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

FORM 10-Q

[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, 2024

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



Stericycle, Inc.

(Name of registrant as specified in its charter)

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 <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>
Smaller reporting company <input type="checkbox"/>	Emerging growth company <input type="checkbox"/>	

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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 22, 2024, there were 92,785,315 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
2023 Form 10-K	Annual report on Form 10-K for the year ended December 31, 2023
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
AI	Artificial intelligence
Credit Agreement	Credit Agreement dated September 30, 2021, First Amendment dated April 26, 2022, and Second Amendment dated June 15, 2023, 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 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 (each as defined in the Credit Agreement) for the period of four fiscal quarters most recently ended on or prior to such date
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 DOJ. 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 (Divested April 2020)
DSO	Days Sales Outstanding as reported, 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, divided by the Accounts Receivable balance at the end of the period. Days Sales Outstanding, net of Deferred Revenues is similarly computed except Accounts Receivable balance is netted with Deferred Revenues.
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
Enviri	Enviri Corporation, a Delaware Corporation, formerly known as Harsco Corporation
ERP	Enterprise Resource Planning
Exchange Act	U.S. Securities Exchange Act of 1934
FASB	Financial Accounting Standards Board
FCPA	U.S. Foreign Corrupt Practices Act
FCPA Settlement	FCPA settlement with the SEC, the DOJ and Brazil authorities of approximately \$90 million and engagement of an independent compliance monitor for 2 years and self-reporting for additional year
International	Operating segment including Belgium, France, Germany, Ireland, Luxembourg, Portugal, Spain, and U.K. The following countries were divested in 2023: Australia, Brazil, Republic of Korea, Romania, Singapore, and United Arab Emirates
IRS	U.S. Internal Revenue Service
LIBOR	London Interbank Offered Rate - benchmark interest rate that was replaced by SOFR
Net Debt	As defined in the Credit Agreement, adding back unamortized debt issuance costs, less cash and cash equivalents
North America	Operating segment including U.S., Canada and Puerto Rico
NOV	Notice of Violation
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 (now known as Enviri) and CEI Holding LLC, a Delaware limited liability company and subsidiary of Harsco Corporation (now known as Enviri)
PSU	Performance-based Restricted Stock Unit
RSU	Restricted Stock Unit
RWCS	Regulated Waste and Compliance Services, a business unit that provides regulated medical waste services
SEC	U.S. Securities and Exchange Commission
Senior Notes	5.375% (\$600.0 million) Senior Notes due July 2024 and 3.875% (\$500.0 million) Senior Notes due January 2029. July 2024 Senior Notes were redeemed in March 2024.
SG&A	Selling, general and administrative expenses
SID	Secure Information Destruction Services, a business unit that provides confidential customer material shredding services and recycling of shredded paper
SOFR	Secured Overnight Financing Rate - benchmark interest rate that replaced LIBOR
SOP	Sorted Office Paper
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 INCOME
(Unaudited)

In millions, except per share data

	Three Months Ended March 31,	
	2024	2023
Revenues	\$ 664.9	\$ 684.3
Cost of revenues	410.0	423.3
Gross profit	254.9	261.0
Selling, general and administrative expenses	216.0	216.0
Divestiture losses, net (Note 4)	—	5.0
Income from operations	38.9	40.0
Interest expense, net	(18.4)	(20.4)
Other income, net	—	0.2
Income before income taxes	20.5	19.8
Income tax expense	(7.4)	(8.5)
Net income	13.1	11.3
Net income attributable to noncontrolling interests	—	(0.1)
Net income attributable to Stericycle, Inc. common shareholders	\$ 13.1	\$ 11.2
Income per common share attributable to Stericycle, Inc. common shareholders:		
Basic	\$ 0.14	\$ 0.12
Diluted	\$ 0.14	\$ 0.12
Weighted average number of common shares outstanding:		
Basic	92.6	92.3
Diluted	93.0	92.7

See accompanying Notes to Condensed Consolidated Financial Statements.

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

In millions

	Three Months Ended March 31,	
	2024	2023
Net income	\$ 13.1	\$ 11.3
Other comprehensive (loss) income:		
Currency translation adjustments	(11.5)	7.9
Total other comprehensive (loss) income	(11.5)	7.9
Comprehensive income	1.6	19.2
Less: comprehensive income (loss) attributable to noncontrolling interests	—	(2.2)
Comprehensive income attributable to Stericycle, Inc. common shareholders	<u>\$ 1.6</u>	<u>\$ 21.4</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

STERICYCLE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

In millions, except per share data

	March 31, 2024	December 31, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 31.0	\$ 35.3
Accounts receivable, less allowance for doubtful accounts of \$47.2 in 2024 and \$44.7 in 2023	616.4	553.9
Prepaid expenses	33.6	31.6
Other current assets	47.8	50.7
Total Current Assets	728.8	671.5
Property, plant and equipment, less accumulated depreciation of \$680.2 in 2024 and \$675.4 in 2023	722.6	708.3
Operating lease right-of-use assets	497.2	464.3
Goodwill	2,758.0	2,755.6
Intangible assets, less accumulated amortization of \$948.8 in 2024 and \$925.8 in 2023	661.3	686.5
Other assets	67.8	66.4
Total Assets	\$ 5,435.7	\$ 5,352.6
LIABILITIES AND EQUITY		
Current Liabilities:		
Current portion of long-term debt	\$ 17.3	\$ 19.6
Bank overdrafts	—	1.0
Accounts payable	198.3	212.1
Accrued liabilities	210.9	259.5
Operating lease liabilities	109.1	105.4
Deferred revenues	70.1	72.6
Other current liabilities	49.2	47.8
Total Current Liabilities	654.9	718.0
Long-term debt, net	1,398.6	1,277.8
Long-term operating lease liabilities	407.8	378.9
Deferred income taxes	417.0	420.5
Other liabilities	34.3	34.5
Total Liabilities	2,912.6	2,829.7
Commitments and contingencies (Note 9 - Commitments and Contingencies)		
EQUITY		
Common stock (par value \$0.01 per share, 120.0 shares authorized, 92.8 and 92.6 issued and outstanding in 2024 and 2023, respectively)	0.9	0.9
Additional paid-in capital	1,315.3	1,316.7
Retained earnings	1,402.5	1,389.4
Accumulated other comprehensive loss	(196.0)	(184.5)
Total Stericycle, Inc.'s Equity	2,522.7	2,522.5
Noncontrolling interests	0.4	0.4
Total Equity	2,523.1	2,522.9
Total Liabilities and Equity	\$ 5,435.7	\$ 5,352.6

See accompanying Notes to Condensed Consolidated Financial Statements.

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

In millions

	Three Months Ended March 31,	
	2024	2023
OPERATING ACTIVITIES:		
Net income	\$ 13.1	\$ 11.3
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	25.7	26.6
Intangible amortization	27.8	28.2
Stock-based compensation expense	2.7	6.9
Deferred income taxes	(2.7)	4.7
Divestiture losses, net	—	5.0
Asset impairments, loss (gain) on disposal of property plant and equipment and other charges	1.0	(0.4)
Other, net	1.3	0.5
Changes in operating assets and liabilities:		
Accounts receivable	(64.4)	(4.4)
Prepaid expenses	(2.1)	(1.4)
Accounts payable	(12.5)	(6.3)
Accrued liabilities	(41.1)	(17.4)
Deferred revenues	(2.4)	0.7
Other assets and liabilities	(0.9)	(4.5)
Net cash from operating activities	(54.5)	49.5
INVESTING ACTIVITIES:		
Capital expenditures	(43.1)	(36.4)
(Payments) proceeds from (acquisition) divestiture of businesses, net	(14.0)	0.9
Other, net	0.3	1.0
Net cash from investing activities	(56.8)	(34.5)
FINANCING ACTIVITIES:		
Repayments of long-term debt and other obligations	(5.7)	(7.8)
Repayments of foreign bank debt	—	(0.1)
Repayments of senior notes	(600.0)	—
Proceeds from credit facility	951.0	286.9
Repayments of credit facility	(228.1)	(283.0)
Repayments of bank overdrafts, net	(0.9)	(0.5)
Payments of finance lease obligations	(0.6)	(0.7)
Proceeds from issuance of common stock, net of (payments of) taxes from withheld shares	(6.4)	(4.9)
Payments to noncontrolling interest	—	(1.5)
Net cash from financing activities	109.3	(11.6)
Effect of exchange rate changes on cash and cash equivalents	(2.3)	0.6
Net change in cash and cash equivalents	(4.3)	4.0
Cash and cash equivalents at beginning of period	35.3	56.0
Cash and cash equivalents at end of period	\$ 31.0	\$ 60.0
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid, net of capitalized interest	\$ 35.1	\$ 32.8
Income taxes paid, net	\$ 4.9	\$ 0.4
Capital expenditures in Accounts payable	\$ 22.7	\$ 18.8

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					
Balance as of December 31, 2023	92.6	\$ 0.9	\$ 1,316.7	\$ 1,389.4	\$ (184.5)	\$ 0.4	\$ 2,522.9
Net income	—	—	—	13.1	—	—	13.1
Currency translation adjustment	—	—	—	—	(11.5)	—	(11.5)
Issuance of common stock for incentive stock programs, net of (payments of) taxes from withheld shares	0.2	—	(4.1)	—	—	—	(4.1)
Stock-based compensation expense	—	—	2.7	—	—	—	2.7
Balance as of March 31, 2024	<u>92.8</u>	<u>\$ 0.9</u>	<u>\$ 1,315.3</u>	<u>\$ 1,402.5</u>	<u>\$ (196.0)</u>	<u>\$ 0.4</u>	<u>\$ 2,523.1</u>

In millions

	Stericycle, Inc. Equity						
	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Equity
	Shares	Amount					
Balance as of December 31, 2022	92.2	\$ 0.9	\$ 1,285.4	\$ 1,410.8	\$ (276.9)	\$ 4.3	\$ 2,424.5
Net income	—	—	—	11.2	—	0.1	11.3
Currency translation adjustment	—	—	—	—	10.2	(2.3)	7.9
Issuance of common stock for incentive stock programs, net of (payments of) taxes from withheld shares	0.2	—	(3.1)	—	—	—	(3.1)
Stock-based compensation expense	—	—	6.9	—	—	—	6.9
Changes in noncontrolling interest	—	—	—	—	—	(1.5)	(1.5)
Balance as of March 31, 2023	<u>92.4</u>	<u>\$ 0.9</u>	<u>\$ 1,289.2</u>	<u>\$ 1,422.0</u>	<u>\$ (266.7)</u>	<u>\$ 0.6</u>	<u>\$ 2,446.0</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

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 stockholders' 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, 2024 and for the three months ended March 31, 2024 and 2023, 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 2023 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

Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" ("ASU 2023-07"). ASU 2023-07 requires disclosure of incremental segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analyses. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact on disclosures in our Notes to Condensed Consolidated Financial Statements.

Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU 2023-09"). ASU 2023-09 requires greater disaggregation of information in the rate reconciliation and the disclosure of income taxes paid by jurisdiction. ASU 2023-09 is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact on disclosures in our Notes to Condensed Consolidated Financial Statements.

NOTE 2 — REVENUES FROM CONTRACTS WITH CUSTOMERS

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 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, monthly or on an as needed basis over the contract term, e.g., one-time service. 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.

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 Revenue

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

In millions	Three Months Ended March 31,	
	2024	2023
Revenue by Service		
Regulated Waste and Compliance Services	\$ 447.8	\$ 451.3
Secure Information Destruction Services	217.1	233.0
Total Revenues	\$ 664.9	\$ 684.3
North America		
Regulated Waste and Compliance Services	\$ 376.5	\$ 368.7
Secure Information Destruction Services	192.7	204.7
Total North America Segment	\$ 569.2	\$ 573.4
International		
Regulated Waste and Compliance Services	\$ 71.3	\$ 82.6
Secure Information Destruction Services	24.4	28.3
Total International Segment	\$ 95.7	\$ 110.9

Deferred Revenues

Deferred revenues are recognized when cash payments are received or when the Company bills for services in advance of performance. Deferred revenues as of March 31, 2024 and December 31, 2023, were \$70.1 million and \$72.6 million, respectively. Beginning in the third quarter of 2023, the Company advanced billings for certain Regulated Waste and Compliance services. Deferred revenues are classified within current liabilities since the revenues are earned within 12 months and there are no significant financing components.

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, 2024 and 2023, the Company amortized \$4.4 million and \$4.0 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, 2024	December 31, 2023
Other current assets	\$ 16.4	\$ 16.1
Other assets	46.9	46.1
Total contract acquisition costs	\$ 63.3	\$ 62.2

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 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,	
	2024	2023
Beginning Balance	\$ 44.7	\$ 53.3
Bad debt expense, net of recoveries	5.9	2.2
Write-offs	(3.9)	(5.8)
Other changes ⁽¹⁾	0.5	0.5
Ending Balance	<u>\$ 47.2</u>	<u>\$ 50.2</u>

(1) Amounts consist primarily of foreign currency translation adjustments.

NOTE 3 — ACQUISITION

The Company acquired a southeastern U.S. regulated waste business on January 31, 2024, which is considered to be complementary to existing operations and aligns with the Company's strategic capital allocation strategy. There were no acquisitions in 2023.

The results of operations of this acquired business has been included in the Condensed Consolidated Statements of Income from the date of the acquisition. Pro forma results of operations for this acquisition are not presented because the pro forma effects were not material to the Company's consolidated results.

The following table summarizes the acquisition date fair value of consideration transferred for the acquisition completed during the three months ended March 31:

In millions	2024
Cash	\$ 14.0
Promissory Notes	1.8
Total purchase price	<u>\$ 15.8</u>

The total purchase consideration has been preliminarily allocated to the assets and liabilities acquired based upon their estimated fair values as of the acquisition date, with the excess of the purchase price over the net assets acquired recorded as goodwill based on the strategic benefits to be achieved and is deductible for tax purposes. We are in the process of valuing all of the assets acquired in the acquisition and until we have completed our valuation process, there may be adjustments to our estimates of fair value and resulting preliminary purchase price allocations, specifically those related to intangibles.

The following table summarizes the preliminary purchase price allocation for the acquisition completed during the three months ended March 31:

In millions	2024
Fixed assets	\$ 1.2
Intangibles (Customer Lists)	6.1
Goodwill	8.2
Other assets and liabilities, net	0.3
Total purchase price	<u>\$ 15.8</u>

The customer lists intangible has an estimated useful life of 15 years.

NOTE 4 — RESTRUCTURING AND DIVESTITURES

Restructuring – Operational Optimization:

In February 2024, the Company recognized Operational Optimization severance charges of approximately \$5.6 million related to a workforce reduction, within our North America and International segments.

Divestiture

On January 19, 2023, the Company exited its International container manufacturing operations, for cash proceeds of approximately \$2.2 million. The transaction resulted in a first quarter of 2023 divestiture pre-tax loss of \$5.0 million.

NOTE 5 — DEBT

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

In millions	March 31, 2024	December 31, 2023
\$1.2 billion Credit Facility, due in 2026	\$ 753.6	\$ 31.0
\$125 million Term Loan, due in 2026	125.0	125.0
\$600 million Senior Notes, due in 2024 (redeemed in March 2024)	—	600.0
\$500 million Senior Notes, due in 2029	500.0	500.0
Promissory notes and deferred consideration weighted average maturity of 2.5 years at 2024 and 2.6 years at 2023	29.0	32.9
Obligations under finance leases	14.8	16.3
Total debt	1,422.4	1,305.2
Less: current portion of total debt	17.3	19.6
Less: unamortized debt issuance costs	6.5	7.8
Long-term portion of total debt	\$ 1,398.6	\$ 1,277.8

The estimated fair value of our debt approximated \$1.4 billion and \$1.3 billion as of March 31, 2024 and December 31, 2023, 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 in accordance with the fair value measurements accounting guidance.

The weighted average interest rates on long-term debt, excluding finance leases, were as follows:

	Three Months Ended March 31, 2024	Year Ended December 31, 2023
\$1.2 billion Credit Facility, due in 2026 (variable rate)	6.93 %	6.85 %
\$125 million Term Loan, due in 2026 (variable rate)	6.63 %	6.66 %
\$600 million Senior Notes, due in 2024 (fixed rate) (redeemed in March 2024)	5.38 %	5.38 %
\$500 million Senior Notes, due in 2029 (fixed rate)	3.88 %	3.88 %
Promissory notes and deferred consideration (fixed rate)	3.43 %	3.54 %

The Credit Agreement contains, among other covenants, a financial covenant requiring maintenance of a maximum Credit Agreement Defined Debt Leverage Ratio of 4.00 to 1.00 which includes, among other provisions, \$50.0 million of cash add-backs to EBITDA with respect to any four fiscal quarter period ending on or before December 31, 2023. As of March 31, 2024, the Company was in compliance with its financial covenants. The Credit Agreement Defined Debt Leverage Ratio was 3.51 to 1.00, which was below the allowed maximum ratio of 4.00 to 1.00 as set forth in the amended Credit Agreement. Expiration of the \$50.0 million of such cash add-backs to EBITDA contributed approximately 30 points of increase to the Credit Agreement Defined Debt Leverage ratio as of March 31, 2024 compared to December 31, 2023.

On February 1, 2024, the Company issued a redemption notice to 2019 Senior Notes holders for redemption of all of the \$600 million aggregate principal amount of the outstanding 2019 Senior Notes, and on March 14, 2024 completed the redemption with borrowings from the Revolving Credit facility. The refinancing of the 2019 Senior Notes using the Revolving Credit Facility converted the long-term debt from fixed rate to variable rate as of the redemption date.

On June 15, 2023, we entered into a Second Amendment to the Credit Agreement. Among other provisions, the Second Amendment modifies the pricing reference from the Eurocurrency Rate Loans (LIBOR) to Term SOFR Loans as defined in the Credit Agreement and allows for higher capital leases capped at \$200 million in the aggregate.

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

In millions	March 31, 2024	December 31, 2023
Outstanding letters of credit under Credit Facility	\$ 55.2	\$ 59.0
Unused portion of the Credit Facility	391.2	1,110.0

NOTE 6 — INCOME TAXES

The Company reported income tax expense of \$7.4 million and \$8.5 million for the three months ended March 31, 2024 and 2023, respectively. The effective tax rates for the three months ended March 31, 2024 and 2023 were 36.1% and 42.9%, respectively. The effective tax rate for the three months ended March 31, 2024 reflects equity-based compensation awards expiring without a tax benefit. The effective tax rate for the three months ended March 31, 2023 reflects (i) equity-based compensation awards expiring without a tax benefit and (ii) losses in jurisdictions that are not eligible for tax benefits on account of valuation allowances.

NOTE 7 — EARNINGS PER COMMON SHARE

Basic earnings per share is computed by dividing Net 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,	
	2024	2023
Weighted average common shares outstanding - basic	92.6	92.3
Incremental shares outstanding related to stock-based awards	0.4	0.4
Weighted average common shares outstanding - diluted	93.0	92.7

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

In thousands of shares

	Three Months Ended March 31,	
	2024	2023
Option awards	477	815
RSU awards	102	1

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 quarter 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

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 (see Note 2 – Revenues from Contracts with Customers for segment revenues):

In millions

	Three Months Ended March 31,	
	2024	2023
Adjusted Income from Operations		
North America	\$ 149.1	\$ 160.3
International	12.4	10.3
Other Costs	(71.0)	(85.9)
Total Adjusted Income from Operations	\$ 90.5	\$ 84.7

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,	
	2024	2023
Total Reportable Segment Adjusted Income from Operations	\$ 90.5	\$ 84.7
Adjusting Items:		
ERP and System Modernization	(4.4)	(2.7)
Intangible Amortization	(27.8)	(28.2)
Operational Optimization	(5.6)	—
Portfolio Optimization	(1.6)	(5.6)
Litigation, Settlements and Regulatory Compliance	(12.2)	(8.2)
Income from operations	<u>\$ 38.9</u>	<u>\$ 40.0</u>

The Company is currently evaluating the impact of ASU 2023-07 on disclosures to our Condensed Consolidated Financial Statements, which is not expected to be material. See *Note 1 – Basis of Presentation and Summary of Significant Accounting Policies* for further information.

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.

Government Investigations. As previously reported, the Company entered into a deferred prosecution agreement ("DPA") with the DOJ in 2022 in connection with its resolution of investigations by the DOJ, SEC, and various authorities in Brazil relating to the Company's compliance with the FCPA or other anti-corruption laws with respect to operations in Latin America. Under the settlements with the DOJ and with the SEC, the Company has engaged an independent compliance monitor for two years and will undertake compliance with self-reporting obligations for an additional year. If the Company remains in compliance with the DPA during the remainder of its three-year term, deferred charges against the Company will be dismissed with prejudice.

The Company is cooperating with an investigation by the office of the United States Attorney for the Southern District of New York (“SDNY”) and the United States Environmental Protection Agency into the Company’s historical compliance with federal environmental statutes, including the Resource Conservation and Recovery Act, in connection with the collection, transportation and disposal of hazardous waste by the Company’s former Domestic Environmental Solutions business unit. The Company has made an accrual in respect of this matter consistent with its accrual policies described above, which is not material.

Environmental, Regulatory and Indemnity 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.

Enviri Indemnification. Effective April 6, 2020, the Company completed the divestiture of its Domestic Environmental Solutions business to Enviri Corporation. Pursuant to the Purchase Agreement, the Company may have liability under certain indemnification claims for matters relating to the Domestic Environmental Solutions business, including potentially with respect to the SDNY investigation described above, the DEA Investigation matter discussed below, and other matters. Consistent with its accrual policies described previously, the Company has made accruals on various of these matters, which are neither individually nor collectively material.

Rancho Cordova, California, NOVs. On June 25 and 26, 2018, the California DTSC conducted a Compliance Enforcement Inspection of the Company’s former Domestic 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. The Company has reached a settlement in principle with the DTSC, subject to final documentation, with respect to these claims and any potential claims stemming from the search warrant executed in conjunction with the DEA inspection of the Rancho Cordova facility described below. The Company has made an accrual in respect of the settlement consistent with its accrual policies described above, which is not material.

Rancho Cordova, California, Permit Revocation. 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. Following legal challenges, that DTSC action became final as of April 8, 2022, triggering an obligation to execute the closure plan set forth in the facility’s permit. Consistent with its accrual policies described previously, the Company has made an accrual in the amount of its estimate of closure costs reasonably likely to be incurred and indemnified to Enviri under the Purchase Agreement, which is not material.

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 Domestic 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 Domestic 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 the investigations relate to the Company’s operation and sale of its former ESOL Retail Controlled Substances Business and that the Company and some of its current or former employees may have civil and criminal liability under the Controlled Substances Act and other federal statutes related to that business. The Company is cooperating with the 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. During the Covid-19 pandemic and in conjunction with Europol, governmental authorities of Spain conducted coordinated inspections at a large number of medical waste management facilities, including Stericycle facilities, relating to the transportation, management and disposal of waste that may have been infected with the virus, and related matters. The inspections have resulted in proceedings, in which the Company is vigorously defending itself.

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, decreases in the volume of regulated wastes or personal and confidential information collected from customers, disruptions resulting from deployment of systems, disruptions in our supply chain, disruptions in or attacks on data information technology systems, labor shortages, a recession or economic disruption in the U.S. and other countries, changing market conditions in the healthcare industry, competition and demand for services in the regulated waste and secure information destruction industries, SOP pricing volatility or pricing volatility in other commodities, changes in the volume of paper processed by our secure information destruction business and the revenue generated from the sale of SOP, inflationary cost pressure in labor, supply chain, energy, and other expenses, 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, the outcome of pending, future or settled litigation or investigations, self-insurance claims and settlements, charges related to portfolio optimization or the failure of acquisitions or divestitures to achieve the desired results, the obligations to service substantial indebtedness and comply with the covenants and restrictions contained in our credit agreements and Senior Notes, rising interest rates or a downgrade in our credit rating resulting in an increase in interest expense, political, economic, war, and other risks related to our foreign operations, pandemics and the resulting impact on the results of operations, long-term remote work arrangements which may adversely affect our business, restrictions on the ability of our team members to travel, closures of our facilities or the facilities of our customers and suppliers, 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 SEC, including our 2023 Form 10-K and subsequent Quarterly Reports on Form 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, Inc., is a U.S. based business-to-business services company and leading provider of compliance-based solutions that protect people and brands, promote health and well-being and safeguard the environment. Through our family of brands, Stericycle serves customers in North America and Europe with solutions to safely manage materials that could otherwise spread disease, contaminate the environment, or compromise one's identity. To our customers, team members and the communities we serve, Stericycle is a company that protects what matters.

Key business highlights include:

- Improved diluted earnings per share by \$0.02 compared to the first quarter of 2023.
- Grew RWCS organic revenues⁽¹⁾ 2.1% compared to the first quarter of 2023.
- Completed our previously disclosed workforce reduction in the first quarter of 2024 and are on track to realize an estimated \$40-\$45 million of in-year cost savings.

(1) See Results of Operations, Revenues for a reconciliation between total U.S. GAAP Revenues and Organic Revenues.

Key Business Priorities

In 2024, we are pivoting to our next generation of key business priorities to drive margin expansion and deliver value:

- **Commercial and Service Excellence** – We will focus on driving profitable revenue growth by delivering a differentiated value proposition and a seamless customer experience as a trusted compliance partner.
- **Operational Excellence** – We plan to drive margin improvement, harnessing a streamlined and talented workforce, modern technologies, updated and new facilities, and a refreshed fleet.
- **Digital Implementation** – We will begin to leverage digital, data, and AI capabilities to further deliver commercial and service excellence and efficiencies across our network and shared services, using the foundation of the modern ERP.
- **Strategic Capital Allocation** – We now have the cash generation and strong balance sheet to allow us to continue to invest in ourselves, consider tuck-in acquisitions in our core businesses, and evaluate the potential for share repurchases, while maintaining a targeted debt leverage ratio between 2.5X-3.0X.

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 Income:

In millions

	Three Months Ended March 31,	
	2024	2023
Pre-tax items:		
Included in COR		
Operational Optimization	\$ 2.2	\$ —
Total included in COR	<u>2.2</u>	<u>—</u>
Included in SG&A		
ERP and System Modernization	4.4	2.7
Intangible Amortization	27.8	28.2
Operational Optimization	3.4	—
Portfolio Optimization	1.6	0.6
Litigation, Settlements and Regulatory Compliance	12.2	8.2
Total included in SG&A	<u>49.4</u>	<u>39.7</u>
Divestiture losses, net	—	5.0
Total included in Income from operations	<u>\$ 51.6</u>	<u>\$ 44.7</u>

ERP and System Modernization

For the periods presented of the ERP and System Modernization, we have recognized the following, reported in Other Costs:

In millions	Three Months Ended March 31,	
	2024	2023
North America		
Operating expenditures	\$ 2.7	\$ 2.6
Capital expenditures	1.8	2.9
Total North America	\$ 4.5	\$ 5.5
International		
Operating expenditures	\$ 1.7	\$ 0.1
Capital expenditures	—	—
Total International	\$ 1.7	\$ 0.1
Total operating expenditures	\$ 4.4	\$ 2.7
Total capital expenditures	1.8	2.9
Total ERP and System Modernization	\$ 6.2	\$ 5.6

Upon deployment of the ERP in our U.S. RWCS business in the third quarter of 2023, certain costs became incremental information technology ongoing costs for running the new system, including maintenance, licensing, and depreciation expenses. North America continues to invest in certain ERP enhancements. Our international ERP system modernization includes enhancements and upgrades associated with European based RWCS and SID operations. We will continue to incur the current level of costs to maintain the legacy suite of applications also used by our businesses during the system modernization.

Intangible Amortization

See table above of certain key priorities and other significant matters for intangible amortization expenses from acquisitions for the periods presented and how they are classified in the Condensed Consolidated Statements of Income. The decrease in amortization expense is a result of divestitures and certain intangible assets that have reached the end of their useful lives.

Operational Optimization

See table above of certain key priorities and other significant matters for operational optimization for the periods presented, and how they are classified in the Condensed Consolidated Statements of Income.

In February 2024, the Company recognized Operational Optimization severance charges of \$5.6 million related to a workforce reduction, split between our North America and International segments, which is expected to provide annual savings of approximately \$21.0 million to \$24.0 million beginning in the first half of 2024. We had also reduced our overall workforce in our retained businesses through careful hiring and managing attrition which will provide annual savings of approximately \$11.0 million to \$13.0 million in 2024.

In the fourth quarter of 2023, the Company recognized Operational Optimization charges of \$4.1 million primarily related to severance associated with workforce reduction, split between North America and International segments, and closure of an International facility. These workforce reduction actions are expected to provide annual savings of approximately \$8.0 million in 2024.

As we continue to consider each Operational Optimization activity, the amount, the timing and recognition of charges will be affected by the occurrence of commitments and triggering events as defined under U.S. GAAP, among other factors. For additional information, see *Part I, Item 1. Financial Statements; Note 4 — Restructuring and Divestitures* in the Condensed Consolidated Financial Statements.

Portfolio Optimization

See table above of certain key priorities and other significant matters for portfolio optimization (including Divestiture losses, net) for the periods presented, and how they are classified in the Condensed Consolidated Statements of Income. Consulting and professional fees are reported in Other Costs, while Divestiture losses, net are included in their respective segment.

Acquisition

We regularly evaluate the competitive environment and consider opportunistic acquisitions to strengthen our core businesses. We believe acquisitions, when appropriately valued and constructively integrated, are an efficient way to gain customers, scale treatment operations, and build customer density for transportation. We expect to focus on accretive tuck-in acquisitions. For additional information, see *Part I, Item I. Financial Statements; Note 3 — Acquisition* in the Condensed Consolidated Financial Statements.

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. Resulting divestitures may cause us to record significant charges, including those related to goodwill, other intangible assets, long-lived assets, and cumulative translation adjustments. For additional information, see *Part I, Item I. Financial Statements; Note 4 — Restructuring and Divestitures* in the Condensed Consolidated Financial Statements.

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 have also been involved in a variety of civil litigation from time to time. Certain of these matters are detailed in *Part I, Item I. Financial Statements; Note 9 — Commitments and Contingencies* in the Condensed Consolidated Financial Statements. Our financial results may also include considerations of non-recurring matters including settlements, environmental remediation, and legal related consulting and professional fees.

See table above of certain key priorities and other significant matters for litigation, settlements and regulatory compliance charges. Among other things, the table reflects consulting and professional fees (including FCPA monitoring fees which commenced in 2023), contingent liability provisions and settlements, indirect tax provisions and credits impacting our business for the periods presented, primarily in Other Costs. See *Part I, Item I. Financial Statements; Note 9 — Commitments and Contingencies* in the Condensed Consolidated Financial Statements for additional details.

Results of Operations

Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023:

Revenues (including Segment Revenues)

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

	Three Months Ended March 31,							
	In millions				Components of Change (%) ⁽¹⁾			
	2024	2023	Change (\$)	Change (%)	Organic Growth ⁽²⁾	Acquisition	Divestitures	Foreign Exchange ⁽³⁾
Revenue by Service								
Regulated Waste and Compliance Services	\$ 447.8	\$ 451.3	\$ (3.5)	(0.8)%	2.1 %	0.2 %	(3.5)%	0.5 %
Secure Information Destruction Services	217.1	233.0	(15.9)	(6.8)%	(6.3)%	0.1 %	(1.1)%	0.3 %
Total Revenues	\$ 664.9	\$ 684.3	\$ (19.4)	(2.8)%	(0.8)%	0.1 %	(2.7)%	0.4 %
North America								
Regulated Waste and Compliance Services	\$ 376.5	\$ 368.7	\$ 7.8	2.1 %	1.9 %	0.2 %	— %	— %
Secure Information Destruction Services	192.7	204.7	(12.0)	(5.9)%	(6.0)%	0.1 %	— %	— %
Total North America Segment	\$ 569.2	\$ 573.4	\$ (4.2)	(0.7)%	(0.9)%	0.2 %	— %	— %
International								
Regulated Waste and Compliance Services	\$ 71.3	\$ 82.6	\$ (11.3)	(13.7)%	3.0 %	— %	(18.5)%	2.3 %
Secure Information Destruction Services	24.4	28.3	(3.9)	(13.8)%	(8.4)%	— %	(8.7)%	2.7 %
Total International Segment	\$ 95.7	\$ 110.9	\$ (15.2)	(13.7)%	(0.2)%	— %	(16.0)%	2.4 %

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

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

(3) The comparisons at constant currency rates (foreign exchange) reflect comparative local currency balances at prior period's foreign exchange rates. We 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 this measure aids in the understanding of changes in Revenues without the impact of foreign currency.

Revenues for the first quarter of 2024 were \$664.9 million, a decrease of \$19.4 million, or 2.8%, compared to \$684.3 million for the first quarter of 2023. The decrease was primarily due to divestitures of \$17.7 million, which was partially offset by favorable foreign exchange rates of \$2.8 million and an acquisition of \$0.9 million. Organic revenues in RWCS grew \$9.0 million, while SID organic revenues were lower by \$14.4 million. The decline in SID was mainly due to lower commodity-indexed revenues of \$19.8 million, which was partially offset by higher SID service revenues of \$5.4 million, excluding the impact of fuel and environmental surcharges.

North America revenues decreased \$4.2 million, or 0.7%, for the three months ended March 31, 2024, to \$569.2 million from \$573.4 million for the three months ended March 31, 2023. Organic revenues decreased \$5.1 million, or 0.9%, mainly a result of decreased SID organic revenues driven by lower SID commodity-indexed revenues due to lower SOP and lower SID fuel and environmental surcharges. We continue to see headwinds in SID service stops with our national customers, driven by both recent competitive losses of mostly low margin stops within existing customers and site closures. This decrease was partially offset by increased RWCS organic revenues, which was mainly driven by our pricing levers.

International revenues decreased \$15.2 million, or 13.7%, for the three months ended March 31, 2024, to \$95.7 million from \$110.9 million for the three months ended March 31, 2023. The decrease was primarily due to the impact of a divestiture of \$17.7 million, or 16.0%, and decreased organic SID revenues due to lower SOP rates and volume. These decreases were partially offset by higher organic RWCS revenues due to pricing levers and favorable foreign exchange rates of \$2.8 million, or 2.4%.

Gross profit:

	Three Months Ended March 31,					
	2024		2023		Change	
	\$	% Revenues	\$	% Revenues	\$	%
Gross profit	254.9	38.3 %	261.0	38.1 %	(6.1)	(2.3)%

For the three months ended March 31, 2024, compared to the 2023 comparable period, the decrease in gross profit was primarily due to lower SID commodity indexed revenues and the corresponding margin flow through impact, partially offset by cost savings and other margin flow through.

SG&A:

	Three Months Ended March 31,					
	2024		2023		Change	
	\$	% Revenues	\$	% Revenues	\$	%
SG&A	216.0	32.5 %	216.0	31.6 %	—	— %

For the three months ended March 31, 2024, compared to the 2023 comparable period, we incurred higher SG&A, as a percentage of revenues, associated with certain key priorities and other significant matters discussed above including (i) Operational Optimization and (ii) Litigation, Settlement and Regulatory Compliance matters. Additionally, SG&A was impacted by higher bad debt expense, primarily due to a lower first quarter of 2023 bad debt expense level as a result of improved North America SID collections, partially offset by the impacts of cost savings and lower incentive and stock-based compensation expense.

Divestiture losses, net:

	Three Months Ended March 31,					
	2024		2023		Change	
	\$	% Revenues	\$	% Revenues	\$	%
Divestiture losses, net	—	— %	5.0	0.7 %	(5.0)	(100.0)%

For additional information, see *Part I, Item I. Financial Statements; Note 4 — Restructuring and Divestitures* in the Condensed Consolidated Financial Statements.

Segment Profitability:

Segment profitability and a reconciliation of total segment profitability to Income from operations was as follows:

In millions

	Three Months Ended March 31,					
	2024		2023		Change 2024 versus 2023	
	\$	% Segment Revenues	\$	% Segment Revenues	\$	%
Adjusted Income from Operations						
North America	149.1	26.2 %	160.3	28.0 %	(11.2)	(7.0)%
International	12.4	13.0 %	10.3	9.3 %	2.1	20.4 %
Other Costs	(71.0)	nm	(85.9)	nm	14.9	17.3 %
Total	90.5	13.6 %	84.7	12.4 %	5.8	6.8 %
Reconciliation to Income from operations						
Adjusted Income from Operations	90.5		84.7			
Adjusting Items Total ⁽¹⁾	(51.6)		(44.7)			
Income from operations	38.9		40.0			

nm - percentage change not meaningful for comparison

(1) See Part I, Item I, Financial Statements; Note 8 — Segment Reporting in the Condensed Consolidated Financial Statements for more detail.

Adjusted Income from Operations for North America decreased for the three months ended March 31, 2024, compared to the 2023 comparable period, primarily the result of lower SID commodity-indexed revenues driven by lower SOP and lower SID fuel and environmental surcharges and higher bad debt expense, which were partially offset by cost savings and other margin flow through.

Adjusted Income from Operations for International increased for the three months ended March 31, 2024, compared to the 2023 comparable period. This increase was primarily due to favorable RWCS pricing levers, the impact of divestitures, and foreign exchange rates, which were partially offset by lower SID revenues due to lower SOP rates and volume.

Adjusted Loss from Operations for Other Costs decreased for the three months ended March 31, 2024, compared to the 2023 comparable period. This decrease was primarily driven by cost savings, including operational optimization initiatives, and lower incentive and stock-based compensation expense.

Interest expense, net:

\$ In millions

	Three Months Ended March 31,					
	2024		2023		Change	
	\$	% Revenues	\$	% Revenues	\$	%
Interest expense, net	18.4	2.8 %	20.4	3.0 %	(2.0)	(9.8)%

Interest expense, net decreased for the three months ended March 31, 2024, as compared to the 2023 comparable period, primarily due to the decrease in our net debt, partially offset by higher interest rates.

Other income, net:

\$ In millions

	Three Months Ended March 31,					
	2024		2023		Change	
	\$	% Revenues	\$	% Revenues	\$	%
Other income, net	—	— %	0.2	— %	(0.2)	(100.0)%

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

Income tax expense:

\$ In millions

	Three Months Ended March 31,					
	2024		2023		Change	
	\$	Effective Rate	\$	Effective Rate	\$	%
Income tax expense	7.4	36.1 %	8.5	42.9 %	(1.1)	(12.9)%

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, and capital expenditures necessary to support growth and productivity improvements. As of March 31, 2024, we had approximately \$0.4 billion of available capacity in the \$1.2 billion Credit Facility.

The Credit Agreement contains, among other covenants, a financial covenant requiring maintenance of a maximum Credit Agreement Defined Debt Leverage Ratio of 4.00 to 1.00 which includes, among other provisions, \$50.0 million of cash add-backs to EBITDA with respect to any four fiscal quarter period ending on or before December 31, 2023. As of March 31, 2024, the Company was in compliance with its financial covenants. The Credit Agreement Defined Debt Leverage Ratio was 3.51 to 1.00, which was below the allowed maximum ratio of 4.00 to 1.00 as set forth in the amended Credit Agreement. Expiration of the \$50.0 million of such cash add-backs to EBITDA contributed approximately 30 points of increase to the Credit Agreement Defined Debt Leverage ratio as of March 31, 2024 compared to December 31, 2023.

On February 1, 2024, the Company issued a redemption notice to 2019 Senior Notes holders for redemption of all of the \$600 million aggregate principal amount of the outstanding 2019 Senior Notes, and on March 14, 2024 completed the redemption with borrowings from the Revolving Credit facility. The refinancing of the 2019 Senior Notes using the Revolving Credit Facility converted the long-term debt from fixed rate to variable rate as of the redemption date. For further details concerning these matters, see *Part I, Item 1. Financial Statements; Note 5 — 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,	
	2024	2023
Net cash from operating activities	\$ (54.5)	\$ 49.5
Net cash from investing activities	(56.8)	(34.5)
Net cash from financing activities	109.3	(11.6)
Effect of exchange rate changes on cash and cash equivalents	(2.3)	0.6
Net change in cash and cash equivalents	\$ (4.3)	\$ 4.0

Operating Cash Flows: Net cash provided from operating activities decreased \$104.0 million in the first three months of 2024, to an outflow of \$54.5 million from an inflow of \$49.5 million in the three months ended March 31, 2023. The decrease was mainly due to an increase in accounts receivable, net of deferred revenues of \$63.1 million due to expected billing and collection delays from the prior U.S. RWCS ERP launch in September 2023; higher annual incentive plan payments of \$17.1 million; and other net working capital changes of \$23.8 million.

DSO as reported for March 31, 2024 was 85 days or 76 days, net of deferred revenues. During the third quarter of 2023, Stericycle advanced billing for certain RWCS subscription services, which contributed to the higher as reported DSO for March 31, 2024. DSO as reported for March 31, 2023 was 56 days or 55 days, net of deferred revenues. The March 31, 2024 DSO, net of deferred revenues, was higher as compared to the same period in 2023, mainly driven by the timing of U.S. RWCS customer billing and subsequent collections associated with the ERP implementation. Stericycle continues to identify and enhance North America billing and collections processes certain of which are associated with the ERP implementation.

Investing Cash Flows: Net cash from investing activities decreased \$22.3 million in the first three months of 2024, to an outflow of \$56.8 million from \$34.5 million in the three months ended March 31, 2023, primarily driven by cash payments for an acquisition of \$14.0 million in 2024. Cash paid for capital expenditures increased by \$6.7 million to \$43.1 million in the first three months of 2024 from \$36.4 million in the three months ended March 31, 2023.

Financing Cash Flows: Net cash from financing activities increased \$120.9 million in the first three months of 2024, to an inflow of \$109.3 million from an outflow of \$11.6 million in the three months ended March 31, 2023. Net borrowings on our Credit Facility and Term Loan were \$722.9 million in the three months ended March 31, 2024, compared to net borrowings of \$3.9 million in the three months ended March 31, 2023. The Company redeemed all of the \$600 million aggregate principal amount of the outstanding 2019 Senior Notes on March 14, 2024 with Revolving Credit facility borrowings.

Critical Accounting Policies and Estimates

As discussed in our 2023 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

In the normal course of business, we are exposed to market risks, including changes in interest rates, certain commodity prices, including SOP, diesel fuel, utilities and foreign currency rates. We do not specifically hedge our exposure to these risks.

We are subject to market risks arising from changes in interest rates which relate primarily to our financing activities. We performed a sensitivity analysis to determine how market rate changes might affect the fair value of our market risk-sensitive debt instruments (variable rate debt), which in aggregate as of March 31, 2024 were 62.4% of total aggregate debt. Our potential additional interest expense over one year that would result from a hypothetical, instantaneous and unfavorable change of 100 basis points in the interest rate on all of our variable rate debt would be approximately \$8.8 million on a pre-tax basis.

We are subject to market risks arising from changes in the prices for commodities such as SOP, diesel fuel, and utilities. For example, historically diesel fuel has been approximately five percent of our Cost of Revenues. As the market prices for these commodities increase or decrease, our revenues, operating costs and margins may also increase or decrease. Variability in commodity prices can also impact the margins of our business as certain components of our revenue are structured as a pass through of costs, including fuel surcharges as changes in diesel costs may offset in Revenues through our indexed fuel surcharges at certain levels of pricing.

There were no other material changes from the information provided in our 2023 Form 10-K.

Item 4. Controls and Procedures

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 Exchange Act) are effective as of March 31, 2024, 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, 2024, there were no changes that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

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 2023 Form 10-K and subsequent Quarterly Reports on Form 10-Q 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 2023 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 2023 Form 10-K.

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

There were no sales of unregistered equity securities during the three months ended March 31, 2024.

Item 5. Other Information

During the three months ended March 31, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any non-Rule 10b5-1 trading arrangement (as defined in the SEC's rules).

Item 6. Exhibits

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

Exhibit Index

Exhibit Index	Description
3.1	Amended and restated certificate of incorporation (incorporated by reference to Exhibit 3.1 to our registration statement on Form S-1/A declared effective on August 22, 1996)
3.2	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)
3.3	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)
3.4	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)
3.5	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)
3.6	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)
3.7	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)
3.8	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)
3.9	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)
3.10	Amended and restated bylaws (incorporated by reference to Exhibit 3.2 to our current report on Form 8-K filed December 15, 2022)
10.1	Stericycle, Inc. Annual Incentive Plan, as amended, effective January 1, 2024 (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q filed November 2, 2023)
10.2	Stericycle, Inc. Outside Directors Compensation Policy, as amended, effective September 13, 2023
10.3	Stericycle, Inc. Executive Severance and Change in Control Plan, as amended and restated effective April 23, 2024
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer
32	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer
101	The following information from our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, formatted in Inline XBRL: (i) Condensed Consolidated Statements of Income; (ii) Condensed Consolidated Statements of Comprehensive Income; (iii) Condensed Consolidated Balance Sheets; (iv) Condensed Consolidated Statements of Cash Flows; (v) Condensed Consolidated Statements of Changes in Equity; (vi) Notes to Condensed Consolidated Financial Statements, and (vii) the information under Part II, Item 5, "Other Information"
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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 25, 2024

STERICYCLE, INC.

(Registrant)

By: /s/ JANET H. ZELENKA

Janet H. Zelenka

Executive Vice President, Chief Financial Officer & Chief Information Officer

Stericycle, Inc.
 Outside Directors Compensation Policy (the “Policy”)
 (Amended September 13, 2023)

ANNUAL COMPENSATION

Annual Retainer	<p>Each Outside Director shall receive an “<u>Annual Retainer</u>” consisting of an Annual Cash Retainer and an Annual Equity Retainer, each as described below. For purposes of the Policy, unless otherwise specified, an equity award for a year shall be an award for the period beginning on the date of the regular annual meeting of the stockholders of Stericycle, Inc. (the “<u>Company</u>”) occurring in a calendar year (the “<u>Annual Meeting</u>”) and ending with the earlier of one year after the award was made or the Annual Meeting occurring in the next subsequent calendar year (provided that the date of the next Annual Meeting is at least 50 weeks after the date of the Annual Meeting in the prior year). An “<u>Outside Director</u>” is any member of the Board of Directors who is not employed by the Company or any of its affiliates.</p>
Annual Cash Compensation	<p>For each year, each Outside Director shall be entitled to payment of a cash retainer for service on the Board of Directors (the “<u>Annual Cash Retainer</u>”) in the amount set forth in Exhibit A from time to time, payable quarterly in arrears. The Annual Cash Retainer amounts for Outside Directors who serve during only a portion of a year shall be prorated based on partial service during the applicable quarter.</p> <p>An Outside Director shall be entitled to elect (a “<u>Cash Conversion Election</u>”) to convert all or a portion of their Annual Cash Retainer to restricted stock units (“<u>RSUs</u>”) with respect to shares of the Company’s common stock, par value \$.01 per share (“<u>Common Stock</u>”), having a value (determined at the time the Annual Cash Retainer subject to the Cash Conversion Election would otherwise have been paid to the Outside Director) equal to the amount of the Annual Cash Retainer subject to the Outside Director’s Cash Conversion Election. Any RSUs granted pursuant to an Outside Director’s Cash Conversion Election shall be granted under one or more of the Company’s equity incentive plans based on available share reserves (as applicable, the “<u>Incentive Plan</u>”) and shall be deferred under and in accordance with the terms of the Stericycle, Inc. Directors’ Deferred Stock Plan (the “<u>Directors’ Deferred Plan</u>”).</p> <p>An Outside Director shall be entitled to elect to defer all or a portion of their Annual Cash Retainer for which he or she has not made a Cash Conversion Election under and in accordance with the terms of the Stericycle, Inc. Supplemental Retirement Plan (the “<u>Supplemental Retirement Plan</u>”).</p>
Annual Equity Compensation	<p>Each Outside Director who is elected to the Board of Directors or continues to serve as a member of the Board of Directors at the Annual Meeting each year shall be entitled to the grant of an “<u>Annual Equity Retainer</u>,” which award shall be made under the Incentive Plan in the form of RSUs with respect to Common Stock, having a Fair Market Value (as defined in the Incentive Plan) as set forth in Exhibit A from time to time (with the number of RSUs to be calculated as of the date of grant of the RSUs). The grant of the Annual Equity Retainer shall be made as of the date of the Annual Meeting or as soon as practicable thereafter. The Annual Equity Retainer shall be evidenced by an award agreement, subject to</p>

the terms and conditions of the Incentive Plan and this Policy. An Outside Director may elect to defer all or any portion of their Annual Equity Retainer under and in accordance with the terms of the Directors' Deferred Plan.

If a new Outside Director is elected or appointed other than at an Annual Meeting, the Outside Director will receive an Annual Equity Retainer prorated based on a fraction, the numerator of which is the number of months (including partial months) from the date they are appointed or elected as a director until the date of the Annual Meeting occurring after their date of election or appointment and the denominator of which is 12. Vesting of such RSUs shall occur on the first anniversary of the date of grant.

Vesting

Any RSUs attributable to an Outside Director's Cash Conversion Election shall be fully vested from and after the date of grant. The RSUs attributable to an Outside Director's Annual Equity Retainer that is granted on the date of the Annual Meeting each year shall fully vest on the earlier of the first anniversary of the grant date or the date of the Annual Meeting occurring in the next calendar year (provided that the date of the next Annual Meeting is at least 50 weeks after the date of the Annual Meeting in the prior year), subject to the terms and conditions of the Incentive Plan and the applicable award agreement.

Notwithstanding the foregoing, if, prior to the Outside Director's termination of service as an Outside Director, he or she dies or a Change in Control (as defined in the Incentive Plan) occurs, all of the Outside Director's then outstanding unvested RSUs shall immediately vest.

LEADERSHIP AND OTHER FEES

Meeting Fees

Outside Directors will not be paid separate fees for attending meetings of the Board of Directors or its committees.

Chair of the Board

If the Chair of the Board is an independent Outside Director under Nasdaq listing rules, the Chair will be paid an additional fee for their services as Chair in an amount as set forth in Exhibit A from time to time, payable quarterly in arrears.

If the Chair of the Board is not an independent Outside Director under Nasdaq listing rules, no additional fees or compensation will be paid to the Chair for their services as Chair.

Lead Director

The Lead Director of the Board, if any, will be paid a fee each year for their services as Lead Director in an amount as set forth in Exhibit A from time to time, payable quarterly in arrears.

Committee Chair Fees

The Chairs of the Audit Committee, the Compensation and Human Capital Committee, the Nominating and Governance Committee and the Operations, Safety and Environmental Committee will be paid a fee each year for their services as Chair in an amount as set forth in Exhibit A from time to time, payable quarterly in arrears.

Proration

The additional leadership fee amounts for Outside Directors who serve in those positions during only a portion of a quarter shall be pro-rated based on partial service during the applicable quarter.

Deferrals

An Outside Director shall be entitled to make a Cash Conversion Election with respect to any additional fees payable to such Outside Director and to defer any RSUs issued pursuant to such Cash Conversion Election pursuant to the Directors' Deferred Plan.

An Outside Director shall be entitled to elect to defer all or a portion of any additional fees payable to such Outside Director under and in accordance with the terms of the Supplemental Plan provided that the Outside Director does not make a Cash Conversion Election with respect to such fees.

EXHIBIT A

Effective beginning in 2023:

- Outside Director Annual Cash Retainer: \$95,000
- Outside Director Annual Equity Retainer: \$155,000
- Chair of the Board Annual Fee: \$62,500 cash and \$62,500 in RSUs
- Lead Director Annual Fee: \$ N/A
- Chair of the Audit Committee Annual Fee: \$25,000 cash
- Chair of the Compensation and Human Capital Committee Annual Fee: \$20,000 cash
- Chair of the Nominating and Governance Committee Annual Fee: \$20,000 cash
- Chair of the Operations, Safety and Environmental Committee Annual Fee: \$20,000 cash

STERICYCLE, INC.
EXECUTIVE SEVERANCE AND CHANGE IN CONTROL PLAN

AS AMENDED AND RESTATED
EFFECTIVE APRIL 23, 2024

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ARTICLE I
Statement of Purpose and Effective Date

1.01 Purpose. The Plan is intended to encourage and motivate key employees of Stericycle, Inc. (“Stericycle” or the “Company”) or an Affiliated Company to devote their full attention to the performance of their assigned duties without the distraction or concerns regarding their involuntary termination of employment. The Company believes that it is in the best interests of its key employees and the shareholders of the Company to provide financial assistance through severance payments and other benefits to eligible key employees who are involuntarily terminated. With respect to each Participant, the Plan supersedes all plans, agreements, or other arrangements for severance benefits or for enhanced severance payments whether or not before, on or after a change in control. To the extent the Plan provides deferred compensation it is an unfunded plan primarily for the purposes of providing deferred compensation for a select group of management or highly compensated employees.

1.02 Effective Date. This Plan was initially effective as of September 1, 2016 and was previously amended and restated effective as of January 1, 2020. This amended and restated Plan is effective as of April 23, 2024.

ARTICLE II
Definitions

When used in this Plan, the terms specified below have the following meanings:

2.01 **“Accrued Annual Incentive”** means the amount of any annual incentive earned in a year ended before the Termination Date, but not yet paid to a Participant as of the Termination Date, other than amounts that the Participant has elected to defer or that have been automatically deferred.

2.02 **“Accrued Base Salary”** means the amount of a Participant’s Base Salary that is accrued but unpaid as of the Termination Date, other than amounts that the Participant has elected to defer.

2.03 **“Accrued Obligations”** means, as of any date, the sum of a Participant’s Accrued Base Salary, Accrued Annual Incentive, any accrued but unpaid vacation pay, unreimbursed expenses for which proper documentation is provided, and any other vested amounts and benefits that are to be paid or provided to the Participant by the Company under the Company’s Plans (other than this Plan and other than any Section 409A Deferred Compensation), but which have not yet been paid or provided (as applicable).

2.04 **“Affiliated Company”** means any person with whom the Company would be considered a single employer under Sections 414(b) and 414(c) of the Code and Treas. Reg. §1.409A-3(i)(5)(ii), except that in applying Sections 1563(a)(1), (2), and (3) of the Code for purposes of determining a controlled group of corporations under Section 414(b) of the Code, the language “at least 50 percent” shall be used instead of “at least 80 percent” in each place it appears in Sections 1563(a)(1), (2), and (3) of the Code, and in applying Treas. Reg. § 1.414(c)-(2) for purposes of

determining a controlled group of trades or businesses under Section 414(c) of the Code, the language “at least 50 percent” shall be used instead of “at least 80 percent” in each place it appears in Treas. Reg. § 1.414(c)-(2). Notwithstanding the foregoing and to the extent allowed by Section 409A of the Code, where justified by legitimate business criteria as determined by the Committee in its sole discretion, “at least 20 percent” shall be substituted for “at least 50 percent” in the preceding sentence in determining whether a Participant has a Termination of Employment.

2.05 **“Base Salary”** means a Participant’s annual base salary for the last regularly scheduled payroll period immediately preceding the date of the Participant’s Termination of Employment. For avoidance of doubt, Base Salary does not include:

- (a) Bonuses;
- (b) tax “gross-up” payments or any similar payments relating to determinations of the Employee’s federal, state or local taxes (whether deemed or actual);
- (c) incentives;
- (d) reimbursements or other expense allowances;
- (e) welfare or fringe benefits (cash and noncash);
- (f) moving or relocation expenses or allowances;
- (g) cost-of-living adjustments or cost-of living allowances (COLAs);
- (h) equity, stock or restricted stock grants or options; or
- (i) Employer contributions to any 401(k) plan or any other tax-qualified or nontax-qualified retirement, savings or pension plan sponsored by the Company or an Affiliated Company.

2.06 **“Board”** means the Board of Directors of the Company or, from and after the date of a Change in Control that gives rise to a surviving corporation to the Company, the Board of Directors of such surviving corporation.

2.07 **“Cause”** means the initial occurrence of any one or more of the following, as determined by the Committee or its delegate in its sole discretion:

- (a) a Participant’s commission of a felony or any crime involving fraud or moral turpitude;
- (b) a Participant’s dishonesty or violation of standards of integrity in the course of fulfilling the Participant’s employment duties to the Company or any Affiliated Company;

(c) a material violation of a policy of the Company or any Affiliated Company, including without limitation any written policy addressing harassment, discrimination or any other standard of conduct;

(d) a material violation of any written agreement between a Participant and the Company or any Affiliated Company;

(e) failure on the part of the Participant to perform the Participant's employment duties to the Company or any Affiliated Company in any material respect (other than due to Disability), after reasonable written notice of such failure and Participant not satisfactorily correcting such failure within ten (10) business days after receiving such written notice; or

(f) failure to comply in any respect with the Foreign Corrupt Practices Act, the securities Act of 1933, the Exchange Act, the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Truth in Negotiations Act, or any rules or regulations thereunder.

2.08 **"CEO"** means the Chief Executive Officer of the Company.

2.09 **"Change Date"** means the first date on which a Change in Control occurs before the termination of the Plan.

2.10 **"Change in Control"** means the consummation of an event that meets the conditions for a "change in the ownership of a corporation" (within the meaning of Section 409A of the Code and Treas. Reg. §1.409A-3(i)(5)(v)), a "change in the effective control of a corporation" (within the meaning of Section 409A of the Code and Treas. Reg. §1.409A-3(i)(5)(vi)(A)) or a "change in the ownership of a substantial portion of a corporation's assets" (within the meaning of Section 409A and Treas. Reg. §1.409A-3(i)(5)(vii)) through being one or more of the following:

(a) any one person, or more than one person acting as a group other than an employee benefit plan (or related trust) of the Company or the Company or a subsidiary (collectively "Excluded Persons"), acquires ownership of stock of the Company that, together with stock held by such person or group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company;

(b) any one person, or more than one person acting as a group (other than any Excluded Person), acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company that, constitutes thirty percent (30%) or more of the total fair market value or total voting power of the stock of the Company; or

(c) any one person, or more than one person acting as a group, (other than any Excluded Person) acquires (or has acquired during the twelve (12)-month period ending on date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross

fair market value of all the assets of the Company immediately before such acquisition or acquisitions;

(d) a majority of members of the Company's Board is replaced during any twelve (12)-month period by Directors whose appointment or election is not endorsed by a majority of the members of the Company's Board before the date of the appointment or election; or

(e) the Company merges or consolidates with another corporation, and holders of outstanding shares of the Company's common stock immediately prior to the merger or consolidation do not own stock in the survivor of the merger or consolidation having more than fifty percent (50%) of the voting power in elections for directors.

Notwithstanding subsections (a) through (e), there shall not be a Change in Control if any of the foregoing events occurs, and immediately following such event: (1) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the outstanding common stock \$0.01 par value of the Company and any other equity securities of the Company that may be substituted or resubstituted for such stock ("Common Stock") and outstanding Company voting securities immediately prior to such corporate transaction will beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the outstanding shares of Common Stock, and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such event (including, without limitation, a corporation which as a result of such event owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such event, of the outstanding Company Common Stock and outstanding Company voting securities, as the case may be; (2) no person (other than an Excluded Person or such corporation resulting from such event) will beneficially own, directly or indirectly, thirty percent (30%) or more of, respectively, the outstanding shares of common stock of the corporation resulting from such event or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors, except to the extent that such ownership existed prior to the event; and (3) individuals who were members of the incumbent Board at the time of the Board's approval of the execution of the initial agreement providing for such corporate transaction will constitute at least a majority of the members of the board of directors of the corporation resulting from such corporate transaction.

2.11 "**Code**" means the Internal Revenue Code of 1986, as amended. Reference to any provision of the Code, or regulation thereunder, shall include any successor provision and any regulations and other applicable guidance or pronouncement of the Internal Revenue Service or the Department of the Treasury, and applicable case law relating to such Section of the Code.

2.12 "**Committee**" means the Compensation Committee of the Board. To the extent the Committee has delegated authority to another person or persons the term "Committee" shall refer to such other person or persons.

2.13 "**Company**" means Stericycle, Inc., a Delaware Corporation, and any successor thereto.

2.14 **“Disability”** means, in accordance with Treasury Regulations § 1.409A-3(a), a medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where such impairment causes the Employee to be unable to perform the duties of the Employee’s position of employment or any substantially similar position of employment.

2.15 **“Employee”** means an individual who is designated as an employee of an Employer on the records of such Employer.

2.16 **“Employer”** means the Company and an Affiliated Company any of whose Employees are Participants in the Plan. The term “Employer” includes any successor to the Company or an Employer.

2.17 **“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended. Reference to any provision of ERISA shall also include any successor provision and regulations and others applicable guidance or pronouncement of a federal regulatory agency and applicable case law relating to such Section of ERISA.

2.18 **“Exchange Act”** means the Securities Exchange Act of 1934.

2.19 **“Good Reason”** means either a Pre-CIC Good Reason or a Post-CIC Good Reason, as applicable.

2.20 **“Involuntary Termination”** means the Termination of Employment of a Participant (a) initiated by the Employer other than for Cause or Disability, and (b) for a reason other than a Participant’s death. During the Post-Change Period, a Termination of Employment initiated by the Participant for Post-CIC Good Reason shall also be an Involuntary Termination. During any period that is not a Post-Change Period, a Termination of Employment initiated by the Participant for Pre-CIC Good Reason shall also be an Involuntary Termination. For avoidance of doubt, a Participant shall not have an Involuntary Termination of Employment if the Participant (i) voluntarily resigns without Good Reason; (ii) has a Termination of Employment because of the Participant’s death or Disability; or (iii) on or before the Termination of Employment (other than a Termination of Employment during the Post-Change Period), is offered employment or re-employment with the Company or an Affiliated Company or any successor to all or a portion of the business of the Company or Affiliated Company on terms and conditions substantially similar to the terms and conditions of the Participant’s employment before the Participant’s Termination of Employment as determined by the Committee; provided, however, that if a Participant provides the Company with written notice of the Participant’s intent to retire in accordance with the Stericycle, Inc. 2021 Long-Term Incentive Plan (as amended or restated from time to time) and the Participant’s Termination of Employment is subsequently initiated (A) by the Employer other than for Cause or Disability and for a reason other than the Participant’s death, (B) during the Post-Change Period, by the Participant for Post-CIC Good Reason, or (C) during any period that is not a Post-Change Period, by the Participant for Pre-CIC Good Reason, then (x) if such Termination of Employment occurs prior to the retirement date specified in such notice (or such other date mutually agreed upon by the Employer and the Participant), the Participant’s Termination of Employment will be considered an Involuntary Termination, and (y) if such Termination of Employment occurs on or after the retirement date specified in such notice (or such other date mutually agreed upon by the Employer and the

Participant), the Participant's Termination of Employment will not be considered an Involuntary Termination.

2.21 **"Notice of Termination"** means a written notice given in accordance with Section 10.03 that sets forth (i) the specific termination provision in this Plan relied on by the party giving such notice, (ii) in reasonable detail the specific facts and circumstances claimed to provide a basis for such Termination of Employment, and (iii) if the Termination Date is other than the date of receipt of such Notice of Termination (and is not determined under Section 2.34), the Termination Date.

2.22 **"Participant"** means an Employee who is selected to participate in the Plan and whose participation has not been terminated pursuant to Section 3.04.

2.23 **"Plan"** means this Stericycle, Inc. Executive Severance and Change in Control Plan as set forth herein and as from time to time amended.

2.24 **"Plans"** means plans, programs, or Policies of the Company or the Employer that employs a Participant.

2.25 **"Policies"** means policies, practices or procedures of the Company or the Employer that employs a Participant.

2.26 **"Post-Change Period"** means the period beginning on the Change Date and ending on the second anniversary of the Change Date.

2.27 **"Post-CIC Good Reason"** means the initial occurrence of any one or more of the following actions or omissions without the Participant's consent occurring during the Post-Change Period and for which Notice of Termination is given during the Post-Change Period:

- (i) a material reduction in the Participant's Base Salary;
- (ii) requiring the Participant to be based at any office or location more than 50 miles from the Participant's pre-Change Date primary work or office location;
- (iii) any material diminution in the Participant's authority, duties or responsibilities;
- (iv) any material breach of this Plan by any Employer or the Committee;

provided that, in order for there to be a Termination of Employment by a Participant for Post-CIC Good Reason, the Participant must notify the Participant's Employer of the event constituting such Post-CIC Good Reason within 30 days of the initial occurrence of such event, by a Notice of Termination. The Employer must have failed to cure the event constituting Post-CIC Good Reason within 30 days following receipt of the Notice of Termination and the Participant must terminate employment within five days after the lapse of the cure period if no cure is effected. A delay in the

delivery of such Notice of Termination or in the Termination of Employment after the lapse of the cure period shall waive the right of the Participant under this Plan to terminate employment for Post-CIC Good Reason.

2.28 **“Pre-CIC Good Reason”** means the initial occurrence of any one or more of the following actions or omissions without the Participant’s consent occurring before a Change in Control Period and for which Notice of Termination is given:

- (i) a material reduction in the Participant’s Base Salary;
- (ii) requiring the Participant to be based at any office or location more than 50 miles from the Participant’s then current primary work office or location;
- (iii) any material diminution in the Participant’s authority, duties or responsibilities;

provided that, in order for there to be a Termination of Employment by a Participant for Pre-CIC Good Reason, the Participant must notify the Participant’s Employer of the event constituting such Pre-CIC Good Reason within 30 days of the initial occurrence of such event, by a Notice of Termination. The Employer must have failed to cure the event constituting Pre-CIC Good Reason within 30 days following receipt of the Notice of Termination and the Participant must terminate employment within five days after the lapse of the cure period if no cure is effected. A delay in the delivery of such Notice of Termination or in the Termination of Employment after the lapse of the cure period shall waive the right of the Participant under this Plan to terminate employment for Pre-CIC Good Reason.

2.29 **“Pro-rata Annual Incentive”** means, in respect of an Employer’s fiscal year during which the Termination Date occurs, an amount equal to the product of (a) (i) in the case of a Termination Date before the Change Date, the actual annual incentive the Participant would have been paid if the Participant remained employed on the payment date applicable to then current employees, and (ii) in the case of a Termination Date on or after the Change Date or in situations where calculation of the Participant’s actual annual incentive is impracticable, the Participant’s Target Annual Incentive (determined as of the Termination Date) multiplied by (b) a fraction, the numerator of which equals the number of days from and including the first day of such fiscal year through and including the Termination Date, and the denominator of which equals 365.

2.30 Reserved.

2.31 **“Section 409A Deferred Compensation”** means a deferral of compensation that is subject to (and not otherwise exempt from) the requirements of Section 409A of the Code.

2.32 **“Severance Multiple”** and **“Severance Period”** mean:

- (a) for a Participant, for a Termination Date occurring before the Change Date or after the Post-Change Period:

<u>Title/Benefit Indicator</u>	<u>Severance Multiple</u>	<u>Severance Period</u>
CEO	2x	24 months
Executive Vice-Presidents	1x	24 months
Senior Vice-Presidents	1x	N/A

(b) for a Participant, for a Termination Date occurring during the Post-Change Period:

<u>Title/Benefit Indicator</u>	<u>Severance Multiple</u>
CEO	3x
Executive Vice-Presidents	2x
Senior Vice-Presidents	1.5x

2.33 **“Target Annual Incentive”**, as of any date, means the amount equal to the product of a Participant’s Base Salary multiplied by the percentage of such Base Salary to which such Participant would be entitled as an annual incentive, based on the terms in effect on such date under any annual incentive plans for the performance period for which the annual incentive is awarded if the performance goals established pursuant to such bonus plan were achieved at the 100% (target) level as of the end of the performance period.

2.34 **“Termination Date”** means the date of the receipt of the Notice of Termination by a Participant (if such Notice of Termination is given by the Company or the Participant’s Employer) or by the Participant’s Employer (if such Notice is given by the Participant), or any later date specified in the Notice of Termination (but not more than 35 days after the giving of such Notice if the Notice of Termination is given by the Participant for Good Reason) on which an Employee has a Termination of Employment; provided, however, that:

(a) if the Participant’s employment is terminated by reason of death, the Termination Date shall be the date of the Participant’s death;

(b) If the Participant’s employment is terminated by reason of Disability, the Termination Date shall be the date regularly applied by the Company’s Human Resource function to terminations of employment for Disability;

(c) if no Notice of Termination is given, the Termination Date shall be the last date on which the Participant is at work as an Employee; and

(d) if the Notice of Termination is for a Termination by the Participant for Good Reason, the Termination Date shall be no later than the 35th day after the giving of the Notice of Termination if the Employer has not cured the Good Reason.

2.35 **“Termination of Employment”** means in respect of a Participant, a termination of employment as determined by the Committee; provided, however, that with respect to payment of any Section 409A Deferred Compensation, “Termination of Employment” shall mean “separation from service” within the meaning of Section 409A of the Code.

ARTICLE III
Participation and Eligibility for Benefits

3.01 Eligibility.

(a) An Employee is eligible for participation in this Plan if the Employee satisfies at least one of (i), (ii), or (iii) below:

(i) The Employee is the CEO; or

(ii) The Employee is classified by the Company in its employment records with the title of “Executive Vice-President”; or

(iii) The Employee is classified by the Company in its employment records as a full-time Employee with the title of “Senior Vice-President” and is designated by the Committee, in its sole discretion, to participate in this Plan by receipt of written notice from the Committee in the form attached hereto as Exhibit A;

provided that, any Employee who otherwise satisfies the eligibility requirements under this subsection (a) shall not be eligible under this Plan if the Employee has a separate written agreement with the Company providing benefits contingent upon the Employee experiencing a Termination of Employment that differ from those available under and through this Plan.

(b) The Committee shall maintain a list of Participants, as in effect from time to time.

(c) To become a Participant, an individual, to the extent not subject to a restrictive covenant, shall agree to restrictive covenants in such form as the Company may require, whether or not the individual becomes eligible for benefits under Article IV or Article V.

3.02 Participation. Each eligible Employee shall become a Participant in the Plan on the first date on which the Employee is an eligible Employee described in Section 3.01 and has signed an acknowledgement of coverage under this Plan and, if applicable, any restrictive covenants.

3.03 Eligibility for Benefits. A Participant becomes eligible for benefits under the Plan if the Participant has an Involuntary Termination.

3.04 Termination of Participation. If, before the Termination Date, a Participant is demoted below the employment classification level which qualifies him or her to be a Participant in this Plan (disregarding any demotion after the Change Date that would constitute Post-CIC Good

Reason), such Participant shall thereupon cease to be a Participant as of the date of demotion. If a Participant's Termination of Employment is not an Involuntary Termination, the Participant shall cease to be a Participant on the Termination Date. If, upon Termination of Employment, the Participant does not become eligible for a benefit under Article IV, the Participant's status as a Participant shall cease upon the Termination Date. Any determination as to a termination of Participation under this Section 3.04 shall be made by the Committee (or by the independent members of the Board upon the recommendation of the Committee in the case of a determination regarding the CEO).

ARTICLE IV

General Obligations of the Employer Upon Involuntary Termination

4.01 **Involuntary Termination.** If a Participant has an Involuntary Termination (including a Termination of Employment for Pre-CIC Good Reason), then unless Article V applies, the Employer's sole obligations to such Participant under the Plan shall be as follows:

- (a) The Employer shall pay the Participant the following:
 - (i) all Accrued Obligations;
 - (ii) subject to Section 9.01, the Participant's Pro-rata Annual Incentive, reduced (but not below zero) by the amount of any Annual Incentive paid to the Participant with respect to the Employer's fiscal year during which the Termination Date occurs (for example, if the Annual Incentive is paid quarterly); the Pro-rata Annual Incentive shall be paid at the same time and in the same form as the Annual Incentives for such fiscal year are paid to ongoing employees; but no later than two and one-half months after the last day of the fiscal year following the fiscal year in which the Termination Date occurs;
 - (iii) subject to Section 9.01:
 - (A) For the CEO and any Participant classified as an Executive Vice-President on the date the Notice of Termination is provided, an amount equal to the sum of Base Salary and the Target Annual Incentive, each determined as of the Termination Date, multiplied by the applicable Severance Multiple (the "Severance Amount"). The Severance Amount shall be paid in the form of salary continuation, beginning no more than sixty days after the Termination Date, provided the applicable revocation period for the release required by Section 9.01 has expired at that time, and subject to Section 10.11(c) and Section 10.11(e). Salary continuation payments shall be made in accordance with the Employer's regular payroll practices beginning with the first regularly scheduled payroll date after the Termination Date; provided, however,

that any payments that are delayed as required by Section 10.11(c) or Section 10.11(e) or to allow for the lapse of the applicable revocation period for the release required by Section 9.01 shall be cumulated without interest and paid on the first date on which payment is permitted under by Section 10.11(c) or Section 10.11(e) or after lapse of the applicable revocation period required by Section 9.01. The amount of each salary continuation payment shall be determined by dividing the Severance Amount by the number of regularly scheduled payroll periods in the Severance Period (determined without regard to any delays required by Section 10.11(c) or Section 10.11(e) or the applicable revocation period under Section 9.01).

- (B) For any Participant classified as a Senior Vice-President on the date the Notice of Termination is provided, an amount equal to the sum of Base Salary, determined as of the Termination Date, multiplied by the applicable Severance Multiple (the "Severance Amount"). The Severance Amount shall be paid in a single lump sum payment and be paid no more than sixty days after the Termination Date, provided the applicable revocation period required for the release under Section 9.01 has expired at that time; and subject to Section 10.11(c) and Section 10.11(e) and any amounts that are delayed as required by Section 10.11(c) or Section 10.11(e) shall be cumulated without interest and paid on the first date on which payment is permitted under by Section 10.11(c) or Section 10.11(e).

(b) The Employer shall provide for Post-Termination of Employment non-qualified deferred compensation benefits, equity awards and employee welfare benefits pursuant to the terms of the respective Plans and Policies under which such post- termination of Employment benefits, awards and welfare benefits, if any, are provided, except as provided in (c) below.

(c) Subject to Section 9.01, if the Participant timely elects post-termination continuation coverage under Section 4980 of the Code ("COBRA") with respect to medical, vision, prescription and/or dental coverage, then the Employer shall, in its sole discretion, either reimburse the Participant or pay the provider directly for the Company's regular employer contribution towards the premiums for such COBRA coverage for the Participant and the Participant's eligible dependents for the lesser of (i) eighteen months or (ii) the time period for which the Participant remains eligible for COBRA coverage. The Participant will be required to pay the employee portion for such COBRA premiums, based on the premiums payable for similar employer provided coverage by active employees. Notwithstanding the forgoing, such

reimbursement (or direct payment) shall cease if the Participant becomes eligible for medical, vision, prescription or dental coverage, respectively, from a subsequent employer, or for Medicare.

(d) The Employer shall reimburse Participant for outplacement benefits to the Participant up to an amount equal to \$25,000. Such reimbursements will be made in accordance with the reimbursement policy of the Company applicable to similarly-situated executive Employees, but only after the Participant provides documentation acceptable to the Company of the outplacement benefits actually received by the Participant.

4.02 Termination for Any Other Reason. If a Participant has a Termination of Employment that does not qualify as an Involuntary Termination (including termination by the Employer for Cause, termination by the Employee other than for Pre-CIC Good Reason, termination by the Employer or the Employee for Disability, or termination on account of death), then unless Article V applies, the Employer's sole obligations to such Participant under the Plan shall be to pay the Participant all Accrued Obligations determined as of the Termination Date.

ARTICLE V
Obligations of the Employer on Involuntary Termination of Certain
Participants in the Post-Change Period

5.01 Application. During the Post-Change Period, a Participant shall be entitled to benefits under this Article V in lieu of benefits under Article IV.

5.02 Involuntary Termination in the Post-Change Period. If a Participant has an Involuntary Termination (including a Termination of Employment for Post-CIC Good Reason) for which a Notice of Termination is given during the Post-Change Period, then the Employer's sole obligations to such Participant under the Plan shall be as follows:

- (a) The Employer shall pay the Participant the following in a single lump sum:
 - (i) all Accrued Obligations;
 - (ii) subject to Section 9.01, the Participant's Pro-rata Annual Incentive, reduced (but not below zero) by the amount of any Annual Incentive paid to the Participant with respect to the Employer's fiscal year during which the Termination Date occurs (for example, if the Annual Incentive is paid quarterly);
 - (iii) subject to Section 9.01, an amount equal to the sum of Base Salary and the Target Annual Incentive, each determined as of the Termination Date, multiplied by the applicable Severance Multiple; provided, however, that any reduction in the Participant's Base Salary that would qualify as Good Reason shall be disregarded for this purpose;

The amount described in Sections 5.01(a)(ii) and (iii) shall be paid no more than sixty days

after the Termination Date, provided the applicable revocation period required for the release under Section 9.01 has expired at that time; and subject to Section 10.11(c) and Section 10.11(e).

(b) Post-Termination of Employment non-qualified deferred compensation benefits, equity awards, and employee welfare benefits shall be provided pursuant to the terms of the respective Plans and Policies under which such Post-Termination of Employment benefits, awards and welfare benefits, if any, are provided, except as provided in (c) below.

(c) Subject to Section 9.01, if the Participant timely elects post-termination continuation coverage under COBRA with respect to medical, vision, prescription and/or dental coverage, then the Employer shall, in its sole discretion, either reimburse the Participant (or pay the provider directly) for the Company's regular employer contribution towards the premiums for such COBRA coverage for the Participant and the Participant's eligible dependents for the lesser of (i) eighteen months or (ii) the time period for which the Participant remains eligible for COBRA coverage. The Participant will be required to pay the employee portion of such COBRA premiums, based on the premiums payable for similar employer provided coverage by active employees. Notwithstanding the forgoing, such reimbursement (or direct payment) shall cease if the Participant becomes eligible for medical, vision, prescription or dental coverage, respectively, from a subsequent employer, or for Medicare.

5.03 Termination on or After the Change Date for Any Other Reason. If a Participant has a Termination of Employment for which a Notice of Termination is given during the Post-Change Period that does not qualify as an Involuntary Termination (including termination by the Employer for Cause, termination by the Employee other than for Post-CIC Good Reason, termination by the Employer or the Employee for Disability, or termination on account of death), then the Employer's sole obligation to the Participant under this Plan shall be to pay the Participant all Accrued Obligations determined as of the Termination Date.

5.04 Limitation on Benefits.

(a) In the event it shall be determined that any payment or distribution by an Employer to or for the benefit of the Participant (whether paid or payable or distributed or distributable pursuant to the terms of this Plan or otherwise) (a "Payment") would be nondeductible by the Employer for Federal income tax purposes because of Section 280G of the Code and subject to the excise tax imposed by Section 4999 of the Code, any successor provisions, or any comparable federal, state, local or foreign excise tax ("Excise Tax"), then the aggregate present value of amounts payable or distributable to or for the benefit of the Participant pursuant to this Plan ("Plan Payments") shall be either (A) provided in full pursuant to the terms of this Plan or any other applicable plan or agreement, or (B) provided as to such lesser extent which would result in no portion of such Plan Payment being subject Excise Tax (the "Reduced Amount"), whichever of the foregoing amounts, taking into account the applicable federal state, local and foreign income, employment and other taxes

and the Excise Tax (including, without limitation, any interest or penalties on such taxes), results in the receipt by Participant, on an after-tax basis, of the greatest amount of payments and benefits provided for hereunder or otherwise, notwithstanding that all or some portion of such Plan Payments may be subject to the Excise Tax.

(b) The Committee shall select a firm of certified public accountants of national standing, (the "Accounting Firm"), which may be the firm regularly auditing the financial statements of the Company or the Employer. The Accounting Firm shall make all determinations required to be made under this Section and shall provide detailed supporting calculations to the Company, the Employer and the Employee within 30 days after the Termination Date or such earlier time as is requested by the Company, and provide an opinion to the Participant that the Participant has substantial authority not to report any Excise Tax on the Participant's Federal income tax return with respect to any Payments. Any such determination by the Accounting Firm shall be binding upon the Company, the Employer and the Participant. The Accounting Firm shall determine which and how much of the Plan Payment or Payments, as the case may be, shall be eliminated or reduced, if any, consistent with the requirements of this Section, provided that, if the Accounting Firm does not make such determination within 30 days after the Termination Date the Company shall elect which and how much of the Plan Payment or Payments, as the case may be, shall be eliminated or reduced consistent with the requirements of this Section and shall notify the Participant promptly of such election. Within five business days thereafter, the Employer shall pay to or distribute to or for the benefit of the Participant such amounts as are then due to the Participant under this Plan.

(c) As a result of the uncertainty in the application of Section 280G of the Code at the time of the initial determination by the Accounting Firm or the Company hereunder, it is possible that Plan Payments or Payments, as the case may be, will have been made by the Employer which should not have been made ("Overpayment") or that additional Plan Payments or Payments, as the case may be, which will not have been made by the Employer could not have been made ("Underpayment"), in each case, consistent with the calculations required to be made hereunder. In the event that the Accounting Firm, based upon the assertion of a deficiency by the Internal Revenue Service against the Employee which the Accounting Firm believes has a high probability of success determines that an Overpayment has been made, promptly on notice and demand the Participant shall repay to the Employer any such Overpayment paid or distributed by the Employer to or for the benefit of the Participant together with interest at the applicable Federal rate provided for in Section 7872(f)(2) of the Code; provided, however, that no such amount shall be payable by the Participant to the Employer if and to the extent such payment would not either reduce the amount on which the Participant is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the Accounting Firm, based upon controlling precedent or other substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Employer to or for the benefit of the Participant together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code.

ARTICLE VI
Administration

6.01 The Company and Committee.

(a) The Company shall have overall responsibility for the establishment, amendment and termination of the Plan. In carrying out its responsibilities hereunder, the Company shall act through the Committee (except with respect to the CEO, with respect to whom the Company shall act through the independent members of the Board). The Committee shall have, in its discretion, the responsibilities, duties, powers and authority, assigned to it in this Plan and any responsibilities, duties, powers and authority, under this Plan that are not specifically delegated to anyone else, including the following:

- (i) to determine which individuals shall be selected as Participants;
- (ii) to decide on questions concerning the Plan and the eligibility of any Participant to participate in the Plan, including whether the Participant should remain (or become) a Participant;
- (iii) to determine the nature and timing of any Termination of Employment or the existence of Good Reason;
- (iv) subject to any limitations under the Plan or applicable law, to make and enforce such rules and regulations and prescribe the use of such forms as it shall deem necessary for the efficient administration of the Plan;
- (v) to require any person to furnish such information as it may request as a condition to receiving any benefit under the Plan;
- (vi) to compute or have computed the amount of benefits that shall be payable to any person in accordance with the provisions of the Plan;
- (vii) to construe and interpret the Plan and correct defects, supply omissions and reconcile inconsistencies in the Plan;
- (viii) to make all other decisions and determinations (including factual determinations) as the Committee may deem necessary or advisable in carrying out its duties and responsibilities or exercising its powers;

provided that if the CEO becomes a Participant, such duties, responsibilities and powers shall be exercised with respect to him or her by the independent members of the Board. Decisions of the Committee (or the independent members of the Board with respect to the CEO) shall be final, conclusive and binding on all persons interested in the Plan, including Participants, beneficiaries and other persons claiming rights from or through a Participant.

6.02 **Delegation of Committee Authority.** The Committee may delegate to officers or employees of the Company, or committees thereof, the authority, subject to such terms as the Committee shall determine, to perform such administrative functions and exercise such administrative powers and authority, as the Committee in its discretion may determine. Such delegation may be revoked at any time. Notwithstanding the foregoing, in no event may the Committee delegate its authority (other than for purely ministerial functions) to any management employees of the Company as it relates to any benefits or rights under this Plan that may be provided to Section 16(b) officers (as specified in the Exchange Act) from time to time.

6.03 **Advisors and Agents of the Committee.** The Committee may (i) authorize one or more of its members or an agent to execute or deliver any instrument, and make any payment on its behalf and (ii) utilize and cause the Company to pay for the services of associates and engage accountants, agents, clerks, legal counsel, record keepers and professional consultants (any of whom may also be serving an Employer or another Affiliated Company of the Company) to assist in the administration of this Plan or to render advice with regard to any responsibility under this Plan.

6.04 **Records and Reports of the Committee.** The Committee or its delegate shall maintain records and accounts relating to the administration of the Plan.

6.05 **Limitation of Liability; Indemnification.** The members of the Board and the Committee shall have no liability with respect to any action or omission made by them in good faith nor from any action made in reliance on (i) the advice or opinion of any accountant, legal counsel, medical adviser or other professional consultant or (ii) any resolutions of the Board certified by the secretary or assistant secretary of the Company. Each member of the Board, the Committee, and each employee to whom are delegated duties, responsibilities and authority with respect to the Plan shall be indemnified, defended, and held harmless by the Company and the Employers and their respective successors against all claims, liabilities, fines and penalties and all expenses (including but not limited to attorneys' fees) reasonably incurred by or imposed on such member or Participant that arise as a result of the Participant's actions or failure to act in connection with the operation and administration of the Plan, to the extent lawfully allowable and to the extent that such claim, liability, fine, penalty or expense is not paid for by liability insurance purchased by or paid for by the Company or an Employer. Notwithstanding the foregoing, the Company or an Employer shall not indemnify any person for any such amount incurred through any settlement or compromise of any action unless the Company or an Employer consent in writing to such settlement or compromise.

6.06 **Plan Expenses.** Expenses relating to the Plan before its termination shall be paid from the general assets of the Company or an Employer. Any individual who serves as a member of the Committee shall receive no additional compensation for such service.

6.07 **Service in More than One Capacity.** Any person or group of persons may serve the Plan in more than one capacity.

ARTICLE VII
Amendments; Termination

7.01 Amendment or Termination of the Plan. The Company by duly adopted resolution of the Board shall have the sole right to alter, amend or terminate this Plan in whole or in part at any time and to terminate the participation of any Employee; provided, however, that:

(i) any such adverse amendment or termination shall be effective only as to those Participants, if any, who have consented to such amendment or termination or who have received from the Company at least 12 months' prior written notice ("Amendment Notice" or "Expiration Notice," respectively) of such adverse amendment or termination that sets forth the date of termination or amendment ("Amendment Date" or "Expiration Date"),

(ii) no such Amendment Notice or Expiration Notice shall be effective as to any Participant if a Change Date occurs before the Amendment or Expiration Date specified in the Amendment Notice or Expiration Notice, and

(iii) no such Amendment Notice or Expiration Notice shall be effective on or following a Change in Control of the Company until all payments of benefits and other applicable obligations under this Plan have been satisfied in full.

Any purported Plan termination or amendment in violation of this Section 7.01 shall be void and of no effect.

ARTICLE VIII
Claims Procedure

8.01 Filing a Claim.

(a) No claim shall be required for benefits due under the Plan. Any individual eligible for benefits under this Plan who believes they are entitled to additional benefits or who desires to clarify the individual's right to future benefits under the Plan ("Claimant") may submit an application for benefits ("Claim") to the Committee (or to such other person or persons as may be designated by the Committee) in writing in such form as is provided or approved by the Committee.

(b) When a Claim has been filed properly, it shall be evaluated and the Claimant shall be notified of the approval or the denial of the Claim within 90 days after the receipt of such Claim. A Claimant shall be given a written notice in which the Claimant shall be advised as to whether the Claim is granted or denied, in whole or in part. If a Claim is denied, in whole or in part, the notice shall contain (i) the specific reasons for the denial, (ii) references to pertinent provisions of this Plan on which the denial is based, (iii) a description of any additional material or information necessary to perfect the Claim and an explanation of why

such material or information is necessary, and (iv) the Claimant's right to seek review of the denial.

8.02 **Review of Claim Denial.** If a Claim is denied, in whole or in part, or if a Claim is neither approved nor denied within the 90 day period specified Section 8.01(b), the Claimant shall have the right, within 60 days after receipt of such denial (or after such claim to deemed denied), to (i) request that the Committee (or such other person or persons as shall be designated in writing by the Committee) review the denial or the failure to approve or deny the Claim, (ii) review pertinent documents, and (iii) submit issues and comments in writing. Within 60 days after such a request is received, the Committee shall complete its review and give the Claimant written notice of its decision. The Committee shall include in its notice to Claimant the specific reasons for its decision and references to provisions of this Plan on which its decision is based. A Claimant shall have no right to seek review of a denial or benefits, or to bring any action in any court to enforce a Claim, before filing a Claim and exhausting all rights to review under Sections 8.01 and 8.02.

ARTICLE IX

Release; No Mitigation; No Duplication of Benefits

9.01 **Release Required.** Any and all amounts payable and benefits or additional rights provided pursuant to this Plan, other than the Accrued Obligations and amounts provided under Section 4.01(b) or Section 5.02(b), shall only be payable if the Participant (or Participant's beneficiary in the event of Participant's death) timely delivers to the Employer and does not revoke a general waiver and release of claims in favor of the Company and related parties in such form provided by the Company in its sole discretion and with such terms and conditions (which shall include, but are not limited to, non-competition, non-solicitation, confidentiality, and other restrictive covenants, as well as the events that shall result in the forfeiture, recoupment, and/or claw-back of the benefits provided under this Plan) as are reasonably acceptable to the Company, and the revocation period related to such general waiver and release has expired. Such general waiver and release shall be executed and delivered (and the revocation period related thereto, if any, shall have lapsed without revocation having been made) within sixty (60) days following the Termination Date.

9.02 **No Mitigation.** No Participant shall have any duty to mitigate the amounts payable under this Plan by seeking or accepting new employment or self-employment following termination. Except as specifically otherwise provided in this Plan, all amounts payable pursuant to this Plan shall be paid without reduction regardless of any amounts of salary, compensation or other amounts that may be paid or payable to the Participant as the result of the Participant's employment by another employer or self-employment.

9.03 **No Duplication of Benefits.** Subject to Section 10.11(f), to the extent that a Participant shall have received severance payments or other severance benefits under any other Plan or agreement of the Company before receiving severance payments or other severance benefits pursuant to Article IV or Article V, the severance payments or other severance benefits under such other Plans or agreements shall reduce (but not below zero) the corresponding severance payments or other severance benefits to which such Participant shall be entitled under Article IV or

Article V. To the extent that a Participant accepts payments made pursuant to Article IV or Article V, the Participant shall be deemed to have waived the Participant's right to receive a corresponding amount of future severance payments or other severance benefits under any other Plan or agreement of the Company. Payments and benefits provided under the Plan shall be in lieu of any termination or severance payments or benefits for which the Participant may be eligible under any of the Plans or Policy of the Company or an Affiliated Company or under the Worker Adjustment Retraining Notification Act of 1988 or any similar statute or regulation.

ARTICLE X
Miscellaneous

10.01 Participant Information. Each Participant shall notify the Committee of the Participant's home address and each change of home address. Each Participant shall also furnish the Committee with any other information and data that the Committee considers necessary for the proper administration of the Plan. The information provided by the Participant under this Section shall be binding on the Participant, the Participant's dependents and any beneficiary for all purposes of the Plan and the Committee shall be entitled to rely on any representations regarding personal facts made by a Participant, the Participant's dependents or beneficiary, unless such representations are known to be false.

10.02 Electronic Media. Under procedures authorized or approved by the Committee, any form for any notice, election, designation, or similar communication required or permitted to be given to or received from a Participant under this Plan may be communicated or made available to the Company or Participant in an electronic medium (including computer network, e-mail or voice response system) and any such communication to or from a Participant or Beneficiary through such electronic media shall be fully effective under this Plan for such purposes as such procedures shall prescribe. Any record of such communication retrieved from such electronic medium under its normal storage and retrieval parameters shall be effective as a fully authentic executed writing for all purposes of this Plan absent manifest error in the storage or retrieval process.

10.03 Notices. All notices and other communications under this Plan shall be in writing and delivered by hand, by nationally recognized delivery service that promises overnight delivery, or by first-class registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to a Participant, at the Participant's most recent home address on file with the Company.

If to the Company or any other Employer,

Stericycle, Inc.
2355 Waukegan Road
Bannockburn, Illinois 60015
Attn.: Office of the General Counsel

or to such other address as either party shall have furnished to the other in writing. Notice and communications shall be effective the day of receipt if delivered by hand or electronically, the second business day after deposit with an overnight delivery service if so deposited, or the fifth business day after mailing in the case of first class registered or certified mail.

10.04 **No Employment Contract.** The existence of this Plan shall not confer any legal or other rights upon any Participant to employment or continuation of employment. Employees are employees at will. The Company and each Employer reserve the right to terminate any Participant with or without cause at any time, notwithstanding the provisions of this Plan.

10.05 **Headings.** The headings in this Plan are for convenience of reference and shall not be given substantive effect.

10.06 **Construction.** Any masculine pronoun shall also mean the corresponding female or neuter pronoun, as the context requires. The singular and plural forms of any term used in this Plan shall be interchangeable, as the context requires.

10.07 **Joint and Several Liability.** In the event that any Employer incurs any obligation to a Participant pursuant to this Plan, such Employer, the Company and each Affiliated Company, if any, of which such Employer is a subsidiary shall be jointly and severally liable with such Employer for such obligation.

10.08 **Successors.** This Plan shall inure to the benefit of and be binding upon the Company, each Employer and their respective successors and assigns. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of any Employer to assume expressly and agree to comply with this Plan in the same manner and to the same extent that the Employer would be required to comply with it if no such succession had taken place. Failure to require such assumption will be a material breach of this Plan. Any successor to the business or assets of any Employer that assumes or agrees to perform this Plan by operation of law, contract, or otherwise shall be jointly and severally liable with the Employer under this Plan as if such successor were the Employer.

10.09 **Payments to Beneficiary.** If a Participant dies after becoming entitled to payments under Section 4.01 or 5.02 but before receiving all amounts to which the Participant is entitled under this Plan, then, subject to Section 9.01, such remaining amounts shall be paid in a lump sum to one or more beneficiaries designated in writing by the Participant for the purposes of this Plan and received by the Committee before the Participant's death, which the Participant may change from time to time in the manner without the consent of any previously designated beneficiary, or if none is so designated, to the Participant's surviving spouse and, if there is no such surviving spouse, to the Participant's estate. To the extent that any payment to a beneficiary is subject to Section 409A of the Code, payment will be made within the time period allowed thereunder.

10.10 **Non-Alienation of Benefits.** Benefits payable under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, before actually being

received by the Participant, and any such attempt to dispose of any right to benefits payable under this Plan shall be void.

10.11 Tax Matters.

(a) An Employer may withhold from any amounts payable under this Plan, or from any other amount due a Participant, any federal, state, local and other income, employment and other taxes that are required to be withheld pursuant to any applicable law or regulation, as determined by the Employer.

(b) The intent of the Employers is that payments and benefits under this Plan are exempt from or comply with Section 409A of the Code and, accordingly, to the maximum extent permitted, this Plan shall be interpreted in accordance with that intent. To the extent that any provision hereof is modified in order to comply with Section 409A of the Code, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Participant and the Employer of the applicable provision without violating the provisions of Section 409A of the Code. In no event whatsoever shall the Company or any Employer be liable for any additional tax, interest or penalty that may be imposed on a Participant or Employee by Section 409A of the Code or damages for failing to comply with Section 409A of the Code.

(c) If a Participant is deemed on the Termination Date to be a “specified employee” within the meaning of that term under Section 409A(a)(2)(B) of the Code, then with regard to any payment or the provision of any benefit that is considered “nonqualified deferred compensation” under Section 409A of the Code payable on account of a “separation from service,” to the extent required by Section 409A of the Code, such payment or benefit shall not be made or provided until the date which is the earlier of (i) the day after the expiration of the six (6)-month period measured from the date of such “separation from service” of the Employee, and (ii) the date of the Employee’s death. Upon the expiration of the six month delay period, all payments and benefits delayed pursuant to this provision (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Employee in a lump sum without interest, and all remaining payments and benefits due under this Plan shall be paid or provided in accordance with the normal payment dates specified for them herein.

(d) To the extent that reimbursements or other in-kind benefits under this Plan constitute “nonqualified deferred compensation” for purposes of Section 409A of the Code, (i) all expenses or other reimbursements hereunder shall be made on or before the last day of the taxable year following the taxable year in which such expenses were incurred by the Participant, (ii) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(e) For purposes of Section 409A of the Code, the Participant's right to receive installment payments pursuant to this Plan shall be treated as a right to receive a series of separate and distinct payments. Whenever this Plan specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Employer; provided that if the timing of the payment is contingent on the lapse or expiration of the revocation period for the release required under Section 9.01 and such revocation period could, as of the Termination Date, lapse either in the same year as the Termination Date or in the following year, the actual date of payment within the specified period shall be in such following year.

(f) Notwithstanding any other provision of this Plan to the contrary, in no event shall any payment or benefit under this Plan that constitutes "nonqualified deferred compensation" for purposes of Section 409A of the Code be subject to offset by any other amount unless such offset would not trigger additional taxes and penalties under Section 409A of the Code.

10.12 **Governing Law, Jurisdiction and Venue.** Unless expressly prohibited by applicable law, (a) the provisions of this Plan shall be construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule, whether of the State of Delaware or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Delaware, except to the extent such laws are superseded by federal law, and (b) any legal action arising under the Plan shall be brought exclusively in a state or federal court sitting in Lake County, Illinois, and the Company and each Participant irrevocably consents to the exercise of personal jurisdiction over them by such courts and waive any objection to venue or jurisdiction based on forum non conveniens or on any other

10.13 **Severability.** If any one or more Articles, Sections or other portions of this Plan are declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any Article, Section or other portion not so declared to be unlawful or invalid; provided that if the release required under Section 10.01 is declared to be unlawful or unenforceable, then no payments shall be made the payment of which is subject to such release, and the Participant shall forthwith restore to the Employer any payments previously made that were subject to such release. Any Article, Section or other portion so declared to be unlawful or invalid shall be construed so as to effectuate the terms of such article, section or other portion to the fullest extent possible while remaining lawful and valid.

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 25, 2024

/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 25, 2024

/s/ JANET H. ZELENKA

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, 2024 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 25, 2024

/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.