



## Corporate Governance Guidelines

### Board of Directors

We are governed by our Board of Directors (the "Board"). The Board believes 8 to 12 members is an appropriate size based on the Company's present circumstances. The Board periodically evaluates whether a larger or smaller number of directors would be preferable.

A majority of the Board will at all times be comprised of directors meeting the criteria for independence required by The Nasdaq Stock Market and the Securities and Exchange Commission (the "SEC"). It is the objective of the Board that all non-management directors be independent. The Nominating and Governance Committee and the Board will from time to time, and no less often than annually, make a determination as to the independence of each director under the applicable requirements.

### Board Responsibilities

Stockholders elect the Board to oversee management and to assure that long-term stockholder interests are served. Through oversight, review and counsel, the Board establishes and advances Stericycle's business and organizational objectives. The Board's oversight responsibilities include: (i) evaluating our CEO's performance and reviewing the Company's succession plan for the CEO and senior management; (ii) reviewing the long-range business plans of the Company and monitoring performance relative to achievement of those plans; (iii) advising management regarding long-range strategic issues and risks facing the Company; (iv) overseeing management in the execution of its risk management responsibilities and assessing the Company's overall approach to risk management; and (v) approving policies of corporate conduct that continue to promote and maintain the integrity of the Company. The Board exercises direct oversight of strategic risks to the Company and other risk areas not delegated to one of its committees. Each committee charged with oversight over specific risk matters reports up to the Board on those matters. In addition, the Board is responsible for overseeing the implementation and effectiveness of the Company's ethics and compliance program.

### Committees of the Board

Our Board has standing Compensation, Audit, and Nominating and Governance Committees. All of the members of each committee are outside directors who are independent under the applicable listing standards of The Nasdaq Stock Market. Each Committee has its own written charter posted on the Investors page of the Company's website and complying with all Nasdaq listing standards and other applicable laws, rules and regulations.

#### *Compensation Committee*

The Compensation Committee makes recommendations to the Board concerning the base salaries, incentive structure and cash bonuses of our executive officers and reviews our employee compensation policies generally. The Committee also administers our incentive stock plans as they apply to our executive officers. In addition, the Committee annually reviews the Company's compensation practices to evaluate their overall effectiveness and any potential enterprise or other risks. Finally, at the direction of the Nominating and Governance Committee, the Compensation Committee periodically evaluates director compensation and makes recommendations to the Board regarding any modifications.

#### *Audit Committee*

The Audit Committee assists the Board in fulfilling its oversight responsibilities relating to the integrity of our

financial statements, the qualifications and experience of our independent accountants, the performance of our internal audit function and our independent accountants, and our compliance with legal and regulatory requirements.

The Audit Committee also reviews our risk management policies and practices related to financial and management controls, and reports any significant issues to the Board.

### ***Nominating and Governance Committee***

The Nominating and Governance Committee identifies and evaluates possible nominees for election to the Board and recommends to the Board a slate of nominees for election at the annual meeting of stockholders. The Committee also recommends to the Board director assignments to the Board's committees. In addition, the Committee develops, recommends to the Board and oversees the implementation of our corporate governance policies and practices.

The Committee considers a variety of factors in evaluating a candidate for selection as a nominee for election as a director. These factors include the candidate's personal qualities, with a particular emphasis on probity, independence of judgment and analytical skills, and the candidate's professional experience, educational background, knowledge of our business and healthcare services generally, experience serving on the boards of other public companies, and ability and willingness to devote sufficient time to the Stericycle Board. In evaluating a candidate's qualification for election to the Board, the Committee also considers whether and how the candidate would contribute to the Board's diversity, which we define broadly to include gender and ethnicity as well as background, experience and other individual qualities and attributes. To facilitate the Committee's evaluation of candidates for selection as a nominee for election as a director, the Committee utilizes, among other things, a skills and experience matrix highlighting each individual's specific skills, knowledge and experience in relevant areas. The Committee has not established any minimum qualifications that a candidate must possess. In determining whether to recommend an incumbent director for re-election, the Committee also considers the director's length of service on the Board and the director's preparation for and participation in meetings of the Board and the committee or committees of the Board on which the director serves.

In identifying potential candidates for selection in the future as nominees for election as directors, the Committee relies on suggestions and recommendations from the other directors, management, stockholders and others and, when appropriate, may retain a search firm for assistance. The Committee will consider candidates recommended by stockholders and will evaluate any candidate recommended by a stockholder on the same basis that it evaluates any other candidate. Any stockholder who wants to suggest a candidate should submit a written recommendation to the Committee indicating the candidate's qualifications and other relevant biographical information and providing preliminary confirmation that the candidate would be willing to serve as a director. See "Communications with the Board." Any stockholder wishing to nominate a candidate for election at an annual meeting or to utilize proxy access to include a director nominee in the Company's proxy statement for an annual meeting must comply with the applicable provisions of the Company's amended and restated bylaws.

### ***Committee Charters and Composition***

The charters and a listing of the current members of the Compensation, Audit, and Nominating and Governance Committees are available on the Investors page of the Company's website. Each committee's charter is regularly reviewed to confirm compliance with Nasdaq listing standards and other applicable laws, rules and regulations.

### **Chairman of the Board and Lead Director**

The directors shall elect from among themselves, and on recommendation of the Nominating and Governance Committee, a Chairman of the Board.

Our bylaws require the Board to appoint one of our outside directors as the Lead Director if and when our chief executive, or any other officer or employee, is serving as the Chairman of the Board ("Chairman"). The Lead

Director is required to be independent under the listing standards of The Nasdaq Stock Market, and serves at the Board's pleasure until the next election of directors by the stockholders.

Working with the Chairman, the Lead Director is responsible for coordinating the scheduling and agenda of board meetings and the preparation and distribution of agenda materials. The Lead Director presides when the Board meets in executive session or in the absence of the Chairman and may call special meetings of the Board when he or she considers appropriate. In general, the Lead Director oversees the scope, quality and timeliness of the flow of information from our management to the board and serves as an independent point of contact for stockholders wishing to communicate with the Board other than through the Chairman .

If we are not required by our bylaws to appoint a Lead Director, the functions of the Lead Director set forth in these Corporate Governance Guidelines shall be carried out by the Chairman.

## **Corporate Governance**

### ***Voting in Uncontested Director Elections***

Under an amendment to our bylaws that our Board adopted in March 2011, a nominee for election as a director must receive a majority of the votes cast in order to be elected as a director in an uncontested election (an election in which the number of nominees for election is the same as the number of directors to be elected). In other words, the nominee must receive more "for" votes than "against" votes, with abstentions and broker non-votes not having any effect on the voting.

If a nominee for election as a director is an incumbent director and the nominee is not re-elected, Delaware law provides that the director continues to serve as a "holdover" director until his or her successor is elected and qualified or until he or she resigns. Under our amended bylaws, an incumbent director who is not re-elected is required to tender his or her resignation as a director. Our Nominating and Governance Committee will review the circumstances and recommend to the Board whether to accept or reject the director's resignation or take any other action. The Board is required to act on this recommendation and publicly disclose its decision and the rationale behind its decision within 90 days from the date that the election results are certified.

### ***Executive Sessions and CEO Review***

Our Board excuses our CEO, as well as any of our other executive officers who may be present by invitation, from a portion of each meeting of the Board in order to allow the Board, with our independent Chairman or Lead Director presiding, to review the CEO's performance and to enable each director to raise any matter of interest or concern without the presence of management.

### ***Board Evaluation***

Our directors annually review the performance of the Board and its committees and the performance of their fellow directors by completing confidential evaluation forms that are returned to the independent Chairman or Lead Director and the Chair of the Nominating and Governance Committee. At a subsequent meeting of the Board, the independent Chairman or Lead Director and the Chair of the Nominating and Governance Committee lead a discussion with the full Board of any issues and suggestions for improvement identified in their review of these evaluation forms.

In addition, the independent Chairman or Lead Director and the Chair of the Nominating and Governance Committee evaluate the performance of incumbent directors in determining whether to recommend to the Board that they be nominated for reelection.

### ***Policy on Related Party Transactions***

The Board has adopted a written policy requiring certain transactions with related parties to be approved in advance by the Audit Committee. For purposes of this policy, a related party includes any director, director nominee, executive officer, 5% stockholder, or immediate family member of any of the foregoing. The transactions

subject to review include any transaction, arrangement or relationship (or any series of similar transactions, arrangements and relationships) in which (i) we or one of our subsidiaries will be a participant, (ii) the aggregate amount involved exceeds \$120,000 and (iii) a related party will have a direct or indirect material interest. In reviewing proposed transactions with related parties, the Audit Committee will consider the benefits to us of the proposed transaction, the potential effect of the proposed transaction on the director's independence (if the related party is a director or director nominee), and the terms of the proposed transaction and whether those terms are comparable to the terms available to an unrelated third party or to employees generally.

The full text of our Policy and Procedures for Reviewing Related Party Transactions is available on the Investors page of the Company's website.

### ***Succession Planning***

With our independent Chairman or Lead Director presiding, the Board or a committee assigned by the Board annually reviews and approves our succession planning for our CEO, our other executive officers and a number of other employees.

### ***Director Orientation and Education***

Senior management shall provide new directors with an initial orientation in order to familiarize them with their responsibilities as directors under law and the applicable listing standards of The Nasdaq Stock Market, and with the Company's business units and their respective strategic plans, its recent financial performance and current financial condition, accounting and risk management practices, its compliance programs, its Code of Conduct, its management, and its internal and external auditors. All directors are encouraged to participate in continuing director education.

### ***Required Resignation on Change in Job Responsibilities***

The Board has adopted a policy that a director must tender his or her resignation if the director's principal occupation or business association changes substantially from the position that he or she held when originally elected to the Board. The Nominating and Governance Committee will then review the circumstances of the director's new position or retirement and recommend to the full Board whether to accept or reject the director's resignation in light of the contribution that he or she can be expected to continue to make to the Board. Examples of changes in circumstances requiring a director to tender his or her resignation include: (i) retirement or resignation from, or other material change in, the principal position he or she held when originally elected to the Board; (ii) a new significant time commitment which may be inconsistent with the director's service on the Board; and (iii) a change in circumstances with respect to an independent director that would result in the director no longer being considered independent.

### ***Service on Other Boards and Committees***

Without approval from the Board, no director may serve on the board of directors of more than four other public companies and no member of the Audit Committee may serve on the audit committee of more than three other public companies. In addition, directors who serve as CEOs or in equivalent positions generally should not serve on the board of directors of more than two other public companies besides their employer's board. Directors are required to notify the Chair of the Nominating and Governance Committee prior to accepting any invitation to serve on the board, audit committee or compensation committee of any other company to ensure there are no conflicts of interests or other issues.

### ***Director Access to Corporate Officers and Employees***

Directors shall have full and free access to the corporate officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer, the independent Chairman or Lead Director, as applicable, or the Secretary or directly by the director. Directors will use their judgment to ensure that any contact is not disruptive to the business operations of the Company and will,

to the extent appropriate, copy the Chief Executive Officer on any written communications between a director and a corporate officer or employee of the Company.

#### **Communications with the Board**

Stockholders who would like to communicate with the Board may do so by writing to the Board, Stericycle, Inc., 28161 North Keith Drive, Lake Forest, Illinois 60045. Our Investor Relations department will process all communications received. Communications relating to matters within the scope of the Board's responsibilities will be forwarded to the Chairman and at his direction to the other directors, and communications relating to ordinary day-to-day business matters that are not within the scope of the Board's responsibilities will be forwarded to the appropriate officer or executive. Communications addressed to the Lead Director will be forwarded to him and at his direction to the other directors, and communications addressed to a particular committee of the Board will be forwarded to the chair of that committee and at his or her direction to the other members of the committee.

#### **Periodic Review of Guidelines**

These corporate governance guidelines shall be reviewed periodically, and not less often than annually, by the Nominating and Governance Committee, which will recommend any modifications to the Board as it deems appropriate.

Revised: September, 2018