	2018
ACCO Brands North America	\$ 822.1	\$ 966.8	\$ 940.7
ACCO Brands EMEA	523.9	569.3	605.2
ACCO Brands International	309.2	419.6	395.3
Net sales	<u>\$ 1,655.2</u>	<u>\$ 1,955.7</u>	<u>\$ 1,941.2</u>

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

Operating income by reportable business segment for the years ended December 31, 2020, 2019 and 2018 was as follows:

<i>(in millions)</i>	2020	2019	2018
ACCO Brands North America	\$ 83.0	\$ 131.0	\$ 116.6
ACCO Brands EMEA	51.6	58.6	59.4
ACCO Brands International	15.6	48.5	49.2
Segment operating income	150.2	238.1	225.2
Corporate ⁽¹⁾	(37.8)	(41.9)	(38.2)
Operating income ⁽²⁾	112.4	196.2	187.0
Interest expense	38.8	43.2	41.2
Interest income	(1.0)	(3.2)	(4.4)
Non-operating pension income	(5.6)	(5.5)	(9.3)
Other expense (income), net	1.6	(1.8)	1.6
Income before income tax	<u>\$ 78.6</u>	<u>\$ 163.5</u>	<u>\$ 157.9</u>

- (1) Corporate operating loss in 2020, 2019 and 2018 includes transaction costs of \$3.7 million, \$1.6 million and \$0.5 million respectively, primarily for legal and due diligence expenditures associated with the PowerA, Foroni and GOBA acquisitions.
- (2) Operating income as presented in the segment table above is defined as i) net sales; ii) less cost of products sold; iii) less SG&A expenses; iv) less amortization of intangibles; and v) less restructuring charges.

The following table presents the measure of reportable business segment assets used by the Company's chief operating decision maker as of December 31, 2020 and 2019:

<i>(in millions)</i>	2020	2019
ACCO Brands North America ⁽³⁾	\$ 401.4	\$ 403.4
ACCO Brands EMEA ⁽³⁾	265.8	257.9
ACCO Brands International ⁽³⁾	272.1	384.1
Total segment assets	939.3	1,045.4
Unallocated assets	2,108.1	1,742.3
Corporate ⁽³⁾	1.3	0.9
Total assets	<u>\$ 3,048.7</u>	<u>\$ 2,788.6</u>

- (3) Represents total assets, excluding goodwill and identifiable intangibles resulting from business acquisitions, intercompany balances, cash, deferred taxes, derivatives, prepaid pension assets, prepaid debt issuance costs and right of use asset, leases.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

As a supplement to the presentation of reportable business segment assets presented above, the table below presents reportable business segment assets, including the allocation of identifiable intangible assets and goodwill resulting from business combinations as of December 31, 2020 and 2019:

<i>(in millions)</i>	2020	2019
ACCO Brands North America ⁽⁴⁾	\$ 1,476.3	\$ 1,165.1
ACCO Brands EMEA ⁽⁴⁾	710.4	670.9
ACCO Brands International ⁽⁴⁾	556.9	686.7
Total segment assets	2,743.6	2,522.7
Unallocated assets	303.8	265.0
Corporate ⁽⁴⁾	1.3	0.9
Total assets	<u>\$ 3,048.7</u>	<u>\$ 2,788.6</u>

(4) Represents total assets, excluding intercompany balances, cash, deferred taxes, derivatives, prepaid pension assets, prepaid debt issuance costs and right of use asset, leases.

Capital spend by reportable business segment for the years ended December 31, 2020, 2019 and 2018 was as follows:

<i>(in millions)</i>	2020	2019	2018
ACCO Brands North America	\$ 9.3	\$ 21.7	\$ 24.3
ACCO Brands EMEA	4.0	7.0	6.1
ACCO Brands International	2.0	4.1	3.7
Total capital spend	<u>\$ 15.3</u>	<u>\$ 32.8</u>	<u>\$ 34.1</u>

Depreciation expense by reportable business segment for the years ended December 31, 2020, 2019 and 2018 was as follows:

<i>(in millions)</i>	2020	2019	2018
ACCO Brands North America	\$ 19.6	\$ 17.3	\$ 15.9
ACCO Brands EMEA	12.7	12.2	12.6
ACCO Brands International	5.6	5.4	5.5
Total depreciation	<u>\$ 37.9</u>	<u>\$ 34.9</u>	<u>\$ 34.0</u>

Property, plant and equipment, net by reportable business segment as of December 31, 2020 and 2019 was as follows:

<i>(in millions)</i>	2020	2019
U.S.	\$ 107.1	\$ 116.6
Canada	1.2	1.7
ACCO Brands North America	108.3	118.3
ACCO Brands EMEA	88.8	92.8
Australia/N.Z.	12.3	12.1
Latin America	30.4	42.2
Asia-Pacific	1.6	1.7
ACCO Brands International	44.3	56.0
Property, plant and equipment, net	<u>\$ 241.4</u>	<u>\$ 267.1</u>

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

Top Customers

Net sales to our five largest customers totaled \$554.7 million, \$641.5 million and \$577.3 million for the years ended December 31, 2020, 2019 and 2018, respectively. No customer exceeded 10 percent of net sales for the years ended December 31, 2020 and 2018, respectively. Net sales to Staples/Essendant, our largest customer, were \$200.2 million (10 percent) for the year ended December 31, 2019. Except as disclosed, no other customer represented more than 10 percent of net sales in any of the last three years.

As of December 31, 2020 and 2019, our top five trade account receivables totaled \$118.2 million and \$112.9 million, respectively.

19. Commitments and Contingencies

Pending Litigation - Brazil Tax Assessments

In connection with our May 1, 2012 acquisition of the Mead C&OP business, we assumed all of the tax liabilities for the acquired foreign operations including Tilibra. For further information, see "Note 12. Income Taxes - *Brazil Tax Assessments*" for details on tax assessments issued by the FRD against Tilibra challenging the tax deduction of goodwill from Tilibra's taxable income for the years 2007 through 2010. If the FRD's initial position is ultimately sustained, payment of the amount assessed would materially and adversely affect our cash flow in the year of settlement.

Brazil Tax Credits

In March 2017, the Supreme Court of Brazil ruled against the Brazilian tax authority in a leading case related to the computation of certain indirect taxes. The Supreme Court ruled that the indirect tax base should not include a value-added tax known as "ICMS." The Supreme Court decision, in principle, affects all applicable judicial proceedings in progress, and reduces future indirect taxes on our Brazilian subsidiary, Tilibra. However, the Brazilian tax authority has filed an appeal seeking clarification of certain matters, including the amount by which taxpayers would be entitled to reduce their indirect tax base (i.e. the gross ICMS collected or the net ICMS paid). The appeal also requests a modulation of the decision's effects, which may limit its retrospective impact on taxpayers, including Tilibra.

Tilibra has paid and continues to pay these indirect taxes on a tax base which includes the gross ICMS collected. It has also filed legal actions in Brazil to request reimbursement of these excess tax payments by way of future credits ("Tax Credits") and for permission to exclude the gross ICMS collected from the tax base in future periods. Tilibra's legal actions cover various time periods and some have been finally decided in a court of law in favor of Tilibra, while others are still pending a final decision.

Due to the uncertainties associated with the scope of the application of the Brazilian Supreme Court's ruling, taking into account the Brazilian tax authority's appeal and request for modulation, the Company has and will recognize income only for the amount of Tax Credits actually monetized, which will occur when Tilibra receives a cash flow benefit from applying the Tax Credits against various taxes payable in Brazil. The benefit of the Tax Credits realized by the Company has and will be recorded in the Consolidated Statements of Income in the line item "Other expense (income), net."

Tilibra has received final decisions for Tax Credits in the amount of \$4.3 million, of which \$3.3 million was offset against Brazilian taxes in the fourth quarter of 2019, with the balance used during the first quarter of 2020. This amount of Tax Credits assumes that only the net amount of ICMS paid can be excluded from the tax base. The total value of these Tax Credits was recorded as a gain in Tilibra's local statutory accounts during the third quarter of 2019, resulting in Brazilian federal taxes payable of approximately \$1.6 million.

Final decisions in the remaining legal actions Tilibra has filed may result in additional Tax Credits that could be monetized in future periods. Further, a favorable decision in the leading case by the Brazilian Supreme Court on the methodology to compute the Tax Credits (i.e. gross ICMS collected) would result in additional Tax Credits being available to Tilibra. The amount of these additional Tax Credits may be material.

Froni, in years prior to its acquisition, also filed legal actions in Brazil to recover these excess indirect tax payments; however, all of Froni's claims are still pending a final decision. In the event any Tax Credits are recovered on behalf of

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

Foroni, we are required under the quota purchase agreement to remit such recovery to the former owners of Foroni on a net of income tax paid basis, and therefore will not recognize any benefit in the Consolidated Statements of Income.

Other Pending Litigation

We are party to various lawsuits and regulatory proceedings, primarily related to alleged patent infringement, as well as other claims incidental to our business. In addition, we may be unaware of third-party claims of intellectual property infringement relating to our technology, brands, or products, and we may face other claims related to business operations. Any litigation regarding patents or other intellectual property could be costly and time-consuming and might require us to pay monetary damages or enter into costly license agreements. We also may be subject to injunctions against development and sale of certain of our products.

It is the opinion of management that (other than the Brazil Tax Assessments) the ultimate resolution of currently outstanding matters will not have a material adverse effect on our financial condition, results of operations or cash flow. However, there is no assurance that we will ultimately be successful in our defense of any of these matters or that an adverse outcome in any matter will not affect our results of operations, financial condition or cash flow. Further, future claims, lawsuits and legal proceedings could materially and adversely affect our business, reputation, results of operations and financial condition.

Unconditional Purchase Commitments

Future minimum payments under unconditional purchase commitments, primarily for inventory purchase commitments as of December 31, 2020 were as follows:

<i>(in millions)</i>	
2021	\$ 91.8
2022	1.4
2023	0.6
2024	0.1
2025	0.1
Thereafter	—
Total unconditional purchase commitments	<u>\$ 94.0</u>

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

20. Quarterly Financial Information (Unaudited)

The following is an analysis of certain line items in the Consolidated Statements of Income by quarter for 2020 and 2019:

<i>(in millions, except per share data)</i>	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
2020				
Net sales ⁽¹⁾	\$ 384.1	\$ 366.9	\$ 444.1	\$ 460.1
Gross profit	112.2	110.0	127.1	143.1
Operating income	17.4	18.5	34.3	42.2
Net income	\$ 8.0	\$ 5.4	\$ 18.8	\$ 29.8
Per share:				
Basic income per share ⁽²⁾	\$ 0.08	\$ 0.06	\$ 0.20	\$ 0.31
Diluted income per share ⁽²⁾	\$ 0.08	\$ 0.06	\$ 0.20	\$ 0.31
2019				
Net sales ⁽¹⁾	\$ 393.9	\$ 518.7	\$ 505.7	\$ 537.4
Gross profit	125.8	165.8	155.9	186.0
Operating income	17.9	61.4	48.8	68.1
Net income	\$ (0.6)	\$ 35.9	\$ 28.0	\$ 43.5
Per share:				
Basic income per share ⁽²⁾	\$ (0.01)	\$ 0.35	\$ 0.29	\$ 0.45
Diluted income per share ⁽²⁾	\$ (0.01)	\$ 0.35	\$ 0.28	\$ 0.44

(1) Our recent acquisition of PowerA and previous acquisitions in Mexico and Brazil have increased the size of our seasonal businesses. As a result of the seasonal nature of the demand for our products, we have generated, and we expect to continue to generate, a significant percentage of our sales and profit during the second, third, and fourth quarters. However, our cash flow seasonality is almost all in the second half of the year, as the cash inflow in the first quarter is consumed in the second quarter as inventory. Our third and fourth quarter cash flow comes from completing the working capital cycle and collecting our accounts receivable.

(2) The sum of the quarterly earnings per share amounts may not equal the total for the year due to the effects of rounding, dilution as a result of issuing shares of common stock and repurchasing of shares of common stock during the year.

ACCO Brands Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following Exhibits are filed herewith or are incorporated by reference to exhibits previously filed with the SEC, as indicated in the description of each. We agree to furnish to the SEC upon request a copy of any instrument with respect to long-term debt not filed herewith as to which the total amount of securities authorized thereunder does not exceed 10 percent of our total assets on a consolidated basis.

(a) Financial Statements, Financial Statement Schedules and Exhibits

i. All Financial Statements

The following consolidated financial statements of the Company and its subsidiaries are filed as part of this report under Part II, Item 8. - Financial Statements and Supplementary Data:

	<u>Page</u>
Reports of Independent Registered Public Accounting Firm	4
Consolidated Balance Sheets as of December 31, 2020 and 2019	7
Consolidated Statements of Income for the years ended December 31, 2020, 2019 and 2018	8
Consolidated Statements of Comprehensive Income for the years ended December 31, 2020, 2019 and 2018	9
Consolidated Statements of Cash Flows for the years ended December 31, 2020, 2019 and 2018	10
Consolidated Statements of Stockholders' Equity for the years ended December 31, 2020, 2019 and 2018	11
Notes to Consolidated Financial Statements	13

ii. Financial Statement Schedule:

Schedule II - Valuation and Qualifying Accounts and Reserves for each of the years ended December 31, 2020, 2019 and 2018.

iii. Exhibits:

A list of exhibits filed or furnished with this Report on Form 10-K (or incorporated by reference to exhibits previously filed or furnished by the Company) is provided in the accompanying Exhibit Index.

EXHIBIT INDEX

Number Description of Exhibit

Plans of acquisition, reorganization, arrangement, liquidation or succession

- [2.1](#) Purchase Agreement, dated as of November 10, 2020, among ACCO Brands Corporation, ACCO Brands USA LLC, Bensussen Deutsch & Associates LLC and, solely with respect to certain provisions thereof, Bensussen Deutsch Holdings, Inc., Jacob B. Deutsch and Eric E. Bensussen. (incorporated by reference to Exhibit 2.1 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on November 12, 2020 (File No. 001-08454))

Certificate of Incorporation and Bylaws

- [3.1](#) Restated Certificate of Incorporation of ACCO Brands Corporation (incorporated by reference to Exhibit 3.1 to ACCO Brands Corporation's Quarterly Report on Form 10-Q filed with the SEC on October 30, 2019 (File No. 001-08454))
- [3.2](#) By-laws of ACCO Brands Corporation, as amended through December 9, 2015 (incorporated by reference to Exhibit 3.1 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on December 14, 2015 (File No. 001-08454))

Instruments defining the rights of security holders, including indentures

- [4.1](#) Indenture, dated as of December 22, 2016, among ACCO Brands Corporation, as issuer, the guarantors named therein, and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to ACCO Brands Corporation's Annual Report on Form 10-K filed with the SEC on February 27, 2017 (File No. 001-08454))
- [4.2](#) Description of securities registered under Section 12 of the Exchange Act (incorporated by reference to Exhibit 4.2 to ACCO Brands Corporation's Annual Report on Form 10-K filed with the SEC on February 27, 2020 (File No. 001-08454))

Material Contracts

- [10.1](#) Third Amended and Restated Credit Agreement, dated as of January 27, 2017, among the Company, certain subsidiaries of the Company, Bank of America, N.A., as administrative agent, and the other agents and various lenders party hereto (incorporated by reference to Exhibit 10.11 to ACCO Brands Corporation's Annual Report on Form 10-K filed with the SEC on February 27, 2017 (File No. 001-08454))
- [10.2](#) First Amendment to the Third Amended and Restated Credit Agreement, dated as of July 26, 2018, among the Company, certain subsidiaries of the Company, Bank of America, N.A., as administrative agent and the other agents and various lenders party hereto (incorporated by reference to Exhibit 10.1 to ACCO Brands Corporation's Quarterly Report on Form 10-Q filed with the SEC on October 30, 2018 (File No. 001-08454))
- [10.3](#) Second Amendment to Third Amended and Restated Credit Agreement, dated as of May 23, 2019, among the Company, certain subsidiaries of the Company, Bank of America, N.A., as administrative agent, and the other lenders party thereto. (incorporated by reference to Exhibit 10.1 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on May 23, 2019 (File No. 001-08454))
- [10.4](#) Third Amendment to Third Amended and Restated Credit Agreement, dated as of May 1, 2020, among the Company, certain subsidiaries of the Company, Bank of America, N.A., as administrative agent, and the other lenders party thereto. (incorporated by reference to Exhibit 10.1 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on May 1, 2020 (File No. 001-08454))
- [10.5](#) Fourth Amendment to Third Amended and Restated Credit Agreement, dated as of November 10, 2020, among the Company, certain subsidiaries of the Company, Bank of America, N.A., as administrative agent, and the other lenders party thereto. (incorporated by reference to Exhibit 10.1 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on November 12, 2020 (File No. 001-08454))

EXHIBIT INDEX

Number Description of Exhibit

Executive Compensation Plans and Management Contracts

- [10.6](#) ACCO Brands Corporation Executive Severance Plan (effective December 1, 2007) (incorporated by reference to Exhibit 10.1 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on November 29, 2007 (File No. 001-08454))
- [10.7](#) Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on December 24, 2008 (File No. 001-08454))
- [10.8](#) Amended and Restated ACCO Brands Deferred Compensation Plan for Non-Employee Directors, effective December 14, 2009 (incorporated by reference to Exhibit 10.41 to ACCO Brands Corporation's Annual Report on Form 10-K filed with the SEC on February 26, 2010 (File No. 001-089454))
- [10.9](#) 2011 Amended and Restated ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.1 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on May 20, 2011 (File No. 001-08454))
- [10.10](#) Amendment of 2011 Amended and Restated ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.1 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on April 24, 2012 (File No. 001-08454))
- [10.11](#) Amendment of the ACCO Brands Corporation Executive Severance Plan, adopted as of October 23, 2012 (incorporated by reference to Exhibit 10.1 to ACCO Brands Corporation's Quarterly Report on Form 10-Q filed with the SEC on October 31, 2012 (File No. 001-08454))
- [10.12](#) Amendment to Deferred Compensation Plan for Non-Employee Directors, effective January 1, 2014 (incorporated by reference to Exhibit 10.15 to ACCO Brands Corporation's Annual Report on Form 10-K filed with the SEC on February 25, 2014 (File No. 001-089454))
- [10.13](#) Form of 2011 Amended and Restated Incentive Plan Directors Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.16 to ACCO Brands Corporation's Annual Report on Form 10-K filed with the SEC on February 25, 2014 (File No. 001-089454))
- [10.14](#) Form of Non-qualified Stock Option Agreement under the 2011 Amended and Restated Incentive Plan (incorporated by reference to Exhibit 10.2 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on March 10, 2014 (File No. 001-08454))
- [10.15](#) Second Amendment of 2011 Amended and Restated ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.4 to ACCO Brands Corporation's Quarterly Report on Form 10-Q filed with the SEC on April 30, 2014 (File No. 001-08454))
- [10.16](#) ACCO Brands Corporation Incentive Plan, which is an amendment and restatement of the Amended and Restated ACCO Brands Corporation 2011 Incentive Plan, as amended (incorporated by reference to Exhibit 4.4 to ACCO Brands Corporation's Registration Statement on Form S-8 filed with the SEC on May 12, 2015 (File No. 001-08454))
- [10.17](#) Form of Directors Restricted Stock Unit Award Agreement under the ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.1 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on May 18, 2015 (File No. 001-08454))
- [10.18](#) Form of Restricted Stock Unit Award Agreement under the ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.2 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on May 18, 2015 (File No. 001-08454))
- [10.19](#) Form of Performance Stock Unit Award Agreement under the ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.3 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on May 18, 2015 (File No. 001-08454))
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EXHIBIT INDEX

Number Description of Exhibit

- [10.20](#) Form of Nonqualified Stock Option Award Agreement under the ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.4 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on May 18, 2015 (File No. 001-08454))
- [10.21](#) Form of Executive Officer Restricted Stock Unit Award Agreement under the ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.1 to ACCO Brands Corporation's Quarterly Report on Form 10-Q filed with the SEC on May 9, 2017 (File No. 001-08454))
- [10.22](#) ACCO Brands Corporation Executive Severance Plan, as amended and restated effective January 1, 2019 (incorporated by reference to Exhibit 10.1 to ACCO Brands Corporation's Current Report on Form 8-K filed with the SEC on October 22, 2018 (File No. 001-09454))
- [10.23](#) ACCO Brands Corporation Nonqualified Deferred Compensation Plan (incorporated by reference to Exhibit 10.26 to ACCO Brands Corporation's Annual Report on Form 10-K filed with the SEC on February 27, 2019 (File No. 001-09454))
- [10.24](#) 2019 ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 99 to the Company's Registration Statement on Form S-8 filed with the SEC on May 21, 2019)
- [10.25](#) Form of Directors Restricted Stock Unit Award Agreement under the 2019 ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.3 to ACCO Brands Corporation's Quarterly Report on Form 10-Q filed with the SEC on July 31, 2019 (File No. 001-08454))
- [10.26](#) Form of Restricted Stock Unit Award Agreement under the 2019 ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.4 to ACCO Brands Corporation's Quarterly Report on Form 10-Q filed with the SEC on July 31, 2019 (File No. 001-08454))
- [10.27](#) Form of Performance Stock Unit Award Agreement under the 2019 ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.5 to ACCO Brands Corporation's Quarterly Report on Form 10-Q filed with the SEC on July 31, 2019 (File No. 001-08454))
- [10.28](#) Form of Nonqualified Stock Option Award Agreement under the 2019 ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.6 to ACCO Brands Corporation's Quarterly Report on Form 10-Q filed with the SEC on July 31, 2019 (File No. 001-08454))
- [10.29](#) Form of Nonqualified Stock Option Award Agreement under the 2019 ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.1 to ACCO Brands Corporation's Quarterly Report on Form 10-Q filed with the SEC on May 5, 2020 (File No. 001-08454))
- [10.30](#) Form of Nonqualified Stock Option Award Agreement - Non-U.S. Employees under the 2019 ACCO Brands Corporation Incentive Plan (incorporated by reference to Exhibit 10.2 to ACCO Brands Corporation's Quarterly Report on Form 10-Q filed with the SEC on May 5, 2020 (File No. 001-08454))
- [10.31](#) ACCO Brands Corporation Deferred Compensation Plan for Non-Employee Directors Restated Effective December 3, 2019 (incorporated by reference to Exhibit 10.31 to ACCO Brands Corporation's Annual Report on Form 10-K filed with the SEC on February 27, 2020 (File No. 001-08454))

Other Exhibits

- [21.1](#) Subsidiaries of the Registrant
- [23.1](#) Consent of KPMG LLP
- [24.1](#) Power of attorney
- [31.1](#) Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
-

EXHIBIT INDEX

Number Description of Exhibit

- [31.2](#) Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
- [32.1](#) Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
- [32.2](#) Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
- 101.INS Inline 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
- 101.SCH Inline XBRL Taxonomy Extension Schema Document
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

REGISTRANT:

ACCO BRANDS CORPORATION

By: _____ /s/ Boris Elisman
Boris Elisman
*Chairman, President and Chief Executive
Officer (principal executive officer)*

By: _____ /s/ Neal V. Fenwick
Neal V. Fenwick
*Executive Vice President and Chief Financial
Officer (principal financial officer)*

By: _____ /s/ James M. Dudek, Jr.
James M. Dudek, Jr.
*Senior Vice President, Corporate Controller and Chief Accounting Officer
(principal accounting officer)*

April 9, 2021

CERTIFICATIONS

I, Boris Elisman, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of ACCO Brands Corporation;
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 we 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 most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) 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.

By: /s/ Boris Elisman

Boris Elisman
Chairman, President and
Chief Executive Officer

Date: April 9, 2021

CERTIFICATIONS

I, Neal V. Fenwick, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of ACCO Brands Corporation;
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 we 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 most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) 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.

By: /s/ Neal V. Fenwick

Neal V. Fenwick

Executive Vice President and Chief Financial Officer

Date: April 9, 2021

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

As adopted pursuant to

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of ACCO Brands Corporation on Form 10-K/A for the period ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof, (the "Report"), I, Boris Elisman, Chief Executive Officer of ACCO Brands Corporation, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

By: /s/ Boris Elisman _____

Boris Elisman
Chairman, President and
Chief Executive Officer

Date: April 9, 2021

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

As adopted pursuant to

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of ACCO Brands Corporation on Form 10-K/A for the period ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof, (the "Report"), I, Neal V. Fenwick, Chief Financial Officer of ACCO Brands Corporation, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

By: /s/ Neal V. Fenwick

Neal V. Fenwick
Executive Vice President and
Chief Financial Officer

Date: April 9, 2021