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

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FORM 10-Q

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[Mark One]

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended March 31, 2022

or

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 1-37556

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**Stericycle, Inc.**

(Name of registrant as specified in its charter)

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**Delaware**

(State or other jurisdiction of incorporation or organization)

**36-3640402**

(IRS Employer Identification Number)

**2355 Waukegan Road  
Bannockburn, Illinois 60015**

(Address of principal executive offices, including zip code)

**(847) 367-5910**

(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 \$0.01 per share	SRCL	Nasdaq Global Select Market

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 (§232.405 of this chapter) 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   
Smaller reporting company

Accelerated filer   
Emerging growth company

Non-accelerated filer

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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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

On April 25, 2022, there were 92,088,094 shares of the Registrant's Common Stock outstanding.

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## Glossary of Defined Terms

Unless the context requires otherwise, the “Company”, “Stericycle”, “we”, “us” or “our” refers to Stericycle, Inc. on a consolidated basis. The Company also uses several other terms in this Quarterly Report on Form 10-Q, most of which are explained or defined below:

Abbreviation	Description
2021 Form 10-K	Annual report on Form 10-K for the year ended December 31, 2021
Adjusted Income from Operations	Income from Operations adjusted for certain items discussed in Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations
ASU	Accounting Standards Update
CDC	U.S. Centers for Disease Control and Prevention
Credit Agreement Defined Debt Leverage Ratio	As of any date of determination, the ratio of (a) (i) Consolidated Funded Indebtedness as of such date minus (ii) Unrestricted Cash as of such date to (b) Consolidated EBITDA for the period of four fiscal quarters most recently ended on or prior to such date
COR	Cost of Revenues
COVID-19	The global novel coronavirus disease 2019 outbreak, which the World Health Organization declared as to be a pandemic
Credit Agreement	Amended and Restated Credit Agreement dated as of September 30, 2021, among the Company and certain subsidiaries as borrowers. Bank of America, N.A., as administrative agent, swing line lender, a lender and a letter of credit issuer and the other lenders party thereto, as amended
Credit Facility	The Company’s \$1.2 billion credit facility due in September of 2026 granted under the terms of the Credit Agreement
DEA	U.S. Drug Enforcement Administration. The DEA is a division of the U.S. Department of Justice. It is the federal agency which regulates the manufacture, dispensing, storage, and shipment of controlled substances including medications with human abuse potential
DOJ	U.S. Department of Justice
Domestic Environmental Solutions	Hazardous Waste Solutions and Manufacturing and Industrial Services
DOT	U.S. Department of Transportation
DSO	Days Sales Outstanding, defined as the average number of days that it takes a company to collect payment after revenue has been recorded, computed as the trailing twelve months of Revenues for the period ended DSO, divided by the Accounts Receivable balance at the end of the period
DTSC	U.S. Department of Toxic Substances Control
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization. Another common financial term utilized by Stericycle to analyze the core profitability of the business before interest, tax, depreciation and amortization
EPA	U.S. Environmental Protection Agency
ERP	Enterprise Resource Planning
Exchange Act	U.S. Securities Exchange Act of 1934
FCPA	U.S. Foreign Corrupt Practices Act
FCPA Settlement	FCPA Settlement with the Securities and Exchange Commission, the Department of Justice and Brazilian authorities of approximately \$90.0 million
International	Operating segment including Europe, Middle East, Asia Pacific and Latin America Business operations outside of North America
IRS	U.S. Internal Revenue Service
North America	Operating segment in North America, including Puerto Rico
NOV	Notice of Violation
OSHA	U.S. Occupational Safety and Health Act of 1970
Other Costs	Represents corporate enabling and shared services costs, annual incentive and stock-based compensation
Purchase Agreement	Stock Purchase Agreement, dated as of February 6, 2020, by and between Stericycle, Inc., and the Harsco Corporation and CEI Holding LLC, a Delaware limited liability company and subsidiary of Harsco Corporation
PSU	Performance-based Restricted Stock Unit
ROU	Right-of-Use as defined in ASU No. 2018-11, Leases (Topic 842)
RSU	Restricted Stock Unit
RTO	Return to Office
RWCS	Regulated Waste and Compliance Services, a business unit that provides regulated medical waste services and communication solutions
SEC	U.S. Securities and Exchanges Commission
Senior Notes	5.375% (\$600.0 million) Senior Notes due July 2024 and 3.875% (\$500.0 million) Senior Notes due January 2029
SG&A	Selling, General and Administrative expenses
SID	Secure Information Destruction Services, a business unit that provides regulated confidential customer material shredding services and recycling of shredded paper
SOP	Sorted Office Paper
SQ Settlement	Small quantity medical waste customers class action settlement of \$295.0 million
Term Facility	Aggregate amount of commitments made by any lender under the terms of the Credit Agreement
Term Loans	Advances made by any lender under the Term Facility
U.S.	United States of America
U.S. GAAP	U.S. Generally Accepted Accounting Principles

## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements (Unaudited)

**STERICYCLE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF (LOSS) INCOME**  
**(Unaudited)**

In millions, except per share data

	Three Months Ended March 31,	
	2022	2021
<b>Revenues</b>	\$ 664.2	\$ 668.0
Cost of revenues	419.7	406.6
<b>Gross profit</b>	244.5	261.4
Selling, general and administrative expenses	238.6	202.3
<b>Income from operations</b>	5.9	59.1
Interest expense, net	(16.3)	(18.4)
Other expense, net	(0.8)	(0.7)
<b>(Loss) income before income taxes</b>	(11.2)	40.0
Income tax expense	(2.9)	(13.8)
<b>Net (loss) income</b>	(14.1)	26.2
Net income attributable to noncontrolling interests	(0.1)	(0.1)
<b>Net (loss) income attributable to Stericycle, Inc. common shareholders</b>	\$ (14.2)	\$ 26.1
<b>(Loss) earnings per common share attributable to Stericycle, Inc. common shareholders:</b>		
Basic	\$ (0.15)	\$ 0.29
Diluted	\$ (0.15)	\$ 0.28
<b>Weighted average number of common shares outstanding:</b>		
Basic	92.0	91.6
Diluted	92.0	92.0

See accompanying Notes to Condensed Consolidated Financial Statements.

**STERICYCLE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME**  
**(Unaudited)**

In millions

	Three Months Ended March 31,	
	2022	2021
<b>Net (loss) income</b>	\$ (14.1)	\$ 26.2
<b>Other comprehensive (loss) income:</b>		
Currency translation adjustments	(8.9)	(13.1)
<b>Total other comprehensive (loss) income</b>	(8.9)	(13.1)
<b>Comprehensive (loss) income</b>	(23.0)	13.1
Less: comprehensive income attributable to noncontrolling interests	(0.1)	(0.1)
<b>Comprehensive (loss) income attributable to Stericycle, Inc. common shareholders</b>	\$ (22.9)	\$ 13.2

See accompanying Notes to Condensed Consolidated Financial Statements.

**STERICYCLE, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

In millions, except per share data

	March 31, 2022	December 31, 2021
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 59.6	\$ 55.6
Accounts receivable, less allowance for doubtful accounts of \$48.2 in 2022 and \$43.3 in 2021	457.2	420.4
Prepaid expenses	42.9	45.6
Other current assets	53.8	53.9
<b>Total Current Assets</b>	<b>613.5</b>	<b>575.5</b>
Property, plant and equipment, less accumulated depreciation of \$677.8 in 2022 and \$658.5 in 2021	713.1	711.0
Operating lease right-of-use assets	346.5	344.8
Goodwill	2,808.8	2,815.7
Intangible assets, less accumulated amortization of \$768.2 in 2022 and \$736.6 in 2021	932.9	964.5
Other assets	62.3	61.6
<b>Total Assets</b>	<b>\$ 5,477.1</b>	<b>\$ 5,473.1</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities:</b>		
Current portion of long-term debt	\$ 17.3	\$ 19.9
Bank overdrafts	1.0	1.6
Accounts payable	210.9	218.9
Accrued liabilities	308.8	359.6
Operating lease liabilities	84.6	85.5
Other current liabilities	46.9	46.2
<b>Total Current Liabilities</b>	<b>669.5</b>	<b>731.7</b>
Long-term debt, net	1,678.3	1,589.8
Long-term operating lease liabilities	282.0	279.8
Deferred income taxes	410.4	411.0
Long-term taxes payable	15.9	19.1
Other liabilities	39.6	38.9
<b>Total Liabilities</b>	<b>3,095.7</b>	<b>3,070.3</b>
Commitments and contingencies		
<b>EQUITY</b>		
Common stock (par value \$0.01 per share, 120.0 shares authorized, 92.1 and 91.9 issued and outstanding in 2022 and 2021, respectively)	0.9	0.9
Additional paid-in capital	1,263.4	1,261.8
Retained earnings	1,340.6	1,354.8
Accumulated other comprehensive loss	(227.4)	(218.8)
<b>Total Stericycle, Inc.'s Equity</b>	<b>2,377.5</b>	<b>2,398.7</b>
Noncontrolling interests	3.9	4.1
<b>Total Equity</b>	<b>2,381.4</b>	<b>2,402.8</b>
<b>Total Liabilities and Equity</b>	<b>\$ 5,477.1</b>	<b>\$ 5,473.1</b>

See accompanying Notes to Condensed Consolidated Financial Statements.

**STERICYCLE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

In millions

	Three Months Ended March 31,	
	2022	2021
<b>OPERATING ACTIVITIES:</b>		
Net (loss) income	\$ (14.1)	\$ 26.2
Adjustments to reconcile net (loss) income to net cash from operating activities:		
Depreciation	27.3	25.5
Intangible amortization	32.4	29.8
Stock-based compensation expense	4.8	5.1
Deferred income taxes	0.7	(2.1)
Loss on disposal of property plant and equipment and other charges	0.3	—
Other, net	0.6	1.9
Changes in operating assets and liabilities:		
Accounts receivable	(37.3)	(10.4)
Prepaid expenses	2.9	14.4
Accounts payable	(2.1)	11.2
Accrued liabilities	(40.9)	(34.2)
Other assets and liabilities	(13.4)	(4.8)
<b>Net cash from operating activities</b>	<b>(38.8)</b>	<b>62.6</b>
<b>INVESTING ACTIVITIES:</b>		
Capital expenditures	(37.5)	(24.7)
Other, net	0.7	0.2
<b>Net cash from investing activities</b>	<b>(36.8)</b>	<b>(24.5)</b>
<b>FINANCING ACTIVITIES:</b>		
Repayments of long-term debt and other obligations	(5.6)	(6.3)
Repayments of foreign bank debt	(0.1)	(0.1)
Repayments of term loan	—	(11.9)
Proceeds from credit facility	364.4	269.3
Repayments of credit facility	(272.5)	(288.8)
(Repayment of) proceeds from bank overdrafts, net	(0.7)	4.3
Payments of finance lease obligations	(0.9)	(0.9)
Proceeds from issuance of common stock, net of (payments of) taxes from withheld shares	(5.2)	(5.1)
Payments to noncontrolling interest	—	(0.6)
<b>Net cash from financing activities</b>	<b>79.4</b>	<b>(40.1)</b>
Effect of exchange rate changes on cash and cash equivalents	0.2	(1.3)
Net change in cash and cash equivalents	4.0	(3.3)
Cash and cash equivalents at beginning of period	55.6	53.3
<b>Cash and cash equivalents at end of period</b>	<b>\$ 59.6</b>	<b>\$ 50.0</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Interest paid, net of capitalized interest	\$ 28.0	\$ 20.0
Income taxes paid (refund), net	\$ 1.4	\$ 1.9
Capital expenditures in Accounts payable	\$ 17.5	\$ 15.5

See accompanying Notes to Condensed Consolidated Financial Statements.



**STERICYCLE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Unaudited)

In millions

	Stericycle, Inc. Equity						
	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Equity
	Shares	Amount					
<b>Balance as of December 31, 2021</b>	91.9	\$ 0.9	\$ 1,261.8	\$ 1,354.8	\$ (218.8)	\$ 4.1	\$ 2,402.8
Net loss	—	—	—	(14.2)	—	0.1	(14.1)
Currency translation adjustment	—	—	—	—	(8.6)	(0.3)	(8.9)
Issuance of common stock for incentive stock programs, net of (payments of) taxes from withheld shares	0.2	—	(3.2)	—	—	—	(3.2)
Stock-based compensation expense	—	—	4.8	—	—	—	4.8
<b>Balance as of March 31, 2022</b>	<u>92.1</u>	<u>\$ 0.9</u>	<u>\$ 1,263.4</u>	<u>\$ 1,340.6</u>	<u>\$ (227.4)</u>	<u>\$ 3.9</u>	<u>\$ 2,381.4</u>

In millions

	Stericycle, Inc. Equity						
	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Equity
	Shares	Amount					
<b>Balance as of December 31, 2020</b>	91.6	\$ 0.9	\$ 1,234.0	\$ 1,382.6	\$ (187.4)	\$ 4.3	\$ 2,434.4
Net income	—	—	—	26.1	—	0.1	26.2
Currency translation adjustment	—	—	—	—	(12.9)	(0.2)	(13.1)
Issuance of common stock for incentive stock programs, net of (payments of) taxes from withheld shares	0.2	—	(3.2)	—	—	—	(3.2)
Stock-based compensation expense	—	—	5.1	—	—	—	5.1
Changes in noncontrolling interest	—	—	—	—	—	(0.6)	(0.6)
<b>Balance as of March 31, 2021</b>	<u>91.8</u>	<u>\$ 0.9</u>	<u>\$ 1,235.9</u>	<u>\$ 1,408.7</u>	<u>\$ (200.3)</u>	<u>\$ 3.6</u>	<u>\$ 2,448.8</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

STERICYCLE, INC.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

**NOTE 1 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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***Summary of Significant Accounting Policies***

***Basis of Presentation:*** The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of Stericycle, Inc. and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The Company's Condensed Consolidated Financial Statements were prepared in accordance with U.S. GAAP and include the assets, liabilities, revenues, and expenses of all wholly owned subsidiaries and majority-owned subsidiaries over which the Company exercises control. Outside shareholders' interests in subsidiaries are shown on the Condensed Consolidated Financial Statements as "Noncontrolling interests".

The accompanying unaudited Condensed Consolidated Financial Statements as of March 31, 2022 and for the three months ended March 31, 2022 and 2021, have been prepared pursuant to the rules and regulations of the SEC for interim reporting and, therefore, do not include all information and footnote disclosures normally included in audited financial statements prepared in conformity with U.S. GAAP. In the opinion of management, however, all adjustments, consisting of normal recurring adjustments necessary to present fairly the results of operations, financial position and cash flows have been made. These Condensed Consolidated Financial Statements should be read in conjunction with the consolidated financial statements and notes thereto included in the 2021 Form 10-K. The results of operations for any interim period are not necessarily indicative of the results of operations to be expected for the full year or any other period.

***Use of Estimates:*** The preparation of financial statements in conformity with U.S. GAAP requires the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Some areas where the Company makes estimates include allowance for doubtful accounts, credit memo reserves, contingent liabilities, asset retirement obligations, stock compensation expense, income tax assets and liabilities, accrued employee health and welfare benefits, accrued auto and workers' compensation self-insured claims, leases, acquisition related long-lived assets, goodwill and held for sale impairment valuations. Such estimates are based on historical trends and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

***Accounting Standards Issued But Not Yet Adopted:*** To date, there have been no recent accounting pronouncements not yet effective that will have a material, or potentially material, impact to our Condensed Consolidated Financial Statements.

**NOTE 2 – REVENUES FROM CONTRACTS WITH CUSTOMERS**

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The Company provides RWCS, which provide collection and processing of regulated and specialized waste, including medical, pharmaceutical and hazardous waste, for disposal and compliance programs and communication solutions, and SID Services, which provide for the collection of personal and confidential information for secure destruction and recycling of shredded paper.

The Company's customers typically enter into a contract for the provision of services on a regular and scheduled basis (e.g. weekly or monthly) or on an as needed basis (e.g. one-time service) over the contract term. Under the contract terms, the Company receives fees based on a monthly, quarterly or annual rate and/or fees based on contractual rates depending upon measures including the volume, weight, and type of waste, number and size of containers collected, weight and type of shredded paper, and number of call minutes.

Amounts are invoiced based on the terms of the underlying contract either on a regular basis (e.g. monthly or quarterly) or as services are performed and are generally due within a short period of time after invoicing based upon normal terms and conditions for our business type and the geography of the services performed.

***Disaggregation of Revenues***

The following table presents revenues disaggregated by service and reportable segments:

In millions	Three Months Ended March 31,	
	2022	2021
<b>Revenue by Service</b>		
Regulated Waste and Compliance Services	\$ 452.6	\$ 473.6
Secure Information Destruction Services	211.6	194.4
<b>Total Revenues</b>	<b>\$ 664.2</b>	<b>\$ 668.0</b>
<b>North America</b>		
Regulated Waste and Compliance Services	\$ 362.1	\$ 366.8
Secure Information Destruction Services	181.6	166.9
<b>Total North America Segment</b>	<b>\$ 543.7</b>	<b>\$ 533.7</b>
<b>International</b>		
Regulated Waste and Compliance Services	\$ 90.5	\$ 106.8
Secure Information Destruction Services	30.0	27.5
<b>Total International Segment</b>	<b>\$ 120.5</b>	<b>\$ 134.3</b>

### **Contract Liabilities**

Contract liabilities at March 31, 2022 and December 31, 2021, were \$9.3 million and \$9.0 million, respectively. Substantially all of the contract liabilities as of March 31, 2022, are expected to be recognized in Revenues, as the amounts are earned, which will be over the next 12 months.

### **Contract Acquisition Costs**

The Company's incremental direct costs of obtaining a contract, which consist primarily of sales incentives, are deferred and amortized to SG&A over a weighted average estimated period of benefit of 6.5 years.

During the three months ended March 31, 2022 and 2021, the Company amortized \$3.4 million and \$3.0 million, respectively, of deferred sales incentives to SG&A.

Total contract acquisition costs, net of accumulated amortization, were classified as follows:

In millions	March 31, 2022	December 31, 2021
Other current assets	\$ 12.9	\$ 12.4
Other assets	35.8	34.3
<b>Total contract acquisition costs</b>	<b>\$ 48.7</b>	<b>\$ 46.7</b>

### **Allowance for Doubtful Accounts**

The Company estimates its allowance for doubtful accounts based on past collection history and specific risks identified among uncollected amounts, as well as management's expectation of future economic conditions. If current or expected future economic trends, events, or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past-due receivable balances are generally written off when the Company's collection efforts have been exhausted.

The changes in allowance for doubtful accounts were reported as follows:

In millions

	Three Months Ended March 31,			
	2022		2021	
Beginning Balance	\$	43.3	\$	56.2
Bad debt expense, net of recoveries		5.4		0.3
Write-offs		(2.5)		(4.7)
Other changes <sup>(1)</sup>		2.0		(1.3)
Ending Balance	\$	48.2	\$	50.5

<sup>(1)</sup> Amount consists primarily of currency translation adjustments.

### NOTE 3 – DIVESTITURES

On September 1, 2021, the Company completed the sale of its operations in Japan for cash proceeds of \$11.3 million reported in International. On December 1, 2021, the Company completed the sale of its Environmental Solutions operations in Canada for cash proceeds of \$24.4 million reported in North America. The results of operations of these divested businesses have been excluded from our Condensed Consolidated Financial Statements from the date of the divestitures.

### NOTE 4 – ACQUISITION

#### *Acquisition*

The Company acquired a midwest-based regulated waste business in North America on December 31, 2021, which is considered to be complementary to existing operations and aligns with the Company's portfolio optimization strategy.

The total purchase consideration was \$43.4 million and has been preliminarily allocated to the assets and liabilities based on estimated fair values as of the acquisition date, with the excess of the purchase price over the net assets acquired of \$22.0 million recorded as goodwill based on the strategic benefits to be achieved and is deductible for tax purposes. The Company is still in the process of valuing the assets acquired in the acquisition and has not recorded any purchase accounting adjustments in the first quarter of 2022.

**NOTE 5 – LONG-TERM DEBT**

The Company's long-term debt consisted of the following:

<b>In millions</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
\$1.2 billion Credit Facility, due in 2026	\$ 338.6	\$ 247.0
\$200 million Term Loan, due in 2026	200.0	200.0
\$600 million Senior Notes, due in 2024	600.0	600.0
\$500 million Senior Notes, due in 2029	500.0	500.0
Promissory notes and deferred consideration weighted average maturity of 3.9 years at 2022 and 3.7 years at 2021	49.0	54.6
Foreign bank debt weighted average maturity 5.7 years at 2022 and 6.0 years at 2021	0.6	0.7
Obligations under finance leases	20.5	21.4
Total debt	1,708.7	1,623.7
Less: current portion of total debt	17.3	19.9
Less: unamortized debt issuance costs	13.1	14.0
Long-term portion of total debt	\$ 1,678.3	\$ 1,589.8

The estimated fair value of our debt approximated \$1.65 billion and \$1.63 billion as of March 31, 2022 and December 31, 2021, respectively. These fair value amounts were estimated using an income approach by applying market interest rates for comparable instruments and developed based on inputs classified as Level 2.

On April 26, 2022, we entered into a First Amendment which amends, among other provisions, the Credit Agreement to modify the definition of Consolidated EBITDA to add back certain charges in connection with the FCPA Settlement in an aggregate amount not to exceed (i) \$61.0 million for the fiscal quarter ended September 30, 2021, (ii) \$19.7 million for the fiscal quarter ended December 31, 2021, and (iii) \$9.2 million for the fiscal quarter ended March 31, 2022. The Credit Agreement retains, among other covenants, its financial covenant requiring maintenance of a maximum Consolidated Leverage Ratio of 4.25 to 1.00 in any fiscal quarter ending before September 30, 2022 and 4.00 to 1.00 for any fiscal quarter ending on or after September 30, 2022, which includes, among other provisions, continuation of \$100.0 million cash add backs to EBITDA through December 31, 2022, with no further add backs thereafter.

As of March 31, 2022, the Company was in compliance with its financial covenants. The Credit Agreement Defined Debt Leverage Ratio covenant was 3.81 to 1.00, which was below the allowed maximum ratio of 4.25 to 1.00 as set forth in the amended Credit Agreement.

In connection with the First Amendment, in April 2022, the Company incurred issuance costs of \$0.4 million.

Amounts committed to outstanding letters of credit and the unused portion of the Company's Credit Facility were as follows:

<b>In millions</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Outstanding letters of credit under Credit Facility	\$ 69.9	\$ 71.4
Unused portion of the Credit Facility	791.5	881.5

**NOTE 6 – INCOME TAXES**

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The Company reported income tax expense of \$2.9 million and \$13.8 million for the three months ended March 31, 2022 and 2021, respectively. The effective tax rates for the three months ended March 31, 2022 and 2021, were (25.9)% and 34.5%, respectively. The effective tax rate for the three months ended March 31, 2022, reflects (i) a nondeductible FCPA Settlement accrual increase, (ii) losses in jurisdictions that are not eligible for tax benefits on account of valuation allowances, and (iii) equity-based compensation awards expiring without a tax benefit. The effective tax rate for the three months ended March 31, 2021, reflects (i) losses in jurisdictions that are not eligible for tax benefits on account of valuation allowances and (ii) equity-based compensation awards expiring without a tax benefit.

**NOTE 7 – (LOSS) EARNINGS PER COMMON SHARE**

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Basic (loss) earnings per share is computed by dividing Net (loss) income by the number of weighted average common shares outstanding during the reporting period. Diluted earnings per share is calculated to give effect to all potentially dilutive common shares that were outstanding during the reporting period, only in the periods in which such effect is dilutive. The following table shows the effect of stock-based awards on the weighted average number of shares outstanding used in calculating diluted earnings per share:

**In millions of shares**

	Three Months Ended March 31,	
	2022	2021
Weighted average common shares outstanding - basic	92.0	91.6
Incremental shares outstanding related to stock-based awards <sup>(1)</sup>	—	0.4
Weighted average common shares outstanding - diluted	92.0	92.0

<sup>(1)</sup> In periods of net loss, stock-based awards are anti-dilutive and therefore excluded from the (loss) earnings per share calculation.

Anti-dilutive stock-based awards excluded from the computation of diluted earnings (loss) per share using the treasury stock method includes the following:

**In thousands of shares**

	Three Months Ended March 31,	
	2022	2021
Option awards	1,456	2,372
RSU awards	122	30

PSUs are offered to key employees and are subject to achievement of specified performance conditions. Contingently issuable shares are excluded from the computation of diluted earnings per share based on current period results. The shares would not be issuable if the end of the reporting period were the end of the contingency period. If such goals are not met, no compensation expense is recognized, and any previously recognized compensation expense is reversed.

**NOTE 8 – SEGMENT REPORTING**

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The Company evaluates, oversees, and manages the financial performance of two operating and reportable segments – North America and International.

The following tables show financial information for the Company's reportable segments:

In millions	Three Months Ended March 31,	
	2022	2021
<b>Revenues</b>		
North America	\$ 543.7	\$ 533.7
International	120.5	134.3
Total	\$ 664.2	\$ 668.0
<b>Adjusted Income from Operations</b>		
North America	\$ 134.6	\$ 157.6
International	11.4	12.6
Other Costs	(87.0)	(60.2)
Total	\$ 59.0	\$ 110.0

The following table reconciles the Company's primary measure of segment profitability, Adjusted Income from Operations, to Income from operations:

In millions	Three Months Ended March 31,	
	2022	2021
Total Reportable Segment Adjusted Income from Operations	\$ 59.0	\$ 110.0
Adjusting Items:		
ERP Implementation	(5.6)	(17.9)
Intangible Amortization	(32.4)	(29.8)
Portfolio Optimization	(1.3)	(1.2)
Litigation, Settlements and Regulatory Compliance	(13.8)	(2.0)
Income from operations	\$ 5.9	\$ 59.1

## NOTE 9 - COMMITMENTS AND CONTINGENCIES

### Legal Proceedings

The Company operates in highly regulated industries and responds to regulatory inquiries or investigations from time to time that may be initiated for a variety of reasons. At any given time, the Company has matters at various stages of resolution with the applicable government authorities. The Company is also routinely involved in actual or threatened legal actions, including those involving alleged personal injuries and commercial, employment, environmental, tax, and other issues. The outcomes of these matters are not within the Company's complete control and may not be known for prolonged periods of time. In some actions, claimants seek damages, as well as other relief, including injunctive relief, that could require significant expenditures or result in lost revenue.

In accordance with applicable accounting standards, the Company establishes an accrued liability for loss contingencies related to legal and regulatory matters when the loss is both probable and reasonably estimable. If the reasonable estimate of a probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss is not probable or a probable loss is not reasonably estimable, no liability is recorded. When determining the estimated loss or range of loss, significant judgment is required to estimate the amount and timing of a loss to be recorded. These accruals represent management's best estimate of probable losses and, in such cases, there may be an exposure to loss in excess of the amounts accrued. Estimates of probable losses resulting from litigation and regulatory proceedings are difficult to predict. Legal and regulatory matters inherently involve significant uncertainties based on, among other factors, the jurisdiction and stage of the proceedings, developments in the applicable facts or law, and the unpredictability of the ultimate determination of the merits of any claim, any defenses the Company may assert against that claim, and the amount of any damages that may be awarded. The Company's accrued liabilities for loss contingencies related to legal and regulatory matters may change in the future as a result of new developments, including, but not limited to, the occurrence of new legal matters, changes in the law or regulatory environment, adverse or favorable rulings, newly discovered facts relevant to the matter, or changes in the strategy for the matter. Regardless of the outcome,

litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

**Contract Class Action and Opt Out Lawsuits.** Beginning on March 12, 2013, the Company was served with several class action complaints filed in federal and state courts in several jurisdictions. These complaints asserted, among other things, that the Company had imposed unauthorized or excessive price increases and other charges on its customers in breach of its contracts and in violation of the Illinois Consumer Fraud and Deceptive Business Practices Act. The complaints sought certification of the lawsuit as a class action and the award to class members of appropriate damages and injunctive relief. These related actions were ultimately transferred to the United States District Court for the Northern District of Illinois for centralized pretrial proceedings.

The parties engaged in discussions through and overseen by a mediator regarding a potential resolution of the matter and reached a settlement agreement, as previously disclosed, which settlement agreement obtained court approval on March 8, 2018. Under the terms of the SQ Settlement, the Company admitted no fault or wrongdoing whatsoever, and it entered into the SQ Settlement to avoid the cost and uncertainty of litigation.

Certain class members who have opted out of the SQ Settlement have filed lawsuits against the Company, and the Company is defending and intends to resolve those actions. The Company has made an accrual in respect of these collective matters consistent with its accrual policies described above, which is not material.

**Government Investigations.** On June 12, 2017, the SEC issued a subpoena to the Company, requesting documents and information relating to the Company's compliance with the FCPA or other foreign or domestic anti-corruption laws with respect to certain of the Company's operations in Latin America. In addition, the DOJ notified the Company that it was investigating this matter in parallel with the SEC. The Company is cooperating with these agencies and certain foreign authorities. The Company also conducted an internal investigation of these and other matters, including outside of Latin America, under the oversight of the Audit Committee of the Board of Directors and with the assistance of outside counsel.

As previously disclosed, the Company has engaged in settlement discussions in connection with the foregoing government investigations. On April 20, 2022, the Company announced that it has settled these matters with the DOJ and the SEC. Under the Company's settlement with the DOJ, the Company entered into a deferred prosecution agreement ("DPA") with the DOJ, under which the DOJ agreed to defer criminal prosecution of the Company for a period of three years for charges of conspiring to violate the anti-bribery and books and records provisions of the FCPA. If the Company remains in compliance with the DPA during its three-year term, the deferred charge against the Company would be dismissed with prejudice. The Company agreed to pay \$52.5 million in criminal fines to the DOJ, subject to offsetting up to \$17.5 million of that amount based upon fines paid to Brazilian authorities (as described below). Under the Company's settlement with the SEC, the Company entered into an administrative resolution with the SEC with respect to violations of the anti-bribery, books and records and internal controls provisions of the FCPA, and agreed to disgorge \$22.2 million and pay pre-judgment interest of \$6.0 million to the SEC. \$4.2 million of the amount to be disgorged is subject to offset based upon amounts paid in disgorgement to Brazilian authorities (as described below). In addition, under the settlements with the DOJ and with the SEC, the Company will engage an independent compliance monitor for two years and undertake compliance with self-reporting obligations for an additional year.

Also as announced on April 20, 2022, the Company reached a settlement agreement with the Brazilian Controladora-General da Uniao (CGU) and Advocacia-General da Uniao (Attorney General Office) in the amount of \$23.1 million, \$13.5 million of which will offset amounts that would otherwise be paid to the DOJ and the SEC.

Based on the foregoing settlements and as provided by U.S. GAAP, in addition to the \$80.7 million previously accrued in 2021, the Company has accrued an additional \$9.2 million in the first quarter of 2022 for the FCPA Settlement. The aggregate estimated FCPA Settlement liability accrued in our condensed consolidated balance sheets was approximately \$90.0 million and \$80.7 million as of March 31, 2022 and December 31, 2021, respectively.

The Company is also discussing potential settlement of a related investigation with an additional Brazilian authority. Because this negotiation is ongoing, the Company cannot predict with certainty its outcome, including whether a settlement will be reached, the amount of any potential monetary payments, or injunctive or other relief. In the event the Company negotiates a settlement with this Brazilian authority, certain monetary portions of the agreement with



the DOJ may be offset by payments made thereto. At the present time, the Company is unable to reasonably estimate nor provide any assurance regarding the amount of any potential loss in excess of the amount accrued relating to these matters.

In addition, the Company has been informed that the office of the United States Attorney for the Southern District of New York is conducting an investigation into compliance with the False Claims Act and other federal statutes in connection with the collection, transportation and disposal of hazardous waste by the Company's former ESOL business unit. The Company has also been informed that the State of California Department of Justice is conducting an investigation related to the Company's collection, transportation, and disposal of waste generated by government customers in California. The Company is cooperating with these investigations.

The Company has not accrued any amounts in respect of the investigation matters set forth in the preceding paragraph, as it cannot estimate any reasonably possible loss or any range of reasonably possible losses that the Company may incur. The Company is unable to make such an estimate because, based on what the Company knows now, in the Company's judgment, the factual and legal issues presented in these matters are sufficiently unique that the Company is unable to identify other circumstances sufficiently comparable to provide guidance in making estimates.

**Environmental and Regulatory Matters.** The Company is subject to various federal, state and local laws and regulations. In the ordinary course of business, we are routinely involved in government enforcement proceedings, private lawsuits, and other matters alleging non-compliance by the Company with applicable law. The issues involved in these proceedings generally relate to alleged violations of existing permits or other requirements, or alleged liability due to our current operations, pre-existing conditions at the locations where we operate, and/or successor or predecessor liability associated with our portfolio optimization strategy. From time to time, the Company may be subject to fines or penalties in regulatory proceedings relating primarily to waste treatment, storage or disposal facilities.

Effective April 6, 2020, the Company completed the divestiture of its Domestic Environmental Solutions business, including the facility in Rancho Cordova, California, to Harsco Corporation. Pursuant to the Purchase Agreement, the Company may have liability under certain indemnification claims for matters relating to those Environmental Solutions facilities, including potentially with respect to the investigations by the Southern District of New York and California Department of Justice described above and the Rancho Cordova, California, and DEA Investigation matters discussed below.

*Rancho Cordova, California.* On June 25 and 26, 2018, the California DTSC conducted a Compliance Enforcement Inspection of the Company's former Environmental Solutions facility in Rancho Cordova, California. On February 14, 2020, DTSC filed an action in the Superior Court for the State of California, Sacramento County Division, alleging violations of California's Hazardous Waste Control Law and the facility's hazardous waste permit arising from the inspection. That action is ongoing.

Separately, on August 15, 2019, the Company received from DTSC a written Intent to Deny Hazardous Waste Facility Permit application for the Rancho Cordova facility. A public hearing was held on September 22, 2019, and the public comment period closed on October 25, 2019. The Company entered a written submission as part of that process. On August 27, 2020, DTSC issued a Notice of Denial of Hazardous Waste Facility Permit Application and on September 25, 2020, the Company filed a Petition for Review, which instituted an administrative appeal of DTSC's action. On April 8, 2022, DTSC denied that administrative appeal and on April 11, 2022, the Company filed a petition for review of that decision in the Superior Court for the State of California, which is currently pending.

The Company is vigorously defending itself in all of the Rancho Cordova, California matters. The Company has not accrued any amounts in respect of these matters and cannot estimate the reasonably possible loss or the range of reasonably possible losses that it may incur. The Company is unable to make such an estimate because (i) litigation is by its nature uncertain and unpredictable and (ii) in the Company's judgment, the factual and legal allegations asserted by DTSC are sufficiently unique that it is unable to identify other proceedings with circumstances sufficiently comparable to provide guidance in making estimates.

*DEA Investigation.* On February 11, 2020, the Company received an administrative subpoena from the DEA, which executed a search warrant at the Company's former Environmental Solutions facility at Rancho Cordova, California and an administrative inspection warrant at the Company's former facility in Indianapolis, Indiana for materials related to the former Environmental Solutions business of collecting, transporting, and destroying controlled

substances from retail customers (the “ESOL Retail Controlled Substances Business”). On that same day, agents from the DTSC executed a separate search warrant at the Rancho Cordova facility. Since that time, the U.S. Attorney’s Office for the Eastern District of California (“USAO EDCA”) has been overseeing criminal and civil investigations of the ESOL Retail Controlled Substances Business. The USAO EDCA has informed the Company that it may have civil liability under the Controlled Substances Act related to the Domestic Environmental Solutions Retail Controlled Substances Business. The Company is cooperating with the civil and criminal investigations, which are ongoing.

The Company has not accrued any amounts in respect of these investigations and cannot estimate the reasonably possible loss or any range of reasonably possible losses that the Company may incur. The Company is unable to make such an estimate because, based on what the Company knows now, in the Company’s judgment, the factual and legal issues presented in this matter are sufficiently unique that the Company is unable to identify other circumstances sufficiently comparable to provide guidance in making estimates.

*European Retrovirus Investigations.* In conjunction with Europol, governmental authorities of Spain, Portugal, and Romania have conducted coordinated inspections of a large number of medical waste management facilities, including Stericycle facilities, relating to the transportation, management and disposal of waste that may be infected with the COVID-19 virus, and related matters. The inspections have resulted in proceedings in Spain and Portugal. The Company intends to vigorously defend itself in these proceedings.

The Company has not accrued any amounts in respect of these investigations, as it cannot estimate the reasonably possible loss or any range of reasonably possible losses that the Company may incur. The Company is unable to make such an estimate because, based on what the Company knows now, in the Company’s judgment, the factual and legal issues presented in this matter are sufficiently unique that the Company is unable to identify other circumstances sufficiently comparable to provide guidance in making estimates.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### ***Safe Harbor Statement***

This document may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. When we use words such as "believes", "expects", "anticipates", "estimates", "may", "plan", "will", "goal", or similar expressions, we are making forward-looking statements. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of our management about future events and are therefore subject to risks and uncertainties, which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Factors that could cause such differences include, among others, inflationary cost pressure in labor, supply chain and other expenses, decreases in the volume of regulated wastes or personal and confidential information collected from customers, the ability to implement the remaining phases of our ERP system, and disruptions resulting from deployment of our ERP system, disruptions in our supply chain, disruptions in or attacks on information technology systems, developments in the COVID-19 pandemic and the resulting impact on the results of operations, long-term remote work arrangements which may adversely affect our business, measures taken by governmental authorities to prevent the spread of the COVID-19 virus which could disrupt our supply chain, result in disruptions in transportation services and restrictions on the ability of our team members to travel, result in temporary closure of our facilities or the facilities of our customers and suppliers, affect the volume of paper processed by our secure information destruction business and the revenue generated from the sale of SOP, labor shortages, an economic disruption in the U.S. and other countries resulting from the COVID-19 virus, changing market conditions in the healthcare industry, competition and demand for services in the regulated waste and secure information destruction industries, SOP pricing volatility, foreign exchange rate volatility in the jurisdictions in which we operate, changes in governmental regulation of the collection, transportation, treatment and disposal of regulated waste or the proper handling and protection of personal and confidential information, the level of government enforcement of regulations governing regulated waste collection and treatment or the proper handling and protection of personal and confidential information, charges related to portfolio optimization or the failure of acquisitions or divestitures to achieve the desired results, failure to consummate transactions with respect to non-core businesses, the obligations to service substantial indebtedness and comply with the covenants and restrictions contained in our credit agreements and notes, a downgrade in our credit rating resulting in an increase in interest expense, political, economic, inflationary and other risks related to our foreign operations, the outcome of pending, future or settled litigation or investigations including with respect to the U.S. Foreign Corrupt Practices Act and foreign anti-corruption laws, weather and environmental changes related to climate change, requirements of customers and investors for net carbon zero emissions strategies, and the introduction of regulations for greenhouse gases, which could negatively affect our costs to operate, failure to maintain an effective system of internal control over financial reporting, as well as other factors described in our filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K and subsequent Quarterly Reports on Forms 10-Q. As a result, past financial performance should not be considered a reliable indicator of future performance, and investors should not use historical trends to anticipate future results or trends. We disclaim any obligation to update or revise any forward-looking or other statements contained herein other than in accordance with legal and regulatory obligations.

### ***Overview***

Stericycle is a global business-to-business services company. We provide an array of highly specialized solutions that protect the health and well-being of the people and places around us in a safe, responsible, and sustainable way. Since our founding in 1989, we have grown from a small start-up in medical waste management into a leader across a range of increasingly complex and highly regulated arenas, serving healthcare organizations and commercial businesses of every size through RWCS and SID.

Key business highlights include:

- Organic revenues grew 2.1% compared to the first quarter of 2021 with SID organic revenue growing 9.5%, which was partially offset by RWCS organic revenue declining 1.0% due to year-over-year reduction in COVID-19 related transactional volumes, such as vaccine and testing waste, international waste over-classification and patient engagement related call volumes.
- In the latter portion of the first quarter, pricing actions began to partially offset the inflationary cost pressures that accelerated compared to the fourth quarter.

- Labor shortages improved in the latter portion of the first quarter as COVID-19 related absences and operational openings declined.
- The Company reached agreements with the SEC, the DOJ and Brazilian authorities to resolve the FCPA related investigations into conduct in the Latin America businesses before 2017.

### ***COVID-19 Update and Other Developments***

Our COVID-19 pandemic response has included efforts to protect the health and well-being of our workforce and our customers. We have worked proactively with the CDC, OSHA, DOT and other regulatory agencies around the world in an attempt to ensure readiness for proper regulated waste management. Our team has demonstrated leadership and commitment to protecting what matters by working with pharmaceutical companies and government agencies to align on standards for secure and compliant COVID-19 vaccination treatment protocols. Additionally, Stericycle supports the front end of vaccination programs through our Communications Solutions service line. We provide scalable patient hotlines, scheduling, and appointment reminders for vaccinations. In March 2022, the Company implemented a new global RTO hybrid work schedule applicable to office workers that promotes our value of in person team collaboration while still maintaining our health standards. The Company is continuing to monitor the future implications of COVID-19 and variants and is taking proactive steps to continue to manage the health and safety of team members as they RTO.

Like many organizations, we have been impacted by higher absences related to COVID-variants that surged towards the end of the fourth quarter of 2021 and into the first quarter of 2022, particularly driver and operational team members. Additionally, we have been impacted by driver shortages. To date, we are addressing our internal needs through three main areas: (i) recruitment, (ii) market competitive compensation and benefits, and (iii) employee engagement and retention. Although we have been able to maintain near our desired staffing levels through these efforts, and that has enabled us to continue to support our customers, labor shortages have not uniformly impacted our businesses. In certain geographies and facilities, we have experienced more acute labor shortages and service delays or disruptions. Those locations have required additional team member overtime and re-allocation of team members to continue to support our customers. Our work force stabilized throughout the first quarter of 2022, as the effects of the Delta and Omicron variant on employee absences subsided.

Beginning in third quarter of 2021 and continuing throughout the first quarter of 2022, we experienced inflationary cost increases in our underlying expenses, including labor, supply-chain and other costs. We also have been experiencing delays in completing certain capital projects and face additional challenges due to macroeconomic supply chain disruptions. The higher operating labor costs were mainly associated with maintaining competitive wages for existing team members and increased starting wages for new hires. In addition, overtime costs rose as a result of labor shortages, increased absences due to COVID-19, and lower productivity associated with training of new team members. Higher supply chain and other inflationary costs were mainly from higher vehicle rental and maintenance expenses as we continued delays in replacement vehicle deliveries, higher utility expenses, and higher costs associated with supplies and disposable containers and liners. While fuel costs have increased, they have been offset through our existing fuel surcharges.

### ***Key Business Priorities***

In 2022, our five key business priorities remain the following:

- **Quality of revenue** – We have been executing against our foundational initiatives to drive revenue quality. These included a formal cross-functional deal review committee, realignment of sales incentive plans, re-organization of our commercial leadership team around our service lines, key customer channels, and implementation of global customer pipeline management processes for both RWCS and SID. As a reminder, our three main pricing levers are as follows: (i) for all multi-year contracts, we adjust pricing at contract anniversary and renewal, (ii) for all new customers and purchasers of our one-time services, we adjust our rates at point of sale, and (iii) for many of our customers, we also have surcharges and fees that provide inflationary cost protection for commodity and other price volatility. Our pricing actions have gained momentum towards the latter half of the first quarter, including our adjustment of surcharges and fees,

which provide the most flexible mechanism to help offset inflationary costs by adjusting these surcharges and fees.

- **Operational efficiency, modernization, and innovation** – We remain focused on operational efficiency, modernization, and innovation to control variable and discretionary costs and improve performance and efficiencies in our field operations. In 2021, our Engineering team completed a long-term planning process focused on our global facility network. Our goal is to optimize our facilities with a strategic and standardized operating model. We are analyzing processing capabilities, plant and transportation equipment needs, team member requirements, and potential customer implications or benefits. For example, we are preparing to launch our newest RWCS facility in the Northeast during the second quarter and we recently launched our new SafeShield™ antimicrobial medical waste containers as part of a larger container standardization initiative.
- **ERP Implementation** – In 2022, we plan to start a phased rollout of our ERP system to a subset of North America RWCS. This disciplined and consistent deployment approach allows us to mitigate risk and test data and functionality before deploying the ERP across all RWCS North America customers and facilities. This follows the deployment of our ERP system for North America's finance and procurement processes and for North America's SID business that was completed in 2021.
- **Debt reduction and leverage improvement** – We expect to improve our leverage ratio through continued focus on operating margin expansion, free cash flow generation, and leveraging divestiture proceeds, if applicable. We amended our Credit Agreement to allow add backs related to the FCPA Settlement. Our amended Credit Facility defined debt leverage ratio was 3.81 times as of March 31, 2022, compared to 3.61 times as of December 31, 2021. Net debt, as defined in the Credit Agreement, increased \$81.0 million in the first quarter of 2022, increasing total net debt to approximately \$1.65 billion as of March 31, 2022.
- **Portfolio optimization** – We expect to continue evaluating opportunities to further optimize our portfolio through a combination of asset rationalizations and strategic accretive tuck-in acquisitions, which streamlines our portfolio of businesses and allows us to focus more deeply on our core businesses.

#### **Certain Key Priorities and Other Significant Matters**

The following table identifies certain key priorities and other significant matters impacting our business and how they are classified in the Condensed Consolidated Statements of (Loss) Income:

In millions	Three Months Ended March 31,	
	2022	2021
<b>Pre-tax items:</b>		
<b>Included in SG&amp;A</b>		
ERP Implementation	\$ 5.6	\$ 17.9
Intangible Amortization	32.4	29.8
Portfolio Optimization	1.3	1.2
Litigation, Settlements and Regulatory Compliance	13.8	2.0
<b>Total included in SG&amp;A</b>	<b>\$ 53.1</b>	<b>\$ 50.9</b>

### ERP Implementation

For the periods presented and for the cumulative period since the inception of the ERP Implementation, we have recognized the following, principally reported in Other Costs:

In millions

	Three Months Ended March 31,		Cumulative Since Inception
	2022	2021	
<b>ERP Implementation</b>			
Consulting and professional fees	\$ 5.6	\$ 11.6	\$ 112.4
Internal labor	—	1.9	39.1
Software usage/maintenance fees	—	3.1	42.3
Other related expenses	—	1.3	11.5
<b>Operating expenditures</b>	<b>5.6</b>	<b>17.9</b>	<b>205.3</b>
Capital expenditures	0.6	2.4	181.3
<b>Total operating and capital expenditures</b>	<b>\$ 6.2</b>	<b>\$ 20.3</b>	<b>\$ 386.6</b>

As we continue to implement and deploy the North America ERP system in our RWCS business, we will incur costs to develop and deploy the system, which includes additional capital expenditures as well as operating expenditures. Upon the substantial implementation of North America's finance and procurement processes and for the North America's SID business in the third quarter of 2021, certain costs became incremental information technology ongoing costs for running the new system, including maintenance, licensing, and depreciation expenses. Additionally, we will continue to incur costs to maintain the legacy suite of applications that are also used by our international businesses until their system portfolio is modernized.

### Intangible Amortization

See table above of certain key priorities and other significant matters for intangible amortization expense from acquisitions for the periods presented and how they are classified in the Condensed Consolidated Statements of (Loss) Income. The increase in amortization expense is primarily due to a decrease in the useful life of customer relationship intangibles effective on January 1, 2022.

### Portfolio Optimization

See table above of key priorities and other significant matters for portfolio optimization for the periods presented, and how they are classified in the Condensed Consolidated Statements of (Loss) Income. Professional fees are reported in Other Costs.

### Divestitures

We evaluate our portfolio of services on an ongoing basis with a country-by-country and service line-by-service line approach to assess long-term potential and identify potential business candidates for divestiture. Divestitures resulting from this evaluation may cause us to record significant charges, including those related to goodwill, other intangible assets, long-lived assets, and cumulative translation adjustments. In addition, divestitures we complete may not yield the targeted improvements in our business. Any charges that we are required to record or the failure to achieve the intended financial results associated with the portfolio optimization evaluation could have a material adverse effect on our business, financial condition, or results of operations.

### Acquisitions

We regularly evaluate the competitive environment and consider opportunistic acquisitions that strengthen our core businesses. We believe acquisitions, when appropriately valued and constructively integrated, may be an efficient way to gain customers, scale treatment operations, and build customer density for transportation. We expect to focus on smaller accretive tuck-in acquisitions. See *Part I, Item 1. Financial Statements; Note 4 - Acquisition* for additional details.

***Litigation, Settlements and Regulatory Compliance***

We operate in highly regulated industries and must address regulatory inquiries or respond to investigations from time to time. We are also involved in a variety of civil litigation matters from time to time. Certain of these matters are detailed in *Part I, Item 1. Financial Statements; Note 9 – Commitments and Contingencies*. Our financial results may also include considerations of non-recurring matters including settlements, environmental remediation, and legal related consulting and professional fees.

See the table above for certain key priorities and other significant matters for litigation, settlement and regulatory compliance charges. Among other things, the table reflects consulting and professional fees, contingent liability provisions and settlements, net of insurance recoveries, impacting our business for the periods presented, primarily in Other Costs. We have accrued an additional \$9.2 million in the first quarter of 2022 for the FCPA Settlement. The aggregate FCPA Settlement accrued in our condensed consolidated balance sheets was approximately \$90.0 million and \$80.7 million as of March 31, 2022 and December 31, 2021, respectively.

## Results of Operations

### Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021:

#### Revenues:

We analyze revenues by revenue service category and reportable segment which were as follows:

	Three Months Ended March 31,				Components of Change (%) <sup>(1)</sup>			
	In millions			Change (%)	Organic Growth <sup>(2)</sup>	Acquisition	Divestitures	Foreign Exchange <sup>(3)</sup>
	2022	2021	Change (\$)					
<b>Revenue by Service</b>								
Regulated Waste and Compliance Services	\$ 452.6	\$ 473.6	\$ (21.0)	(4.4)%	(1.0)%	0.5 %	(2.9) %	(1.0) %
Secure Information Destruction Services	211.6	194.4	17.2	8.8 %	9.5 %	— %	— %	(0.7) %
<b>Total Revenues</b>	<b>\$ 664.2</b>	<b>\$ 668.0</b>	<b>\$ (3.8)</b>	<b>(0.6)%</b>	<b>2.1 %</b>	<b>0.3 %</b>	<b>(2.1) %</b>	<b>(0.9) %</b>
<b>North America</b>								
Regulated Waste and Compliance Services	\$ 362.1	\$ 366.8	\$ (4.7)	(1.3)%	0.1 %	0.6 %	(2.0) %	— %
Secure Information Destruction Services	181.6	166.9	14.7	8.8 %	8.8 %	— %	— %	— %
<b>Total North America Segment</b>	<b>\$ 543.7</b>	<b>\$ 533.7</b>	<b>\$ 10.0</b>	<b>1.9 %</b>	<b>2.8 %</b>	<b>0.4 %</b>	<b>(1.4) %</b>	<b>— %</b>
<b>International</b>								
Regulated Waste and Compliance Services	\$ 90.5	\$ 106.8	\$ (16.3)	(15.3)%	(4.7)%	— %	(6.1) %	(4.4) %
Secure Information Destruction Services	30.0	27.5	2.5	9.1 %	13.6 %	— %	— %	(4.8) %
<b>Total International Segment</b>	<b>\$ 120.5</b>	<b>\$ 134.3</b>	<b>\$ (13.8)</b>	<b>(10.3)%</b>	<b>(0.9)%</b>	<b>— %</b>	<b>(4.9) %</b>	<b>(4.5) %</b>

(1) Components of Change % in summation may not cross-foot to the total Change % due to rounding.

(2) Organic growth is change in Revenues which includes SOP pricing and volume and excludes the impact of divestitures, an acquisition, and foreign exchange.

(3) The comparisons at constant currency rates (foreign exchange) reflect comparative local currency balances at the prior period's foreign exchange rates. Stericycle calculated these percentages by taking current period reported Revenues less the respective prior period reported Revenues, divided by the prior period reported Revenues, all at the respective prior period's foreign exchange rates. This measure provides information on the change in Revenues assuming that foreign currency exchange rates have not changed between the prior and the current period. Management believes the use of this measure aids in the understanding of changes in Revenues without the impact of foreign currency.

Revenues for the first quarter of 2022, were \$664.2 million, a decrease of \$3.8 million, or 0.6%, compared to \$668.0 million in the first quarter of 2021. The decrease was due to the impact of divestitures of \$13.7 million or 2.1%, which include divestitures of the Japan RWCS business in the third quarter of 2021 and the Canada Environmental Solutions business in the fourth quarter of 2021, and unfavorable foreign exchange rates of \$6.0 million or 0.9%. Organic revenues grew \$13.7 million, or 2.1% primarily due to SID organic revenue growth of \$18.4 million, or 9.5%, which was mainly driven by higher recycled paper revenues, reflecting higher SOP prices, and continued recovery from the impact of COVID-19 in our SID business. This was partially offset by a decline in RWCS organic revenues of \$4.7 million, or 1.0% due to year-over-year reduction in COVID-19 related transactional volume revenue, such as vaccine and testing waste, international waste over-classification and patient engagement related call volumes. In addition, an acquisition contributed revenues of \$2.2 million, or 0.3% during the quarter.

North America revenues increased \$10.0 million, or 1.9% in the first quarter of 2022, to \$543.7 million from \$533.7 million in the first quarter of 2021. Organic revenues increased \$15.0 million, or 2.8%, primarily due to higher recycled paper revenues, reflecting higher SOP prices and higher RWCS revenues from maritime waste services and quality of revenue initiatives. These were partially offset by a RWCS reduction in COVID-19 related transactional volume revenue, such as vaccine and testing waste and patient engagement related call volumes. In addition, revenues increased \$2.2 million, or 0.4% due to an acquisition. These increases were partially offset by the impact of divestitures of \$7.2 million or 1.4%.

International revenues decreased \$13.8 million, or 10.3% in the first quarter of 2022, to \$120.5 million from \$134.3 million in the first quarter of 2021. The decrease was due to the impact of divestitures of \$6.5 million, or 4.9%, unfavorable foreign exchange rates of \$6.0 million, or 4.5%, and an organic revenues decline of \$1.3 million, or 0.9%. The organic revenue decrease was primarily due to a reduction in COVID-19 related transactional volume



revenue, including waste over-classification in our RWCS business, which was partially offset by higher recycled revenues, reflecting higher SOP prices, in our SID business.

**Gross profit:**

In millions

	Three Months Ended March 31,					
	2022		2021		Change	
	\$	% Revenues	\$	% Revenues	\$	%
Gross profit	244.5	36.8 %	261.4	39.1 %	(16.9)	(6.5)%

The decrease for the three month period ended March 31, 2022, compared to the 2021 comparable period, was primarily due to higher labor costs due to wage adjustments, overtime, and onboarding costs; and higher supply chain and other inflationary costs. This decrease was partially offset by higher recycled paper revenues, reflecting higher SOP pricing.

**SG&A:**

In millions

	Three Months Ended March 31,					
	2022		2021		Change	
	\$	% Revenues	\$	% Revenues	\$	%
SG&A	238.6	35.9 %	202.3	30.3 %	36.3	17.9 %

For the three months ended March 31, 2022, compared to the 2021 comparable period, we incurred higher SG&A charges associated with certain key priorities and other significant matters discussed above, primarily due to Litigation, Settlement and Regulatory Compliance matters which included the FCPA Settlement, increased bad debt expense as it returned to a more normalized level, higher selling costs and medical claims. Additionally, in the first quarter of 2022, we recognized higher ongoing IT operating expenses, which were partially offset by lower ERP implementation costs associated within certain key priorities and other significant matters discussed above.

### Segment Profitability:

Segment profitability was as follows:

In millions

	Three Months Ended March 31,					
	2022		2021		Change 2022 versus 2021	
	\$	% Segment Revenues	\$	% Segment Revenues	\$	%
Adjusted Income from Operations						
North America	134.6	24.8 %	157.6	29.5 %	(23.0)	(14.6)%
International	11.4	9.5 %	12.6	9.4 %	(1.2)	(9.5)%
Other Costs	(87.0)	nm	(60.2)	nm	(26.8)	nm
Total	59.0	8.9 %	110.0	16.5 %	(51.0)	(46.4)%
Reconciliation to Income from operations:						
Adjusted Income from Operations	59.0		110.0			
Adjusting Items Total <sup>(1)</sup>	(53.1)		(50.9)			
Income from operations	5.9		59.1			

nm - percentage of segment revenue, and/or change not meaningful

<sup>(1)</sup> See Part I, Item 1. Financial Statements; Note 8 - Segment Reporting in the Condensed Consolidated Financial Statements for more detail.

Adjusted Income from Operations for North America decreased \$23.0 million, or 14.6%, for the three months ended March 31, 2022, to \$134.6 million from \$157.6 million for the three months ended March 31, 2021. Adjusted Income from Operations decreased due to higher labor costs, supply chain and other inflationary costs, bad debt expense and higher selling expenses. These declines were partially offset by higher recycled paper revenues in our SID business.

Adjusted Income from Operations for International decreased \$1.2 million, or 9.5%, for the three months ended March 31, 2022, to \$11.4 million from \$12.6 million for the three months ended March 31, 2021. The decrease was primarily driven by the impact of divestitures and decreased COVID-related transactional revenues including waste over classification in RWCS, partially offset by higher recycled paper revenues in our SID business.

Adjusted Loss from Operations for Other Costs increased \$26.8 million for the three months ended March 31, 2022, compared to the 2021 comparable period as certain costs became incremental information technology ongoing costs for running the new ERP system, including maintenance, licensing, and depreciation expenses, as well as higher labor and medical claims.

### Interest expense, net:

In millions

	Three Months Ended March 31,					
	2022		2021		Change	
	\$	% Revenues	\$	% Revenues	\$	%
Interest expense, net	16.3	2.5 %	18.4	2.8 %	(2.1)	(11.4)%

The three months ended March 31, 2022, includes \$0.7 million in interest income associated with an IRS refund. The remaining decrease in the three months ended March 31, 2022, as compared to the 2021 comparable period, was a result of a lower weighted average debt balance. For further information see Part I, Item 1. Financial Statements; Note 5 – Long-Term Debt in the Condensed Consolidated Financial Statements.

**Other expense, net:**

In millions

	Three Months Ended March 31,					
	2022		2021		Change	
	\$	% Revenues	\$	% Revenues	\$	%
Other expense, net	0.8	0.1 %	0.7	0.1 %	0.1	14.3 %

Other expense, net is primarily comprised of foreign exchange losses (gains).

**Income tax expense:**

In millions

	Three Months Ended March 31,					
	2022		2021		Change	
	\$	Effective Rate	\$	Effective Rate	\$	%
Income tax expense	2.9	(25.9)%	13.8	34.5 %	(10.9)	(79.0)%

For further information, see *Part I, Item 1. Financial Statements; Note 6 – Income Taxes* in the Condensed Consolidated Financial Statements.

### Liquidity and Capital Resources

The Company believes that it has sufficient liquidity to support its ongoing operations and to invest in future growth to create value for its shareholders. Operating cash flows and the Company's \$1.2 billion Credit Facility are the Company's primary sources of liquidity and are expected to be used for, among other things, payment of interest and principal on the Company's long-term debt obligations, capital expenditures necessary to support growth and productivity improvements. To the extent the Company needs to add additional funding options to meet additional liquidity requirements or diversify its funding portfolio, the Company could seek additional financing from alternative sources, including approaching the capital markets.

For further details concerning these matters see *Part I, Item 1. Financial Statements; Note 5 – Long-Term Debt* in the Condensed Consolidated Financial Statements.

**Cash Flow Summary:**

The following table shows cash flow information for the Company by activity:

In millions	Three Months Ended March 31,	
	2022	2021
Net cash from operating activities	\$ (38.8)	\$ 62.6
Net cash from investing activities	(36.8)	(24.5)
Net cash from financing activities	79.4	(40.1)
Effect of exchange rate changes on cash and cash equivalents	0.2	(1.3)
Net change in cash and cash equivalents	\$ 4.0	\$ (3.3)

**Operating Cash Flows:** Net cash from operating activities decreased \$101.4 million in the first three months of 2022, to a use of funds of \$38.8 million from a source of funds of \$62.6 million in the first three months of 2021. The year-over-year decline of \$101.4 million was primarily driven by the timing of changes in net working capital of \$67.0 million, driven mainly by accounts receivables and accounts payables, and lower cash generated from income from operations of \$34.4 million.

DSO as of March 31, 2022, as reported was 63 days, compared to 55 days as of March 31, 2021. The difference was mainly driven by timing of North America Secure Information Destruction customer invoicing and subsequent collections due to the ERP deployment.

**Investing Cash Flows:** Net cash used from investing activities increased \$12.3 million in the first three months of 2022 to net cash used of \$36.8 million from \$24.5 million in the first three months of 2021. Our cash paid for capital expenditures increased by \$12.8 million to \$37.5 million from \$24.7 million in the first three months of 2021. The change in capital expenditures was mainly attributable to the timing of cash payments.

**Financing Cash Flows:** Net cash provided from financing activities increased \$119.5 million in the first three months of 2022, to \$79.4 million from a use of funds of \$40.1 million in the first three months of 2021. Our net borrowings on our Credit Facility and Term Loan were \$91.9 million in the first three months of 2022, compared to net repayments of \$31.4 million in the first three months of 2021.

### ***Critical Accounting Policies and Estimates***

As discussed in our 2021 Form 10-K, the preparation of the Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the amount of reported assets and liabilities and disclosure of contingent liabilities at the date of the Condensed Consolidated Financial Statements and revenues and expenses during the periods reported. There were no material changes from the information provided therein.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

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Quantitative and qualitative disclosures about the various risks to which we have exposure are included in Part I, Item 7A. "Quantitative and Qualitative Disclosures About Market Risk" of our 2021 Form 10-K. There were no material changes from the information provided therein.

### **Item 4. Controls and Procedures**

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#### ***Evaluation of Disclosure Controls and Procedures***

The Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act)) are effective as of March 31, 2022, based on the evaluation of these controls and procedures required by Rule 13a-15(b) or 15d-15(b) of the Exchange Act.

#### ***Changes in Internal Control Over Financial Reporting***

During the quarter ended March 31, 2022, there were no changes that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

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**PART II – OTHER INFORMATION**

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**Item 1. Legal Proceedings**

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Further information pertaining to legal proceedings can be found in *Part I, Item I. Financial Statements; Note 9 – Commitments and Contingencies* in the Notes to the Condensed Consolidated Financial Statements and is incorporated herein by reference.

**Item 1A. Risk Factors**

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In addition to the other information included in this report, you should carefully consider the factors discussed in Part I, Item 1A. “Risk Factors” in the 2021 Form 10-K and the factors identified under “Safe Harbor Statement” at the beginning of Part I, Item 2 of this Quarterly Report on Form 10-Q, which could materially affect our business, financial condition, cash flows, or results of operations. The risks described in the 2021 Form 10-K are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that the Company currently considers immaterial also may materially adversely affect its business, financial condition, and/or operating results. There have been no material changes to the risk factors included in the 2021 Form 10-K other than as described below:

***Russia’s recent invasion of Ukraine and the international community’s response have created substantial political and economic disruption, uncertainty and risk.***

U.S. and global markets are experiencing volatility and disruption following the escalation of geopolitical tensions and the military conflict between Russia and Ukraine. Although the length and impact of the ongoing military conflict is highly unpredictable, the conflict in Ukraine could lead to market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions, increased cyber attacks and social unrest in certain regions in which we operate. Although we do not have operations in Russia or Ukraine, we are continuing to monitor the situation and assessing its potential impact on our business.

***We face continuing risks relating to compliance with the FCPA and other anti-corruption and anti-bribery laws.***

On June 12, 2017, the SEC issued a subpoena to us, requesting documents and information relating to our compliance with the FCPA or other foreign or domestic anti-corruption laws with respect to certain of our operations in Latin America. In addition, the DOJ notified us that it was investigating this matter in parallel with the SEC. We have been cooperating with these agencies and certain foreign authorities. We also conducted an internal investigation of these and other matters, including outside of Latin America, under the oversight of the Audit Committee of the Board of Directors and with the assistance of outside counsel, and this investigation found evidence of improper conduct. We entered into settlement agreements with the SEC, DOJ, and with the Brazilian Controladoria-Geral da Uniao (CGU) and Advocacia-Geral da Uniao (Attorney General Office) with respect to the foregoing matters. Settlement discussions with an additional Brazilian authority are ongoing and there is no certainty that we will be able to reach a settlement. As a result of the foregoing, we recorded an aggregate accrued liability for these matters of approximately \$90.0 million as of March 31, 2022. We also agreed with the DOJ and SEC to retain an independent compliance monitor for a period of two years. Other matters which may arise or of which we become aware in the future may be deemed to violate the FCPA and other anti-corruption and anti-bribery laws. Such determination could subject us to, among other things, further enforcement actions by the SEC or the DOJ or other regulatory bodies, fines, penalties, oversight by an independent compliance monitor and/or self-reporting obligations, litigation, or orders of suspension or debarment, which could adversely affect our business, financial condition and results of operations. See *Part I, Item I. Financial Statements; Note 9 – Commitments and Contingencies* in the Notes to the Condensed Consolidated Financial Statements for more information regarding currently pending legal proceedings.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

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There were no sales of unregistered equity securities during the three months ended March 31, 2022.

**Item 5. Other Information**

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Because we are filing this Quarterly Report on Form 10-Q within four business days after the triggering event, we are including the following disclosure under this Item 5 instead of filing a Current Report on Form 8-K under Item 1.01, Entry into a Material Definitive Agreement:

On April 26, 2022, (the "Amendment Date"), we entered into a First Amendment (the "First Amendment"), which amends the Credit Agreement. The First Amendment, among other things, amends the Credit Agreement to (i) modify the definition of Consolidated EBITDA to add back certain charges in connection with the settlement of the government investigations by the DOJ, the SEC and governmental authorities in Brazil arising from the anti-corruption investigation (the FCPA Settlement) first publicly disclosed in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, in an aggregate amount not to exceed (A) \$61.0 million for the fiscal quarter ended September 30, 2021, (B) \$19.7 million for the fiscal quarter ended December 31, 2021, and (C) \$9.2 million for the fiscal quarter ended March 31, 2022, (ii) require certain reporting requirements relating to the FCPA Settlement and (iii) modify certain events of default to exclude payments relating to the FCPA Settlement from the judgment event of default and to add an event of default relating to certain breaches of the FCPA Settlement in the U.S. We paid amendment fees for the account of each lender that approved the First Amendment in an amount equal to 0.025% multiplied by the sum of: (i) the then outstanding principal amount of the Term Loans held by such lender on the Amendment Date plus (ii) the then existing revolving credit commitment of each such lender on the Amendment Date.

The foregoing description of the First Amendment is a summary of the material terms, does not purport to be complete, and is qualified in its entirety by reference to the First Amendment, a copy of which is filed as Exhibit 10.1 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

**Item 6. Exhibits**

The following exhibits are filed or furnished as part of this report:

**Exhibit Index**

Exhibit Index	Description
2.1	<a href="#">Stock Purchase Agreement, dated as of February 6, 2020, by and among Stericycle, Inc., Harsco Corporation and CEI Holding, LLC (incorporated by reference to Exhibit 2.1 to our current report on Form 8-K filed February 7, 2020)</a>
3.1	<a href="#">Amended and restated certificate of incorporation (incorporated by reference to Exhibit 3.1 to our registration statement on Form S-1 declared effective on August 22, 1996)</a>
3.2	<a href="#">First certificate of amendment to amended and restated certificate of incorporation (incorporated by reference to Exhibit 3.1 to our current report on Form 8-K filed November 29, 1999)</a>
3.3	<a href="#">Second certificate of amendment to amended and restated certificate of incorporation (incorporated by reference to Exhibit 3.4 to our annual report on Form 10-K for 2002)</a>
3.4	<a href="#">Third certificate of amendment to amended and restated certificate of incorporation (incorporated by reference to Exhibit 3.4 to our registration statement on Form S-4 declared effective on October 10, 2007)</a>
3.5	<a href="#">Fourth certificate of amendment to amended and restated certificate of incorporation (incorporated by reference to Exhibit 3(i).1 to our quarterly report on Form 10-Q filed August 7, 2014)</a>
3.6	<a href="#">Certificate of Designation setting forth the specific rights, preferences, limitations, restrictions and other terms and conditions of the Series A Convertible Preferred Stock, par value \$0.01 per share (incorporated by reference to Exhibit 3.2 to our Current Report on Form 8-K filed November 29, 1999)</a>
3.7	<a href="#">Certificate of Elimination of the Certificate of Designations relating to Series A Convertible Preferred Stock, par value 0.01 per share (incorporated by reference to Exhibit 3.1 and 4.1 to our current report on Form 8-K filed September 15, 2015)</a>
3.8	<a href="#">Certificate of Designations setting forth the specific rights, preferences, limitations, restrictions and other terms and conditions of the Mandatory Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to our Registration Statement on Form 8-A filed September 15, 2015)</a>
3.9	<a href="#">Certificate of Elimination of the Certificate of Designations relating to 5.25% Series A Mandatory Convertible Preferred Stock (incorporated by reference to Exhibit 3.9 to our Quarterly Report on Form 10-Q filed November 11, 2018)</a>
3.10	<a href="#">Amended and restated bylaws (incorporated by reference to Exhibit 3(ii).1 to our current report on Form 8-K filed June 1, 2016)</a>
10.1	<a href="#">First Amendment, dated as of April 26, 2022, to the Amended and Restated Credit Agreement, dated as of September 30, 2021, among Stericycle, Inc. and certain subsidiaries as borrowers, Bank of America, N.A., as administrative agent, swing line lender, a lender and a letter of credit issuer, and the other lenders party thereto</a>
10.2	<a href="#">Form of Restricted Stock Unit Award Agreement under the 2021 Long-Term Incentive Plan</a>
10.3	<a href="#">Form of Performance Stock Unit Award Agreement under the 2021 Long-Term Incentive Plan</a>
31.1	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer</a>
31.2	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer</a>
32	<a href="#">Section 1350 Certification of Chief Executive Officer and Chief Financial Officer</a>
101	The following information from our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, formatted in Inline XBRL: (i) Condensed Consolidated Statements of (Loss) Income; (ii) Condensed Consolidated Statements of Comprehensive (Loss) Income; (iii) Condensed Consolidated Balance Sheets; (iv) Condensed Consolidated Statements of Cash Flows; (v) Condensed Consolidated Statements of Changes in Equity and (vi) Notes to Condensed Consolidated Financial Statements
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* The Company agrees to furnish supplementally a copy of any omitted exhibit or appendix to the Securities and Exchange Commission upon request.

**SIGNATURES**

Pursuant to the requirements 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.

Dated: April 28, 2022

STERICYCLE, INC.

*(Registrant)*

By: /s/ JANET H. ZELENKA

Janet H. Zelenka

*Executive Vice President, Chief Financial Officer & Chief Information Officer*



**STERICYCLE, INC.  
FIRST AMENDMENT**

This **FIRST AMENDMENT**, dated as of April 26, 2022 (this "Amendment"), is entered into by and among **STERICYCLE, INC.**, a Delaware corporation (the "Company"), the Subsidiaries of the Company signatory hereto (collectively, together with the Company, the "Loan Parties" and, each a "Loan Party"), the Lenders (as defined below) signatory hereto, and **BANK OF AMERICA, N.A.**, as administrative agent (in such capacity, the "Administrative Agent") under that certain Amended and Restated Credit Agreement, dated as of September 30, 2021 (the "Existing Credit Agreement"; the Existing Credit Agreement as amended by this Amendment, the "Credit Agreement"), among the Company, the financial institutions from time to time party thereto as lenders (the "Lenders") or as "L/C Issuers", the Subsidiaries of the Company party thereto as "Designated Borrowers", and the Administrative Agent. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

WITNESSETH

WHEREAS, the Company has requested that the Lenders and the Administrative Agent amend the Existing Credit Agreement as set forth herein; and

WHEREAS, the Administrative Agent and the Lenders have agreed, on the terms and conditions set forth below, to so amend the Existing Credit Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the parties hereto hereby agrees as follows:

1. Amendments to Existing Credit Agreement. Subject to and in accordance with the terms and conditions set forth herein and in reliance upon the representations and warranties set forth herein, the parties hereto hereby agree that the Existing Credit Agreement is hereby amended as follows:

(a) Section 1.01 of the Existing Credit Agreement is amended by adding the following new defined terms in the appropriate alphabetical order:

"First Amendment Effective Date" means April 26, 2022.

"Settlement Agreements/Orders" mean, collectively, (a) that certain Deferred Prosecution Agreement between the U.S. Department of Justice and the Company, (b) that certain Order Instituting Cease and Desist Proceedings issued by SEC, (c) that certain Offer of Settlement between the SEC and the Company, and (d) any other settlement agreement between the Company or any of its Subsidiaries and Governmental Authorities in Brazil, in each case contemplated to be entered into on or about the First Amendment Effective Date in connection with the settlement of the anti-corruption investigation first publicly disclosed in the Company's quarterly report on Form 10-Q for the quarter ended June 30, 2017.

"U.S. Settlement Agreements/Orders" mean, collectively, the Settlement Agreements/Orders referred to in clauses (a) through (c) of the definition thereof.

(b) Clause (a) of the definition of "Consolidated EBITDA" in Section 1.01 of the Existing Credit Agreement is hereby amended to: (i) replace the "and" before the beginning of subclause (viii) with ","; and (ii) add a new subclause (ix) thereto immediately succeeding subclause (viii) thereof to read in its entirety as follows:

", and (ix) charges accrued in accordance with GAAP in connection with the Company's settlement of the government investigations by the U.S. Department of Justice, the SEC and Governmental

Authorities in Brazil arising from the anti-corruption investigation first publicly disclosed in the Company's quarterly report on Form 10-Q for the quarter ended June 30, 2017 in an aggregate amount not to exceed (A) \$61,000,000 for the fiscal quarter ended September 30, 2021, (B) \$19,700,000 for the fiscal quarter ended December 31, 2021, and (C) \$9,200,000 for the fiscal quarter ended March 31, 2022".

(c) Section 6.02 of the Existing Credit Agreement is hereby amended to: (i) add a new clause (g) thereto immediately succeeding subclause (f) thereof to read in its entirety as set forth below and (ii) re-letter existing clause (g) to clause (h):

"(g) promptly following the effectiveness of any Settlement Agreement/Order, copies of each such Settlement Agreement/Order".

(d) Section 6.03 of the Existing Credit Agreement is hereby amended to: (i) delete the "and" at the end of clause (c), and (ii) add a new clause (e) thereto immediately succeeding subclause (d) thereof to read in its entirety as follows:

“; and (e) of any notice or other formal correspondence from a Governmental Authority concerning (i) any actual or potential breach or non-compliance with any Settlement Agreements/Orders, (ii) any actual or potential extension of the duration of the Settlement Agreements/Order or any monitorship in connection therewith, or (iii) any material change in the obligations of the Company or any of its Subsidiaries under any Settlement Agreement/Order.”

(e) Section 8.01(h) of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

“(h) Judgments. There is entered against the Company or any Subsidiary (i) a final judgment or order for the payment of money in an aggregate amount exceeding \$75,000,000 (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage), other than any order for the payment of money pursuant to the Settlement Agreements/Orders, or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 30 consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or”

(f) Section 8.01 of the Existing Credit Agreement is hereby amended to add a new clause (n) thereto immediately succeeding subclause (m) thereof to read in its entirety as follows:

“; or (n) Breach of U.S. Settlement Agreements/Orders. (i) Any written notice from the U.S. Department of Justice or the SEC that any such Governmental Authority intends to institute any prosecution of the Company on account of any material breach of any U.S. Settlement Agreements/Orders, unless the Company has taken action to remedy any such breach in its good faith determination within sixty (60) days after any such written notice and so long as the Governmental Authorities that provided the written notice of breach do not actually institute any prosecution action as a result of such breach, or (ii) institution of any prosecution action by the U.S. Department of Justice or the SEC following termination or breach of any U.S. Settlement Agreement/Order.”

2. Conditions to Effectiveness. The amendments set forth in Section 1 of this Amendment shall become effective as of the date hereof upon the satisfaction of the following conditions (such date, the “Amendment Effective Date”):

(a) the Administrative Agent's receipt of counterparts of this Amendment, duly executed and delivered on behalf of each of the Company, each other Loan Party and the Required Lenders; and

(b) the Company shall have paid all fees (including the Amendment Fee (as defined below)) and, unless waived by the Administrative Agent, the Company shall have paid all expenses in connection with this Amendment (including charges and disbursements of counsel to the Administrative Agent, to the extent invoiced prior to the date hereof).

3. Amendment Fee. The Company will pay an amendment fee (the "Amendment Fee") to the Administrative Agent on the Amendment Effective Date, for the account of each Lender (including Bank of America) that approves this Amendment on or before the date that signatures are requested by the Administrative Agent, in an amount equal to 0.025% multiplied by the sum of: (i) the then outstanding principal amount of the Term Loans then held by each such Lender on the Amendment Effective Date plus

(ii) the then existing Revolving Credit Commitment of each such Lender on the Amendment Effective Date. The Amendment Fee shall be fully earned and due and payable in full on the Amendment Effective Date.

4. Representations and Warranties. Each Loan Party hereby represents and warrants that:

(a) This Amendment has been duly executed and delivered by each Loan Party that is party hereto. This Amendment and the Credit Agreement constitutes a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms (except, in any case, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, examinership or similar laws affecting creditors' rights generally and by principles of equity);

(b) Each Loan Party (i) is duly organized or formed, validly existing and in good standing (if applicable in such Loan Party's jurisdiction of incorporation or organization) under the Laws of the jurisdiction of its incorporation or organization and (ii) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to execute, deliver and perform its obligations under this Amendment and each other Loan Document;

(c) The execution, delivery and performance by each Loan Party of this Amendment and each other Loan Document executed in connection herewith have been duly authorized by all necessary corporate or other organizational action, and do not and will not (i) contravene the terms of any of such Person's Organization Documents; (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (A) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (B) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (iii) violate any Law;

(d) No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Amendment or any other Loan Document executed in connection herewith;

(e) No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Amendment; and

(f) The representations and warranties contained in Article V of the Credit Agreement and the other Loan Documents are true and correct in all material respects (except to the extent any such representation and warranty is qualified by materiality or reference to Material Adverse Effect, in which case, such representation and warranty shall be true and correct in all respects) on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (except to the extent any such representation and warranty is qualified by materiality or reference to Material Adverse Effect, in which case, such representation and warranty shall be true and correct in all respects) as of such earlier date and except that the representations and warranties contained in subsections (a) and (b) of

Section 5.05 thereof shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01 thereof.

5. Governing Law; Jurisdiction; Waiver of Jury Trial; Etc. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS AND DECISIONS (AS OPPOSED TO CONFLICTS OF LAW PROVISIONS) OF THE STATE OF NEW YORK. This Amendment shall be further subject to the provisions of Sections 10.14 and 10.15 of the Credit Agreement.

6. Counterparts; Integration; Effectiveness. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment, together with the Credit Agreement and the other Loan Documents, constitutes the entire contract among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Amendment.

7. Severability. If any provision of this Amendment is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Amendment shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8. Effect. Upon the effectiveness of this Amendment, each reference in the Existing Credit Agreement to “this Agreement,” “hereunder,” “hereof” or words of like import shall mean and be a reference to the Existing Credit Agreement as modified hereby and each reference in the other Loan Documents to the “Credit Agreement”, “thereunder,” “thereof,” or words of like import shall mean and be a reference to the Existing Credit Agreement as modified hereby. This Amendment shall constitute a Loan Document for purposes of the Credit Agreement and the other Loan Documents.

9. Reaffirmation. Except as specifically modified by this Amendment, the Existing Credit Agreement shall remain in full force and effect in the form of the Credit Agreement and is hereby ratified and confirmed.

10. Guarantors. Each Guarantor hereby consents to this Amendment and reaffirms its Guaranty and the terms and conditions of each Guaranty and each other Loan Document executed by it and acknowledges and agrees that each and every such Guaranty and other Loan Document executed by such Guarantor in connection with the Credit Agreement remains in full force and effect and is hereby reaffirmed, ratified and confirmed.

[Remainder of this page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, each of the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer on the date first above written.

**BANK OF AMERICA, N.A.,**  
as Administrative Agent

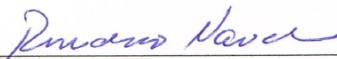
By: \_\_\_\_\_  
Name:  
Title:

**BANK OF AMERICA, N.A., as a Lender, an L/C**  
Issuer and Swing Line Lender

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, each of the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer on the date first above written.

**BANK OF AMERICA, N.A.,**  
as Administrative Agent

By:   
Name: Ronaldo Naval  
Title: Vice President

**BANK OF AMERICA, N.A., as a Lender, an L/C**  
Issuer and Swing Line Lender

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, each of the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer on the date first above written.

**BANK OF AMERICA, N.A.,**  
as Administrative Agent

By: \_\_\_\_\_  
Name:  
Title:

**BANK OF AMERICA, N.A.,** as a Lender, an L/C  
Issuer and Swing Line Lender



By: \_\_\_\_\_  
Name: Michael Contreras  
Title: Director

**STERICYCLE, INC.**, as the Company

By: Janet H. Zelenka  
Name: Janet H. Zelenka  
Title: Executive Vice President, Chief Financial Officer and Chief Information Officer

**SRCL LIMITED**, as a Designated Borrower and a Guarantor

By: \_\_\_\_\_  
Name: Daniel Ginnetti  
Title: Director

**STERICYCLE EUROPE S.à.r.l.**, as a Designated Borrower and a Guarantor

By: \_\_\_\_\_  
Name: Daniel Ginnetti  
Title: Manager

IN WITNESS WHEREOF, each of the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer on the date first above written.

BANK OF AMERICA, N.A.,  
as Administrative Agent

By: \_\_\_\_\_  
Name:  
Title:

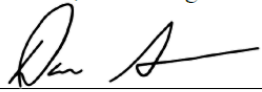
BANK OF AMERICA, N.A., as a Lender, an L/C  
Issuer and Swing Line Lender

By: \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
**STERICYCLE, INC.**, as the Company

By: \_\_\_\_\_  
Name: Janet H. Zelenka  
Title: Executive Vice President, Chief Financial Officer and Chief  
Information Officer

**SRCL LIMITED**, as a Designated Borrower and a Guarantor


By:  \_\_\_\_\_  
Name: Daniel Ginnetti  
Title: Director

**STERICYCLE EUROPE S.à.r.l.**, as a Designated Borrower and a Guarantor

By:  \_\_\_\_\_  
Name: Daniel Ginnetti  
Title: Manager \_\_\_\_\_



**STERICYCLE, ULC**, as a Designated Borrower and a Guarantor

By:   
Name: Richard M. Moore  
Title: President


**STERICYCLE INTERNATIONAL HOLDINGS LIMITED**, as a Designated Borrower and a Guarantor

By: \_\_\_\_\_  
Name: Daniel Ginnetti  
Title: Director

**STERICYCLE INTERNATIONAL, LTD.**, as a Guarantor

By: \_\_\_\_\_  
Name: Daniel Ginnetti  
Title: Director


**STERICYCLE INTERNATIONAL, LLC.**, as a Guarantor

By:   
Name: Richard M. Moore  
Title: Manager

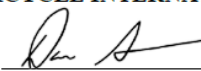
**STERICYCLE, ULC**, as a Designated Borrower and a Guarantor

By: \_\_\_\_\_  
Name: Richard M. Moore  
Title: President

**STERICYCLE INTERNATIONAL HOLDINGS LIMITED**, as a Designated Borrower and a Guarantor

By:  \_\_\_\_\_  
Name: Daniel Ginnetti  
Title: Director

**STERICYCLE INTERNATIONAL, LTD.**, as a Guarantor

By:  \_\_\_\_\_  
Name: Daniel Ginnetti  
Title: Director

**STERICYCLE INTERNATIONAL, LLC.**, as a Guarantor

By: \_\_\_\_\_  
Name: Richard M. Moore  
Title: Manager

**JPMORGAN CHASE BANK, N.A., as a Lender**

By:   
Name: Richard Barritt  
Title: Executive Director

---


**MUFG BANK, LTD.,** as a Lender

By:     *Maria F. Maia*    


Name: Maria F. Maia

Title: Director

**SUMITOMO MITSUI BANKING CORPORATION, as a Lender**

By:   
Name: Rosa Pritsch  
Title: Director

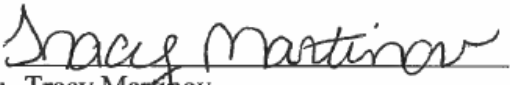
**WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender**

By:   
Name: Eugene Stunson  
Title: Director

**U.S. BANK NATIONAL ASSOCIATION**, as a Lender

By:   
Name: James N. DeVries  
Title: Senior Vice President

**BMO HARRIS FINANCING INC., as a Lender**

By:   
Name: Tracy Martinov  
Title: Authorized Signatory



**BMO HARRIS BANK N.A., as a Lender**

By:   
Name: Tracy Martinov  
Title: Authorized Signatory


**GOLDMAN SACHS BANK USA, as a Lender**

By:   
Name: Garrett Luk  
Title: Authorized Signatory


**CITIZENS BANK, N.A.**, as a Lender

By: Jonathan A. Gleit  
Name: Jonathan Gleit  
Title: Senior Vice President

**PNC BANK, NATIONAL ASSOCIATION, as a Lender**

By:   
Name: Donna Benson  
Title: Assistant Vice President

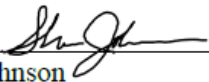
**THE NORTHERN TRUST COMPANY, as a Lender**

By:   
Name: Timothy S McDonald  
Title: Senior Vice President

**CITY NATIONAL BANK**, as a Lender

By:   
Name: Joseph Giampetroni  
Title: Senior Vice President

**FIFTH THIRD BANK, NATIONAL ASSOCIATION**, as a Lender

By:  \_\_\_\_\_  
Name: Shane Johnson  
Title: Executive Director

**REGIONS BANK, as a Lender**

By: *Holly Balzer*  
Name: Holly Balzer  
Title: Vice President



**STERICYCLE, INC.  
2021 LONG-TERM INCENTIVE PLAN**

**Restricted Stock Unit Award Agreement**

Stericycle, Inc. (the “Company”), pursuant to its 2021 Long-Term Incentive Plan (the “Plan”), hereby grants an award of Restricted Stock Units to you, the Participant named below. The terms and conditions of this Award are set forth in this Restricted Stock Unit Award Agreement (the “Agreement”), consisting of this cover page and the Terms and Conditions on the following pages, and in the Plan document, a copy of which has been provided to you. Any capitalized term that is used but not defined in this Agreement shall have the meaning assigned to it in the Plan as it currently exists or as it is amended in the future.

Name of Participant: [ _____ ]	
Number of Restricted Stock Units: [ _____ ]	Grant Date: _____, 20__
Vesting Schedule:	
<u>Scheduled Vesting Dates</u>	<u>Number of Restricted Stock Units that Vest</u>

By signing below or otherwise evidencing your acceptance of this Agreement in a manner approved by the Company, you agree to all of the terms and conditions contained in this Agreement and in the Plan document. You acknowledge that you have received and reviewed these documents and that they set forth the entire agreement between you and the Company regarding this Award of Restricted Stock Units.

This Award shall not become effective until you accept this Award and agree to be bound by an Employee Covenant Agreement. Upon such acceptance and agreement, this Award shall become effective, retroactive to the Grant Date, without the necessity of further action by either the Company or you. If, within 90 days of the Grant Date, you have not accepted this Award and/or if you have not signed the Employee Covenant Agreement and returned it to the Company, this Award may, if so determined by the Company in its discretion, be forfeited and cancelled, in which case you shall have no further rights under or with respect thereto.

PARTICIPANT: STERICYCLE, INC.:

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**STERICYCLE, INC.  
2021 Long-Term Incentive Plan  
Restricted Stock Unit Award Agreement**

**Terms and Conditions**

1. **Grant of Restricted Stock Units.** The Company hereby confirms the grant to you, as of the Grant Date and subject to the terms and conditions in this Agreement and the Plan, of the number of Restricted Stock Units specified on the cover page of this Agreement (the “Units”). Each Unit represents the right to receive one Share of the Company’s common stock, par value \$0.01 per Share. Prior to their settlement or forfeiture in accordance with the terms of this Agreement, the Units granted to you will be credited to an account in your name maintained by the Company. This account shall be unfunded and maintained for book-keeping purposes only, with the Units simply representing an unfunded and unsecured contingent obligation of the Company.
2. **Restrictions Applicable to Units.** Neither this Award nor the Units subject to this Award may be sold, assigned, transferred, exchanged or encumbered, voluntarily or involuntarily, other than (i) a transfer upon your death in accordance with your will, by the laws of descent and distribution or pursuant to a beneficiary designation submitted in accordance with Section 6(d) of the Plan, or (ii) pursuant to a domestic relations

order. Following any such transfer, this Award shall continue to be subject to the same terms and conditions that were applicable to this Award immediately prior to its transfer. Any attempted transfer in violation of this Section 2 shall be void and without effect. The Units and your right to receive Shares in settlement of the Units under this Agreement shall be subject to forfeiture as provided in Section 5 until satisfaction of the vesting conditions set forth in Section 4.

3. **No Shareholder Rights.** The Units subject to this Award do not entitle you to any rights of a holder of the Company's common stock. You will not have any of the rights of a shareholder of the Company in connection with the grant of Units subject to this Agreement unless and until Shares are issued to you upon settlement of the Units as provided in Section 6.

4. **Vesting of Units.** For purposes of this Agreement, "Vesting Date" means any date, including the Scheduled Vesting Dates specified in the Vesting Schedule on the cover page of this Agreement, on which Units subject to this Agreement vest as provided in this Section 4. Notwithstanding the vesting and subsequent settlement of this Award, it shall remain subject to the provisions of Section 8 of this Agreement.

- a. **Scheduled Vesting.** If you remain a Service Provider continuously from the Grant Date specified on the cover page of this Agreement, then the Units will vest in the amounts and on the Scheduled Vesting Dates specified in the Vesting Schedule.
- a. **Accelerated or Continued Vesting.** The vesting of outstanding Units will be accelerated or continued under the circumstances provided below:
  - a. **Death or Disability.** If your Service terminates prior to the final Scheduled Vesting Date due to your death or Disability, then all of the unvested Units shall vest as of such termination date.
  - a. **Retirement.** If (A) your Service terminates prior to the final Scheduled Vesting Date due to your Retirement, (B) you provided written notice to the Company of your intention to retire at least six months prior to your termination date due to Retirement, and (C) at least six months have elapsed between the Grant Date and your termination date due to Retirement, then the Units will continue to vest in accordance with the Vesting Schedule on the cover page of this Agreement; *provided, however*, that the Employee Covenant Agreement referred to in Section 8(a) of this Agreement shall continue to apply to you following your termination date due to Retirement until this Award is fully vested and settled, and if you violate any provision of the Employee Covenant Agreement during such period, then Section 8(a) will apply. Units which have vested pursuant to this Subsection 4(b)(2) shall be settled in accordance with Section 6, except that settlement of each vested Unit shall be made no later than the last day of the calendar year in which such Unit vests.
- a. **Change in Control.** If a Change in Control occurs while you continue to be a Service Provider and prior to the final Scheduled Vesting Date, the following provisions shall apply:
  - a. If, within 24 months after a Change in Control (A) described in paragraphs (1) or (2) of Section 2(f) of the Plan or (B) that constitutes a Corporate Transaction as defined in paragraph (3) of Section 2(f) of the Plan and in connection with which the surviving or acquiring entity (or its parent entity) has continued, assumed or replaced this Award, you cease to be a Service Provider due either to an involuntary termination for reasons other than Cause or a resignation for Good Reason, then all unvested Units shall immediately vest in full.
  - a. If this Award is not continued, assumed or replaced in connection with a Change in Control that constitutes a Corporate Transaction, then all unvested Units shall immediately vest in full upon the occurrence of the Change in Control. For the avoidance of doubt, with respect to any Award that is deferred compensation for purposes of Section 409A of the Code in the event that it would be impermissible to accelerate the settlement of any such Award in connection with a Change in Control, no distribution shall be made to you

by reason of such Change of Control (although any other modification or enhancement to the Award, such as accelerated vesting, shall still apply) and the value of such Award as determined by the Committee prior to such Change of Control shall be paid to the affected Service Provider on the date the Award would have otherwise been settled without regard to the Change of Control.

- a. For purposes of this Section 4(b)(3), this Award will be considered assumed or replaced under the circumstances specified in Section 12(b)(1) of the Plan.

5. **Effect of Termination of Service**. Except as otherwise provided in accordance with Section 4(b) above, if you cease to be a Service Provider, you will forfeit all unvested Units.

6. **Settlement of Units**. Subject to Section 8 below, after any Units vest pursuant to Section 4, the Company shall, as soon as practicable (but no later than the 15<sup>th</sup> day of the third calendar month following the Vesting Date), cause to be issued and delivered to you (or to your personal representative or your designated beneficiary or estate in the event of your death, as applicable) one Share in payment and settlement of each vested Unit. Delivery of the Shares shall be effected by the issuance of a stock certificate to you, by an appropriate entry in the stock register maintained by the Company's transfer agent with a notice of issuance provided to you, or by the electronic delivery of the Shares to a brokerage account designated by the Company, and shall be subject to the tax withholding provisions of Section 7 and compliance with all applicable legal requirements as provided in Section 17(c) of the Plan, and shall be in complete satisfaction and settlement of such vested Units. The Company will pay any original issue or transfer taxes with respect to the issue and transfer of Shares to you pursuant to this Agreement, and all fees and expenses incurred by it in connection therewith. If the Units that vest include a fractional Unit, the Company shall round the number of vested Units down to the nearest whole Unit prior to issuance of Shares as provided herein and shall pay cash to you equal in value to any fractional vested Unit.

7. **Tax Consequences and Withholding**. No Shares will be delivered to you in settlement of vested Units unless you have made arrangements acceptable to the Company for payment of any federal, state, local or foreign withholding taxes that may be due as a result of the delivery of the Shares. You hereby authorize the Company (or any Affiliate) to withhold from payroll or other amounts payable to you any sums required to satisfy any withholding tax obligations related to the grant, vesting, settlement or otherwise arising out of the Units, and you otherwise agree to satisfy such obligations in accordance with the provisions of Section 14 of the Plan. To the extent that any Shares are eligible for settlement at the time of taxation, unless otherwise determined by the Committee, the Company will withhold a number of Shares that would otherwise be issued to you in settlement of the Units and that have a fair market value equal to the amount of such withholding tax obligations, unless you notify the Company prior to the Vesting Date that you will provide for cash payment to the Company of such withholding tax obligations and you actually make such cash payment to the Company.

8. **Forfeiture of Award and Compensation Recovery**.

(a) **Forfeiture Conditions**. This Award is subject to forfeiture and automatic cancellation as provided in the Employee Covenant Agreement. In addition, you may be required to repay the Company any cash paid in settlement of the Award, and the net proceeds from the sale of any stock issued in settlement of the Award, as also provided in the Employee Covenant Agreement.

(b) **Compensation Recovery Policy**. In addition to those provisions in Section 8(a), this Award and any compensation associated therewith is subject to potential forfeiture or recovery in accordance with any compensation recovery policy adopted by the Board or the Committee. This Agreement may be unilaterally amended by the Committee to comply with any such compensation recovery policy.

(b) **Compensation Recovery Policy**. In addition to those provisions in Section 8(a), this Award and any compensation associated therewith is subject to potential forfeiture or recovery in accordance with any compensation recovery policy adopted by the Board or the Committee. This Agreement may be unilaterally amended by the Committee to comply with any such compensation recovery policy.

(c) **Remedies.** The parties expressly agree that the forfeiture and repayment obligations contained in this Section 8 do not constitute the Company's exclusive remedy for your violation of Section 8. The Company may seek any additional legal or equitable remedy, including injunctive relief, for any such violation.

(c) **Remedies.**

The parties expressly agree that the forfeiture and repayment obligations contained in this Section 8 do not constitute the Company's exclusive remedy for your violation of Section 8.

The Company may seek any additional legal or equitable remedy, including injunctive relief, for any such violation.

9. **Notices.** Every notice or other communication relating to this Agreement shall be in writing and shall be mailed to or delivered (including electronically) to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided. Unless and until some other address is so designated, all notices or communications by you to the Company shall be mailed or delivered to the Company, to the attention of its VP, Global Total Rewards, at its office at 2355 Waukegan Road, Bannockburn, IL 60015, Equityadministration@stericycle.com, and all notices or communications by the Company to you may be given to you personally or may be mailed or, if you are still a Service Provider, emailed to you at the address indicated in the Company's records as your most recent mailing or email address.

10. **Additional Provisions.**

(a) **No Right to Continued Service.** This Agreement does not give you a right to continued Service with the Company or any Affiliate, and the Company or any such Affiliate may terminate your Service at any time and otherwise deal with you without regard to the effect it may have upon you under this Agreement.

(b) **Governing Plan Document.** This Agreement and the Award are subject to all the provisions of the Plan, and to all interpretations, rules and regulations which may, from time to time, be adopted and promulgated by the Committee pursuant to the Plan. If there is any conflict between the provisions of this Agreement and the Plan, the provisions of the Plan will govern. The Committee's interpretation of the Plan and this Agreement shall be final and binding.

(c) **Governing Law.** This Agreement, the parties' performance hereunder, and the relationship between them shall be governed by, construed, and enforced in accordance with the laws of the State of Delaware, without giving effect to the choice of law principles thereof.

(d) **Severability.** The provisions of this Agreement shall be severable and if any provision of this Agreement is found by any court to be unenforceable, in whole or in part, the remainder of this Agreement shall nevertheless be enforceable and binding on the parties. You also agree that any trier of fact may modify any invalid, overbroad or unenforceable provision of this Agreement so that such provision, as modified, is valid and enforceable under applicable law.

(e) **Binding Effect.** This Agreement will be binding in all respects on your heirs, representatives, successors and assigns, and on the successors and assigns of the Company.

(f) **Section 409A of the Code.** The award of Units as provided in this Agreement and any issuance of Shares or payment pursuant to this Agreement are intended to be exempt from or in compliance with Section 409A of the Code and this Agreement and the Plan shall be administered and interpreted in accordance with this intent.

(g) **Electronic Delivery and Acceptance.** The Company may deliver any documents related to this Restricted Stock Unit Award by electronic means and request your acceptance of this Agreement by electronic means. You hereby consent to receive all applicable documentation by electronic delivery and to participate in the

Plan through an on-line (and/or voice activated) system established and maintained by the Company or the Company's third-party stock plan administrator.

***By signing the cover page of this Agreement or otherwise accepting this Agreement in a manner approved by the Company, you agree to all the terms and conditions described above and in the Plan document.***

**STERICYCLE, INC.  
2021 LONG-TERM INCENTIVE PLAN**

**Performance Stock Unit Award Agreement**

Stericycle, Inc. (the “Company”), pursuant to its 2021 Long-Term Incentive Plan (the “Plan”), hereby grants an award of Performance Stock Units to you, the Participant named below. The terms and conditions of this Award are set forth in this Performance Stock Unit Award Agreement (the “Agreement”), consisting of this cover page, the Terms and Conditions on the following pages and the attached Exhibit A, and in the Plan document, a copy of which has been provided to you. Any capitalized term that is used but not defined in this Agreement shall have the meaning assigned to it in the Plan as it currently exists or as it is amended in the future.

Name of Participant:	
Target Number of Performance Stock Units:	
Maximum Number of Performance Stock Units:	
Grant Date:	
Performance Period:	January 1, 2022 – December 31, 2024
Vesting Schedule:	The number of Units determined by the Committee to have been achieved (if any) will vest* on the third anniversary of the Grant Date.
Performance Goals:	See <u>Exhibit A</u>
* Assumes your Service has been continuous from the Grant Date to the vesting date, except as otherwise provided in this Agreement.	

By signing below or otherwise evidencing your acceptance of this Agreement in a manner approved by the Company, you agree to all of the terms and conditions contained in this Agreement and in the Plan document. You acknowledge that you have received and reviewed these documents and that they set forth the entire agreement between you and the Company regarding this Award of Performance Stock Units.

This Award shall not become effective until you accept this Award and agree to be bound by an Employee Covenant Agreement. Upon such acceptance and agreement, this Award shall become effective, retroactive to the Grant Date, without the necessity of further action by either the Company or you. If, within 90 days of the Grant Date, you have not accepted this Award and/or if you have not signed the Employee Covenant Agreement and returned it to the Company, this Award may, if so determined by the Company in its discretion, be forfeited and cancelled, in which case you shall have no further rights under or with respect thereto.

PARTICIPANT: STERICYCLE, INC.:

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**STERICYCLE, INC.  
2021 Long-Term Incentive Plan  
Performance Stock Unit Award Agreement**

**Terms and Conditions**

1. **Grant of Performance Stock Units.** The Company hereby confirms the grant to you, as of the Grant Date and subject to the terms and conditions of this Agreement and the Plan, of an award of Performance Stock Units (the “Units”) in an amount initially equal to the Target Number of Performance Stock Units specified on the cover page of this Agreement. The number of Units that may actually be achieved and become eligible to vest pursuant to this Award can be between 0% and 200% of the Target Number of Units but may not exceed the Maximum Number of Performance Stock Units specified on the cover page of this Agreement. Each Unit that is achieved as a result of the performance goals having been satisfied and which thereafter vests represents the right to receive one Share of the Company’s common stock. Prior to their settlement or forfeiture in accordance with the terms of this Agreement, the Units granted to you will be credited to a performance stock unit account in your name maintained by the Company. This account will be unfunded and maintained for book-keeping purposes only, with the Units simply representing an unfunded and unsecured contingent obligation of the Company.

2. **Restrictions Applicable to Units.** Neither this Award nor the Units subject to this Award may be sold, assigned, transferred, exchanged or encumbered, voluntarily or involuntarily, other than (i) a transfer upon your death in accordance with your will, by the laws of descent and distribution or pursuant to a beneficiary designation submitted in accordance with Section 6(d) of the Plan, or (ii) pursuant to a domestic relations order. Following any such transfer, this Award shall continue to be subject to the same terms and conditions that were applicable to this Award immediately prior to its transfer. Any attempted transfer in violation of this Section 2 shall be void and without effect. The Units and your right to receive Shares in settlement of any Units under this Agreement shall be subject to forfeiture except to the extent the Units have been achieved and thereafter vest as provided in Sections 4 and 5.

3. **No Shareholder Rights.** The Units subject to this Award do not entitle you to any rights of a holder of the Company’s common stock. You will not have any of the rights of a shareholder of the Company in connection with any Units granted or achieved pursuant to this Agreement unless and until Shares are issued to you in settlement of achieved and vested Units as provided in Section 6.

4. **Vesting of Units.**

(a) **Performance Targets.** The Committee has established performance targets (“Performance Targets”) for the Performance Period that are set forth in Exhibit A (which is incorporated into and forms a part of this Agreement). The Performance Targets, subject to any modifier(s) set forth in Exhibit A, shall be used to determine the number of Units that will be achieved for the Performance Period and that may become vested as described in subsection (b).

(b) **General Vesting Rules.** The number of Units that have been achieved during the Performance Period, as determined by the Committee in accordance with Exhibit A, will vest (the “Vested Units”) on the third anniversary of the Grant Date (the “Scheduled Vesting Date”). Except as otherwise provided by the Committee or this Agreement, if your Service terminates for any reason prior to the Scheduled Vesting Date, then, as of your termination date, all then unvested Units shall be cancelled and shall be forfeited, none of the unvested Units shall become Vested Units and you shall have no rights under or with respect to any of the unvested Units. All Units that become Vested Units on the Scheduled Vesting Date shall be distributed to you in accordance with Section 6.

(c) **Accelerated or Continued Vesting.**

(i) **Death or Disability.** Notwithstanding the provisions of subsection 3(b), if your Service terminates prior to the Scheduled Vesting Date on account of your death or Disability, then all of the then outstanding unvested Units shall become Vested Units at the target level of performance, and such termination date shall be the vesting date for such Units for purposes of Section 6.

(ii) **Retirement.** If (A) your Service terminates prior to the Scheduled Vesting Date due to your Retirement, (B) you provided written notice to the Company of your intention to retire at least six months prior to your termination date due to Retirement, and (C) at least six months have elapsed between

the Grant Date and your termination date due to Retirement, then the Units will remain outstanding and subject to the general vesting rules set forth in subsection (b) above; *provided, however*, that the Employee Covenant Agreement referred to in Section 8 of this Agreement shall continue to apply to you following your termination date due to Retirement until the Committee determines the Vested Units that actually become achieved and vested and such Vested Units are settled, and if you violate any provision of the Employee Covenant Agreement during such period, then Section 8 below will apply. Units which have been achieved and vested pursuant to this Subsection 4(c)(ii) shall be settled in accordance with Section 6, except that settlement of each vested Unit shall be made no later than December 31, 2025.

(iii) *Change in Control*. If a Change in Control occurs while you continue to be a Service Provider and prior to the Scheduled Vesting Date, the following provisions shall apply:

(A) If the surviving or successor entity (or its parent company) continues, assumes or replaces this Award, then the Performance Targets for the outstanding unvested Units shall be deemed to be achieved as of the date of the Change in Control at the target level of performance without application of modifier(s) (the “Deemed Achieved Units”), and if this Award has been continued or assumed, this Award shall continue with respect to the Deemed Achieved Units, and if this Award has been replaced, this Award shall terminate and the replacement Award shall reflect the equivalent of the Deemed Achieved Units, and the Deemed Achieved Units under this Award or the replacement Award, as the case may be, shall be subject to a continuing service requirement (except as set forth in the remainder of this subsection (A)) until the Scheduled Vesting Date; *provided, however*, that if on or within 24 months following a Change in Control, you cease to be a Service Provider due either to (x) an involuntary termination for reasons other than Cause or (y) a resignation for Good Reason, then all unvested Deemed Achieved Units shall immediately vest in full.

(B) If and to the extent this Award is not continued, assumed or replaced, then all of the Units then outstanding shall become Vested Units at the target level of performance immediately prior to the effective time of the Change in Control. Further, the Committee may provide that this Award shall be canceled at or immediately prior to the effective time of the Change of Control in exchange for a payment in an amount equal to the fair market value (as determined in good faith by the Committee) of the consideration that would otherwise be received in the Change of Control for the number of shares (assuming a target level of performance) subject to this Award, and payment of any such amount shall be made in such form, on such terms and subject to such conditions as the Committee determines in its discretion. For the avoidance of doubt, with respect to any Award that is deferred compensation for purposes of Section 409A of the Code in the event that it would be impermissible to accelerate the settlement of any such Award in connection with a Change in Control, no distribution shall be made to you by reason of such Change of Control (although any other modification or enhancement to the Award, such as accelerated vesting, shall still apply) and the value of such Award as determined by the Committee prior to such Change of Control shall be paid to the affected Service Provider on the date the Award would have otherwise been settled without regard to the Change of Control.

(C) For purposes of this Section 4(b)(3), this Award will be considered assumed or replaced under the circumstances specified in Section 12(b)(1) of the Plan.

5. **Effect of Termination of Service**. Except as otherwise provided in accordance with Section 4(c) above, if you cease to be a Service Provider, you will forfeit all unvested Units.

6. **Settlement of Units**. Subject to Section 8 below, after any Units vest pursuant to Section 4, the Company shall, as soon as practicable (but no later than the 15<sup>th</sup> day of the third calendar month following the vesting date), cause to be issued and delivered to you (or to your personal representative or your designated beneficiary or estate in the event of your death, as applicable) one Share in payment and settlement of each vested Unit. Delivery of the Shares shall be effected by the issuance of a stock certificate to you, by an appropriate entry in the stock register maintained by the Company’s transfer agent with a notice of issuance provided to you, or by the electronic delivery of the Shares to a brokerage account designated by the Company, and shall be subject to the tax withholding provisions of Section 7 and compliance with all applicable legal requirements as provided in Section 17(c) of the Plan, and shall be in complete satisfaction and settlement of such vested Units. The Company will pay any original issue or transfer taxes with respect to the issue and transfer of Shares to you pursuant to this Agreement, and all fees and expenses incurred by it in connection therewith. If the Units that vest include a fractional Unit, the Company shall round the number of vested Units down to the nearest whole Unit prior to issuance of Shares as provided herein and shall pay cash to you equal in value to any fractional vested Unit.



7. **Tax Consequences and Withholding.** No Shares will be delivered to you in settlement of vested Units unless you have made arrangements acceptable to the Company for payment of any federal, state, local or foreign withholding taxes that may be due as a result of the delivery of the Shares. You hereby authorize the Company (or any Affiliate) to withhold from payroll or other amounts payable to you any sums required to satisfy any withholding tax obligations related to the grant, vesting, settlement or otherwise arising out of the Units, and you otherwise agree to satisfy such obligations in accordance with the provisions of Section 14 of the Plan. To the extent that any Shares are eligible for settlement at the time of taxation, unless otherwise determined by the Committee, the Company will withhold a number of Shares that would otherwise be issued to you in settlement of the Units and that have a fair market value equal to the amount of such withholding tax obligations, unless you notify the Company prior to the vesting date that you will provide for cash payment to the Company of such withholding tax obligations and you actually make such cash payment to the Company.

8. **Forfeiture of Award and Compensation Recovery.**

(a) **Forfeiture Conditions.** This Award is subject to forfeiture and automatic cancellation as provided in the Employee Covenant Agreement. In addition, you may be required to repay the Company any cash paid in settlement of the Award, and the net proceeds from the sale of any stock issued in settlement of the Award, as also provided in the Employee Covenant Agreement.

(b) **Compensation Recovery Policy.** In addition to those provisions in Section 8(a), this Award and any compensation associated therewith is subject to potential forfeiture or recovery in accordance with any compensation recovery policy adopted by the Board or the Committee. This Agreement may be unilaterally amended by the Committee to comply with any such compensation recovery policy.

(b) **Compensation Recovery Policy.** In addition to those provisions in Section 8(a), this Award and any compensation associated therewith is subject to potential forfeiture or recovery in accordance with any compensation recovery policy adopted by the Board or the Committee. This Agreement may be unilaterally amended by the Committee to comply with any such compensation recovery policy.

(c) **Remedies.** The parties expressly agree that the forfeiture and repayment obligations contained in this Section 8 do not constitute the Company's exclusive remedy for your violation of Section 8. The Company may seek any additional legal or equitable remedy, including injunctive relief, for any such violation.

(c) **Remedies.**

The parties expressly agree that the forfeiture and repayment obligations contained in this Section 8 do not constitute the Company's exclusive remedy for your violation of Section 8.

The Company may seek any additional legal or equitable remedy, including injunctive relief, for any such violation.

9. **Notices.** Every notice or other communication relating to this Agreement shall be in writing and shall be mailed to or delivered (including electronically) to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided. Unless and until some other address is so designated, all notices or communications by you to the Company shall be mailed or delivered to the Company, to the attention of its SVP, Global Total Rewards, at its office at 2355 Waukegan Road, Bannockburn, IL 60015, [\_\_\_\_], and all notices or communications by the Company to you may be given to you personally or may be mailed or, if you are still a Service Provider, emailed to you at the address indicated in the Company's records as your most recent mailing or email address.

10. **Additional Provisions.**

(a) **No Right to Continued Service.** This Agreement does not give you a right to continued Service with the Company or any Affiliate, and the Company or any such Affiliate may terminate your Service at any time and otherwise deal with you without regard to the effect it may have upon you under this Agreement.

(b) Governing Plan Document. This Agreement and the Award are subject to all the provisions of the Plan, and to all interpretations, rules and regulations which may, from time to time, be adopted and promulgated by the Committee pursuant to the Plan. If there is any conflict between the provisions of this Agreement and the Plan, the provisions of the Plan will govern. The Committee's interpretation of the Plan and this Agreement shall be final and binding.

(c) Governing Law. This Agreement, the parties' performance hereunder, and the relationship between them shall be governed by, construed, and enforced in accordance with the laws of the State of Delaware, without giving effect to the choice of law principles thereof.

(d) Severability. The provisions of this Agreement shall be severable and if any provision of this Agreement is found by any court to be unenforceable, in whole or in part, the remainder of this Agreement shall nevertheless be enforceable and binding on the parties. You also agree that any trier of fact may modify any invalid, overbroad or unenforceable provision of this Agreement so that such provision, as modified, is valid and enforceable under applicable law.

(e) Binding Effect. This Agreement will be binding in all respects on your heirs, representatives, successors and assigns, and on the successors and assigns of the Company.

(f) Section 409A of the Code. The award of Units as provided in this Agreement and any issuance of Shares or payment pursuant to this Agreement are intended to be exempt from or in compliance with Section 409A of the Code and this Agreement and the Plan shall be administered and interpreted in accordance with this intent.

(g) Electronic Delivery and Acceptance. The Company may deliver any documents related to this Performance Stock Unit Award by electronic means and request your acceptance of this Agreement by electronic means. You hereby consent to receive all applicable documentation by electronic delivery and to participate in the Plan through an on-line (and/or voice activated) system established and maintained by the Company or the Company's third-party stock plan administrator.

*By signing the cover page of this Agreement or otherwise accepting this Agreement in a manner approved by the Company, you agree to all the terms and conditions described above and in the Plan document.*

#### **EXHIBIT A**

The PSU Performance Targets for the 2022 grant, which are associated with performance during the fiscal years 2022-2024, are shown below. Each metric is equally weighted at 50%.

***Return on Invested Capital (ROIC)*** is defined as the Company's Net Operating Profit After Taxes over the average invested capital, less goodwill and intangible amortization. The ROIC for such calculations is adjusted to exclude items (see below) that are approved at the time of grant by the Compensation Committee.

***Adjusted Earnings Per Share (EPS)*** Adjusted diluted earnings per share is a Non-GAAP measure and excludes adjusting items as described and reconciled to comparable U.S. GAAP financial measures in the Reconciliation of U.S. GAAP to Non-GAAP Financial Measures within the annual proxy statement. This Adjusted EPS calculation is further modified to exclude items that are approved at the time of grant by the Compensation Committee and may include items like foreign exchange rate impacts, movement in SOP paper prices, and other non-organic elements. The full list of approved adjustments is available upon request to the SVP of Total Rewards.

The adjustments approved by the Compensation Committee include items such as impairment(s) or accelerated depreciation or amortization related to carrying value of goodwill, intangible assets, and/or long-lived assets and charges, gains/losses or expenses relating to acquisitions and dispositions, and pre-approved system conversions and/or implementations. The full list of approved adjustments is available upon request to the SVP of Total Rewards at [\_\_\_\_\_].

**2022 – 2024 ROIC Achievement Table**

3-Yr ROIC Target Range	2024 ROIC Target	Attainment %	Payout %
Max Payout			
2024 target			
Entry Point			

**2024 EPS Achievement Table**

3-Yr Adjusted EPS Target Range	2024 Adjusted EPS Target	Attainment %	Payout %
Max Payout			
2024 target			
Entry Point			

**Vesting**

- Vesting (if achieved) occurs at the end of the 3-year period.
- The achievement level for 2022-2024 results is based on the achievement tables above (% of target achieved for each metric will be rounded to the nearest tenth of a percent and the % achieved within each point on the grid shall be interpolated on a linear basis).
- After the Adjusted EPS and ROIC achievement levels are determined based on the tables above, a relative TSR modifier will then be applied, which compares the performance of Stericycle stock over the 2022-2024 period to the performance of the S & P MidCap 400 performance and modifies the EPS/ROIC result by [\_\_\_\_] – [\_\_\_\_] %.
- The achieved award (as determined by the Committee) will then be available for vesting on the 3<sup>rd</sup> anniversary of the grant date (as long as the award recipient is still employed on that date or is eligible for vesting under another provision described in the agreement, such as an eligible retirement event) and the actual number of vested PSUs will be based on the calculations above.

**Rule 13a-14(a)/15d-14(a) Certification**

Cindy J. Miller  
Chief Executive Officer

I, Cindy J. Miller, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Stericycle, Inc.;
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 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 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.

Date: April 28, 2022

/s/ CINDY J. MILLER

Cindy J. Miller  
Chief Executive Officer  
Stericycle, Inc.

**Rule 13a-14(a)/15d-14(a) Certification**

Janet H. Zelenka  
Chief Financial Officer

I, Janet H. Zelenka, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Stericycle, Inc.;
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 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 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.

Date: April 28, 2022

/s/ JANET H. ZELENKA

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Janet H. Zelenka  
Executive Vice President, Chief Financial Officer & Chief Information Officer  
Stericycle, Inc.

**SECTION 1350 CERTIFICATION**

In connection with the Quarterly Report of Stericycle, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report") we, Cindy J. Miller, Chief Executive Officer of the registrant, and Janet H. Zelenka, Chief Financial Officer of the registrant, certify as follows:

- (a) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 28, 2022

/s/ CINDY J. MILLER

Cindy J. Miller  
Chief Executive Officer  
Stericycle, Inc.

/s/ JANET H. ZELENKA

Janet H. Zelenka  
Executive Vice President, Chief Financial Officer & Chief Information Officer  
Stericycle, Inc.