



BUSINESS COURTESIES POLICY:

Policy on Accepting or Providing Business Gifts, Entertainment, and Hospitality

1.0 PURPOSE

Stericycle, Inc. is committed to the highest standards of integrity in our business practices and to complying with the law in the conduct of its business operations worldwide, as set forth in the Code of Business Conduct and Ethics. The purpose of this Ethics and Compliance policy is to establish guidelines for accepting or providing Business Courtesies.

2.0 SCOPE

This Policy applies to all team members and board members of Stericycle, Inc., and its Controlled Entities, subsidiaries and affiliates (collectively, “Stericycle”) and, where necessary, Stericycle Business Partners. For entities in which Stericycle does not have a controlling interest, Stericycle will use its best efforts to implement this Policy or a substantially similar Policy, and related procedures.

Stericycle team members are responsible for reading, understanding, and complying with this Policy.

In certain circumstances, Stericycle has adopted measures that are more restrictive than required by law because of its commitment to Company values and its business reputation worldwide. Individual Stericycle entities may choose to adopt more restrictive rules or guidelines for Business Courtesies but must, at a minimum, follow this Policy. In addition, where local law imposes stricter restrictions than required under this Policy, local law prevails and must be followed.

3.0 DEFINITIONS

Business Courtesies: Gifts, entertainment and hospitality involving Stericycle team members and Business Partners, provided to enhance business relationships and/or further their mutual business interests.

Business Partner: Includes Stericycle vendors, suppliers, Customers and Third Party Representatives.

Controlled Entity: Any entity in which Stericycle, Inc., directly or indirectly, has a greater than 50% interest, earns over 50% of the profits (or capital or beneficial interest), or holds over 50% of the seats on the board or other governing body; or any entity in which Stericycle has any other type of controlling power, such as a golden share.



Customer: Includes any current or prospective Stericycle customer, and anyone who is an owner, shareholder, employee, director, officer, or representative of a current or prospective Stericycle customer.

Government Official(s): Includes anyone who is a(n): agent, representative, official, officer, director, or employee of any government or any department, agency, or instrumentality thereof (including but not limited to any officer, director, or employee of a state-owned, operated or controlled entity, i.e. hospital, NATO, University) or of a public international organization, or any person acting in an official capacity for or on behalf of any such government, department, agency, instrumentality, or public international organization. Including any candidate for political office.

It is important to note that Government Official is broadly defined in this Policy and covers not only elected and appointed Government Officials, but also can extend to employees, third parties and/or contractors of government-owned or government-controlled entities acting in a commercial capacity (e.g., accounts payable clerk at a government-owned hospital, teacher at a State University). See Appendix A for additional examples of Government Officials.

High Risk Vendor (“HRV”): Any Third Party Representative that is state owned; that interacts with a government agency or government officials on behalf of Stericycle, or which pays or processes payments to a government agency or government officials on behalf of Stericycle (i.e., consultants, logistics providers, sales or customs agents). See [Appendix A](#) for additional examples.

Hospitality Expenses: Payments for, or related to, travel, accommodations, meals, or entertainment.

Third Party Representative: Any non-employee or outside party, regardless of title, who (i) provides goods or services to the Company; (ii) represents the Company; (iii) acts with discretion on the Company’s behalf; or (iv) acts jointly with the Company. Depending on the services provided by a Third Party Representative, and with whom such an entity interacts with on behalf of Stericycle, the entity could be classified as a High Risk Vendor as defined above.

4.0 OWNERSHIP/RESPONSIBILITIES

The Chief Ethics and Compliance Officer is the owner of this Policy. Questions about the policy can be directed to the Office of Ethics and Compliance at ethicsandcompliance@stericycle.com.

5.0 REQUIREMENTS

The exchange of Business Courtesies among Stericycle team members and our Business Partners is generally an appropriate way to build and strengthen business relationships. However, Business Courtesies can present significant ethical and legal risks for both the Company and individual team members under governmental regulations and anti-bribery and anti-corruption laws. Special care must also be taken when working with a High Risk Vendor, and any Business Courtesies must be clearly and accurately documented in the Company’s books and records.



The appropriateness of providing or accepting Business Courtesies often depends on the specific circumstances and must be carefully considered. In some cases, Business Courtesies can create or appear to create a conflict of interest between the team member's personal interests and those of the Company. No Business Courtesy should be accepted or provided if it will compromise or be perceived to compromise an individual's ability to make a fair and objective business decision.

Business Courtesies should be given and accepted openly and not in secret, and at a time and place that appears appropriate and reasonable and without a sense of obligation or expectation.

Stericycle team members who accept, offer, promise, facilitate, provide or authorize Business Courtesies or expenditures for such courtesies, of any sort, must comply with Stericycle's *Code of Business Conduct and Ethics*, *Anti-Corruption Policy*, and *Global Travel & Entertainment and Corporate Card Policy* as well as the requirements below.

5.1 Business Gifts

Stericycle team members may accept and give Business Gifts from/to a Business Partner with an individual value of up to \$50 USD (or the local currency equivalent). The total of all Gifts to/from a single Business Partner in a calendar year must not exceed \$150 USD (or the local currency equivalent). This \$150 USD limit is calculated based on Gifts to/from the business entity or organization as a whole, and not based on the Gifts to/from each individual at the entity or organization.

Prior written approval is required from the Office of Ethics & Compliance for any gifts given to an individual or entity with a value greater than \$50 USD or that exceed the \$150 USD annual limit (or the local currency equivalent). See Section 5.5 below regarding the Pre-Approval Process.

Promotional items that are insignificant in market value, such as logo-ed pens, hats, mugs, etc., generally are permitted independent of the individual \$50 USD limit and \$150 USD annual limit.

No Stericycle team members may knowingly exceed the applicable frequency or spending limits, nor may any Stericycle team members engage in any type of arrangement with any Third Party to exceed those limits.

If you are offered or receive a Gift prohibited by this Policy, you must notify the Office of Ethics and Compliance. Under appropriate circumstances, a Gift that exceeds the allowable dollar limit may be kept and made available to team members (e.g., by raffle, or first-come, first-served) without identifying the source of the Gift. Generally, though, a Gift that exceeds the allowable limit should be refused with a courtesy note explaining our policy to avoid a recurrence.

Contact the Office of Ethics and Compliance regarding any situation where local gift-giving practices or customs may apply or conflict with this Policy, or if senior management believes that returning a Gift may impact a business relationship with the Business Partner. Such matters will be reviewed on a case-by-case basis.



The following types of Gifts are never permitted:

- Gifts accepted or offered to improperly influence or reward an action or a business decision – or may appear to influence a decision. Gifts should be provided only as a courtesy or token of esteem.
- Cash and cash equivalents, such as gift cards, gift certificates, wire transfers, stocks, stock options, traveler’s checks and checks or anything redeemable for cash.
- Gifts that violate the laws and/or policies of the intended recipient.¹
- Gifts that are offensive, sexually oriented or otherwise violate our commitment to mutual respect or reflect poorly on the Company or the team member.
- Gifts given to family or friends of Business Partners without prior approval from the Office of Ethics & Compliance (unless the family or friends qualify to receive the gifts in their own right. For example, if the Business Partner is co-owned by a parent and child.)

5.2 Business Entertainment

Stericycle team members must exercise good judgment in accepting and giving courtesies in the form of Business Entertainment (e.g., after-business-hours meals, invitations to sporting and cultural events, golf outings, galas or charity events). There must be an appropriate balance between the business purpose and any sponsored social, entertainment or leisure activities.

Business Entertainment must be approved by the team member’s manager and meet the following general requirements:

- It must be unsolicited and for legitimate business purposes and provide a reasonable opportunity to discuss business between the team member and Business Partner or further develop the business relationship.
- It does not create a conflict of interest, or the appearance of a conflict, based on surrounding circumstances (i.e., must not be offered or accepted in the middle of an RFP).
- It is permitted under the laws and policies of the intended recipient.
- Business Entertainment provided by a team member must comply with Stericycle’s *Global Travel & Entertainment and Corporate Card Policy*, including dollar limits set therein.
- It is attended by both a Stericycle team member(s) and a representative of the Business Partner for the duration of the meal or entertainment provided. For example, accepting tickets to a sporting event where the Business Partner does not attend is not permitted unless the tickets are individually less than \$50 USD.
- It is not (and does not appear to be) excessive, lavish, extravagant or frequent, in the Company’s view, and is reasonable under local standards and customs.

¹ If unsure about this, please contact the Stericycle Legal department for information and advice concerning the laws of the country in which the recipient of the Gift is located. Many countries impose limitations on gifts that may be exchanged, even among employees of private-sector companies. Additionally, many business partners have policies regarding acceptable gifts and business entertainment.



- It is at a location and conducted in a manner that does not violate other Stericycle policies or the Code of Conduct, or which otherwise could harm the Company’s reputation (e.g., an event at an “adult entertainment” venue is not acceptable).

Invitations to Business Entertainment involving “high profile” or hard-to-get events (e.g., Super Bowl, U.S. Open, Olympics, Soccer World Cup, etc.), even when directly related to Company business, must be pre-approved in writing by the Office of Ethics and Compliance.

5.3 Hospitality

Team members may provide or accept Hospitality – expenses for travel and lodging – only where there is a bona fide business purpose that is directly related to (1) the promotion, demonstration, or exhibition of Stericycle services; (2) training or education related to Stericycle’s business; or (3) performance or execution of a contract to which Stericycle is a party.

Hospitality must be approved by the team member’s manager and meet the following general requirements:

- It is permitted under the laws and policies of the intended recipient.
- Payments in the form of a *per diem* (e.g., cash payments or “walking around money”) are strictly prohibited.
- Stericycle may not cover hospitality expenses for family members or friends of a Business Partner unless those family members or friends qualify to receive such coverage in their own right.
- Where possible, Stericycle should directly pay the service provider (e.g., airline, hotel, restaurant) rather than reimburse the Business Partner for such expenditures. If reimbursement cannot be avoided, it must be supported by appropriate itemized receipts reflecting the specific expense being reimbursed.
- Hospitality provided to a Business Partner must comply with Stericycle’s *Global Travel & Entertainment and Corporate Card Policy*, including dollar limits set therein.

Invitations from Business Partners to pay admission fees, travel or lodging costs relating to conferences, trade shows and other sponsored events must be pre-approved in writing by the Office of Ethics and Compliance. Generally, if there is an appropriate business purpose for the trip, business-related transportation expenses should be shared equally by Stericycle and the Business Partner.

5.4 Business Courtesies Offered or Provided to Government Officials

Business Courtesies provided to Government Officials deserve special attention. Activities that may be acceptable when dealing with private-sector company employees often are inappropriate or illegal when dealing with government officials. Providing Business Courtesies to Government Officials may violate U.S. and local anti-corruption laws and the Stericycle *Anti-Corruption Policy* and should be offered infrequently and under very narrow circumstances.



All team members who interact with any Government entities and Government Officials, including international public organizations, are responsible for learning and complying with the rules that apply to government contracting, funding of government projects, and to interactions with Government Officials. Typically, these rules prohibit or severely limit the offering, promising or providing of business courtesies to Government Officials. In addition, Government Officials themselves are generally prohibited from soliciting, agreeing to accept or receiving business courtesies.

In addition to criteria listed in 5.1, 5.2 and 5.3 above:

- The value of any single Gift must follow local law and custom and in no circumstance, exceed \$50 USD (or the local currency equivalent).
- **All** expenditures made for the benefit of a Government Official **must be approved in advance in writing** by the Country Manager or his/her designee, **and** by the Office of Ethics and Compliance, pursuant to the Pre-Approval Process described in Section 5.4 below.

For more on Business Courtesies involving Government Officials, see Stericycle's [Anti-Corruption Policy](#) and its accompanying [Appendix A - Guidelines on Payments for the Benefit of Government Officials and Business Courtesies Policy Appendix A](#).

5.5 Pre-Approval Process

For all Business Courtesies requiring pre-approval, the Stericycle team member requesting the approval must submit a pre-approval request and all required documentation to the Office of Ethics and Compliance (Stericycle.reportgifts.ethicspoint.com).

Following submission, the Office of Ethics and Compliance will review the pre-approval request and either (i) approve the request; (ii) reject the request and explain why it was rejected; or (iii) request additional information from the requestor. The Stericycle team member will then receive a final notification stating whether the request has been approved or rejected based on our ethical review. The team member may then have to obtain Manager or Country Manager Approvals in writing as required.

A copy of the pre-approval request and approval must be provided when submitting these expenses for payment or reimbursement.

5.6 Properly Accounting for Business Courtesies

The U.S. Foreign Corrupt Practices Act and other laws require that Stericycle's books, records and accounts accurately and fairly reflect, in reasonable detail, all transactions and dispositions of assets, whatever their amount. To comply with these laws, all Gifts, Business Entertainment and Hospitality provided by the Company must be clearly, accurately and properly documented and recorded, in reasonable detail, in all books and records (including, e.g., ledgers, expense reports and pre-approval forms).



6.0 ENFORCEMENT/STATEMENT OF CONSEQUENCES FOR FAILURE TO COMPLY

Compliance with this Policy is mandatory. Stericycle may, at its discretion, discipline those who fail to comply with this Policy, up to and including termination of employment and possible legal action. Failure to appropriately report suspected misconduct may be a violation of law and may also be grounds for disciplinary action, up to and including termination.

7.0 RELATED POLICIES AND PROCEDURES

Code of Business Conduct and Ethics

Anti-Corruption Policy

Global Travel & Entertainment and Corporate Card Policy

8.0 REQUESTS FOR ADDITIONAL INFORMATION/INTERPRETATION

If you have any questions about this Policy, please contact the Office of Ethics and Compliance at EthicsAandCompliance@stericycle.com.

9.0 REVISIONS/REVISION HISTORY

Revision Number	1.0
Effective Date	October 10, 2018
Last Review Date	October 10, 2018
Next Review Date	October 2020

This Policy must be reviewed and approved biennially unless changes in relevant laws or business needs require more frequent review/revision. The Policy Owner is responsible for updating the Policy and management of prior versions.