



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

RICK SIU, Derivatively and on Behalf of the
Nominal Defendant STERICYCLE, INC.,

Plaintiff,

v.

MARK C. MILLER, JACK W. SCHULER,
CHARLES A. ALUTTO, LYNN DORSEY
BLEIL, THOMAS D. BROWN, THOMAS F.
CHEN, RODNEY F. DAMMEYER,
WILLIAM K. HALL, JOHN PATIENCE,
MIKE S. ZAFIROVSKI, DAN GINETTI,
BRENT ARNOLD, FRANK TEN BRINK,
and RICHARD KOGLER,

Defendants,

-and-

STERICYCLE, INC.,

Nominal Defendant.

C.A. No. 2018-0273-JTL

**NOTICE OF PENDENCY OF DERIVATIVE ACTION, PROPOSED
SETTLEMENT OF DERIVATIVE ACTION, SETTLEMENT HEARING,
AND RIGHT TO APPEAR**

The Delaware Court of Chancery authorized this Notice.

This is not a solicitation from an attorney.

TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF SHARES OF COMMON STOCK OF STERICYCLE, INC. ("STERICYCLE" OR THE "COMPANY") AS OF THE CLOSE OF BUSINESS ON FEBRUARY 25, 2019 ("STERICYCLE STOCKHOLDERS").

IF YOU ARE A NOMINEE WHO OR WHICH HELD STERICYCLE COMMON STOCK AS OF THE CLOSE OF BUSINESS ON FEBRUARY 25, 2019 FOR THE BENEFIT OF ANOTHER, PLEASE READ THE SECTION BELOW ENTITLED "NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF OTHERS."

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.
YOUR RIGHTS WILL BE AFFECTED BY THIS LITIGATION.**

This Notice relates to a proposed settlement (the “Settlement”) of the above-captioned action (the “Action”), which was brought by a Stericycle stockholder on behalf of and for the benefit of Stericycle in the Court of Chancery of the State of Delaware (the “Court”). Subject to the approval of the Court, the proposed Settlement will resolve all claims brought, or that could have been brought, in the Action.

The complete terms of the Settlement, which remains subject to the approval of the Court, are set forth in a Stipulation and Agreement of Settlement, Compromise and Release, dated February 25, 2019 (the “Stipulation”), entered into by and among (i) plaintiff Rick Siu (“Plaintiff”), derivatively on behalf of Stericycle; (ii) defendants Mark C. Miller, Jack W. Schuler, Charles A. Alutto, Lynn Dorsey Bleil, Thomas D. Brown, Thomas F. Chen, Rodney F. Dammeyer, William K. Hall, John Patience, Mike S. Zafirovski, Dan Ginnetti, Brent Arnold, Frank ten Brink, and Richard Kogler (collectively, “Defendants”); and (iii) Stericycle, as nominal defendant (together with Plaintiff and Defendants, the “Parties”).¹

Because this Action was brought as a derivative action on behalf of and for the benefit of Stericycle, the benefits of the Settlement will go directly to Stericycle (and indirectly to Stericycle Stockholders). Thus, Stericycle Stockholders will not submit claims in connection with the Settlement.

WHAT IS THE PURPOSE OF THIS NOTICE?

The purpose of this Notice is to inform Stericycle Stockholders about (a) the pendency of the Action; (b) the proposed Settlement, subject to Court approval, on the terms and conditions set forth in the Stipulation; (c) Stericycle Stockholders’ rights with respect to the proposed Settlement; and (d) the hearing that the Court will hold on _____, 2019, at __: __.m., at the Court of Chancery of the State of Delaware, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware, 19801, at which the Court will, among other things: (a) determine whether Plaintiff and Plaintiff’s Counsel have adequately represented the interests of Stericycle and its stockholders; (b) determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable and adequate to Plaintiff,

¹ Unless otherwise defined herein, capitalized terms used in this Notice shall have the meanings ascribed to them in the Stipulation. A copy of the Stipulation is available for review at the following website: [\[REDACTED\]](#).

Stericycle and Stericycle's stockholders, and should be approved by the Court; (c) determine whether a Final Order and Judgment (as defined below) should be entered dismissing the Action with prejudice; (d) hear and consider any objections to the Settlement; and (e) consider any other matters that may properly be brought before the Court in connection with the Settlement.

WHAT IS THIS CASE ABOUT?

THE FOLLOWING DESCRIPTION OF THIS CASE HAS BEEN PREPARED BY COUNSEL FOR THE PARTIES. THE COURT HAS MADE NO FINDINGS WITH RESPECT TO SUCH MATTERS, AND THIS NOTICE IS NOT AN EXPRESSION OR STATEMENT BY THE COURT OF ANY FINDINGS OF FACT.

On October 27, 2017, Plaintiff made a demand on the Company pursuant to 8 *Del. C.* §220 to inspect certain of the Company's books and records. The Company produced certain documents pursuant to that Demand, which Plaintiff reviewed prior to filing the Complaint.

On April 12, 2018, Plaintiff filed a derivative complaint (the "Complaint") on behalf of the Company against Defendants in the Delaware Court of Chancery (the "Court"), C.A. No. 2018-0273-JTL (the "Action"). In the Complaint, Plaintiff alleged that Stericycle specializes in the regulated collection and disposal of medical, pharmaceutical, and industrial hazardous waste and Stericycle's customers fall into one of two broad categories: large-quantity ("LQ") customers and small-quantity ("SQ") customers, which include outpatient medical clinics, medical and dental offices, long-term and sub-acute care facilities, veterinary offices, and retail pharmacies, which generate relatively low volumes of regulated waste. Plaintiff further alleged that, in 2016, SQ customers made up 95% of Stericycle's customer base and accounted for over 60% of Stericycle's revenues from 2013 onward.

Plaintiff alleged that Stericycle maintains standard service agreements, called Steri-Safe Service Agreements, with its SQ customers whereby Stericycle collects and disposes of their regulated waste in exchange for a fixed-price fee, with contract terms ranging from one to five years and which expressly limited the circumstances under which Stericycle could increase the subscription rates charged to customers. The Steri-Safe Service Agreements provided:

Stericycle reserves the right to adjust the contract price to account for operational changes it implements to comply with documented changes in law, to cover increases in the cost of fuel, insurance, or residue disposal or to otherwise address cost escalation.

According to the Complaint, the Steri-Safe Service Agreements allowed Stericycle to increase fees charged its SQ customers only to account for: (i) “documented changes in law” or (ii) “to cover increases in the cost of fuel, insurance, residue disposal, or to otherwise address cost escalation.” The Complaint further alleged that the Company told stockholders in public filings with the SEC that its contracts with customers were based on a “predetermined subscription fee” that Stericycle recognized revenues for “evenly over the contractual service period.”

Plaintiff alleged that Stericycle systematically and unilaterally increased prices for its SQ customers on its Steri-Safe Service Agreements with the Board’s knowing participation. According to the Complaint, Stericycle unilaterally raised its customers’ rates by imposing standard, automatic percentage price increases (typically 18%) on its customers as often as every six months and by imposing numerous fees and other surcharges that had no relation to actual costs incurred in servicing a particular contract, and were not the result of a documented change in the law.

Plaintiff alleged that Stericycle hid these price increases from its customers, issuing an invoice for the new, inflated price without notice. The Complaint alleged that, contrary to the SQ customer contracts’ requirement that such price increases be related to costs incurred, Stericycle modified the frequency of its price increases to align with the revenue targets Stericycle set.

Plaintiff filed the Complaint after several other suits had been filed against Stericycle and certain of its leadership asserting similar allegations. In particular:

On April 28, 2008, a former Stericycle employee (“Relator”) filed claims on behalf of the United States of America and 14 states, alleging that the Company had violated the federal False Claims Act and its state analogues, captioned *Perez v. Stericycle, Inc.*, 08-cv-2390 (N.D. Ill.) (the “Qui Tam Action”). Defendants denied the allegations in the Qui Tam Action. On February 1, 2016, Stericycle agreed to settle the Qui Tam Action, including by making a \$28.5 million payment to be allocated amongst Relator, the United States, and the 14 states, without admitting any fault or wrongdoing.

On April 15, 2013, certain Stericycle SQ customers filed the first of several class actions, which were ultimately consolidated by the Panel on Multidistrict Litigation in a single action before the United States District Court for the Northern District of Illinois, captioned *In re: Stericycle, Inc. Steri-Safe Contract Litig.*, 13-cv-5795 (N.D. Ill.) (the “MDL Action”). In the MDL Action, plaintiffs asserted claims against the Company for allegedly unauthorized and unjustified fees and surcharges imposed on them, in purported breach of Stericycle’s uniform Steri-Safe contracts. Stericycle

denied the allegations in the MDL Action. Stericycle agreed to settle the claims, including a \$295 million payment to members of the class, without admitting any fault or wrongdoing.

On July 11, 2016, certain shareholders filed a class action complaint against the Company, certain officers and directors, and Underwriters, captioned *St. Lucie County Fire District Firefighters Pension Trust Fund v. Stericycle, Inc.*, 16-cv-07145 (N.D. Ill.) (the “Securities Action”) based on allegations concerning the Company’s pricing practices similar to those made in the MDL Action. The Securities Action asserted violations of Sections 11, 12(a) and 15 of the Securities Act and Sections 10(b) and 20(a) of the Securities Exchange Act. Defendants denied the allegations in the Securities Action and filed a motion to dismiss all claims. Prior to a ruling on that motion, on December 19, 2018, Stericycle announced that it had reached an agreement in principle to settle the Securities Action (the “Proposed Securities Class Action Settlement”), including by creating a common fund of \$45 million, the large majority to be paid by the company’s insurers, out of which will be paid all compensation to class members, plaintiffs’ attorneys’ fees and other costs of administration. In the Proposed Securities Class Action Settlement, Stericycle and the other defendants admitted no fault or wrongdoing.

On May 21, 2018, by joint motion, the Action was stayed pending resolution of the motion to dismiss that was then pending in the Securities Action.

In October 2018, the parties agreed to mediate the Action. The parties retained Greg Lindstrom (“Mr. Lindstrom”) of Phillips ADR to mediate their dispute. The Parties exchanged mediation statements, and Plaintiff made a settlement demand. Prior to the mediation, the Parties separately had multiple phone calls with Mr. Lindstrom to discuss the merits of their allegations and their respective positions.

On October 22, 2018, the Parties attended a mediation in Chicago, Illinois, before Mr. Lindstrom. After a full day session, the Parties made progress on several important issues, but were unable to reach a comprehensive settlement agreement. Over the following weeks, in continued consultation with Mr. Lindstrom, the Parties reached an agreement in principle on substantive terms to settle the Action.

On December 7, 2018, executed a memorandum of understanding (the “MOU”). The parties subsequently memorializes the terms of the Parties’ agreement to settle the Action in a Stipulation submitted to the Court.

The Parties have reached an agreement regarding plaintiffs’ request of attorneys’ fees. Plaintiff intends to submit a Fee and Expense Application, and also intend to request an incentive award for Plaintiff.

EXHIBIT B (EXECUTION VERSION)

Plaintiff has owned Stericycle common stock since the outset of the Action and continues to do so. Plaintiff, having thoroughly considered the facts and law underlying the Action, and based upon the investigation and prosecution of the Action and the mediation that led to the Settlement, and after weighing the risks of continued litigation, has determined that it is in the best interests of Stericycle and its stockholders that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation, and that these terms and conditions are fair, reasonable and adequate to Stericycle and its stockholders.

Defendants have denied and continue to deny each and all of the claims and contentions alleged by the Plaintiff in the Action, including any and all allegations of wrongdoing, allegations of liability, and the existence of any damages asserted in or arising from the Action. Without limiting the generality of the foregoing, Defendants have denied and continue to deny that they acted improperly in connection with the allegations asserted in the Action, that they sold shares with insider information, or that any misstatements or materially misleading omissions were made. Further, Defendants believe that they have substantial defenses to the claims alleged against them in the Action. Defendants have further asserted that, at all relevant times, they acted in good faith, and in a manner they reasonably believed to be in the best interests of Stericycle and its stockholders. Nevertheless, Defendants have concluded that further litigation in connection with the Action would be time-consuming and expensive. After weighing the costs, disruption, and distraction of continued litigation, they have determined, solely to eliminate the risk, burden, and expense of further litigation, and without admitting any wrongdoing or liability whatsoever, that the Action should be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation.

WHAT ARE THE TERMS OF THE SETTLEMENT?

In consideration of the settlement, Defendants will pay and/or cause their insurance carriers to pay \$7,500,000.00 to Stericycle, less any amounts ordered by the Court to be paid for Plaintiff's attorneys' fees and expenses or as a service award to Plaintiff.

The Board of Directors of Stericycle (the "Board") has or shall adopt resolutions and amend committee charters to the extent necessary for the implementation of the corporate governance changes set forth below. The corporate governance changes set forth herein shall be maintained for a period of at least four years, unless any provision (or part of any provision) is rendered unlawful or ill-advised under any statute or regulation. The Board may exercise its discretion in deciding whether to continue any of the corporate governance changes after four years.

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a. Board Composition. Subsequent to receiving Plaintiff's demand letter, Stericycle appointed two new independent directors to the Company's Board of Directors (the "Board").

b. Board Independence.

(i) Stericycle shall maintain an Independent, Non-Executive Chair for the Company's Board.

(ii) Stericycle shall require that the Independent Directors meet regularly in executive session during regularly-scheduled Board meetings and shall have the power to call for reporting from any business unit.

(iii) Stericycle shall, no less than annually, determine the independence of each director under the qualitative independence requirements outlined under Rule 5600 Series of the NASDAQ listing standards and relevant SEC rules.

(iv) In determining whether to recommend an incumbent Director for re-election, Stericycle's Nomination & Governance Committee will take into consideration the Director's length of service on the Board.

c. Director Orientation and Continuing Education.

(i) Every new member of the Board shall, within six months of election or appointment, receive initial orientation regarding, among other things, their responsibilities as directors under law and the listing standards of the NASDAQ stock market.

(ii) Every new member of the Board, shall, within six months of election or appointment, receive initial orientation regarding the Company's accounting and risk management practices, compliance programs and Code of Conduct.

(iii) Each Director will participate annually in compliance training. The Company will encourage all Directors to participate in ongoing continuing education and will provide reimbursement for any such outside continuing education.

d. Additional Board-Level Reforms.

(i) Stericycle shall encourage all Directors to attend the Company's annual meeting of stockholders in person, absent extenuating circumstances.

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(ii) The Nominating and Governance Committee shall amend its charter to require an annual review and reassessment of its charter.

(iii) All stockholder proposals shall be reviewed by Stericycle's Nominating & Governance Committee, which shall include at least three independent directors, who will make a recommendation to the Board for final decision.

(iv) Once a year, the Board's independent directors shall meet without management to discuss the Company's "tone at the top" and whether the Company has established a culture of integrity.

(v) Stericycle shall require the Nominating & Governance Committee to review and reassess the Corporate Governance Guidelines on at least an annual basis.

(vi) Stericycle shall keep polls open at the Annual Meeting until all agenda items have been discussed and stockholders have had an opportunity to ask questions.

e. Audit Committee Reforms.

(i) Stericycle's Audit Committee shall review and approve all Forms 10-Q, 10-K, and all proxy statements.

(ii) Stericycle's Audit Committee Chair shall meet with the Company's independent outside auditor at least six times per year, including before the filing of Forms 10-Q and 10-K with the SEC.

(iii) The Chief Ethics & Compliance Officer ("CECO") shall attend all regularly scheduled Audit Committee meetings. The CECO shall provide updates to the Audit Committee at least twice a year and to the full Board at least annually.

(iv) The Audit Committee shall review with management and any outside professionals important trends and developments and requirements in financial reporting practices and their effect on the Company's financial statements.

f. Internal Control Reforms.

(i) The Audit Committee, working with Internal Audit, will conduct formal reviews of pricing and contracting practices for its U.S. Small Quantity

Regulated Medical Waste business as part of its annual review process, and will highlight any issues to the Board.

(ii) The Board shall implement a written Delegation of Authority, which shall specify, among other things, approval and signatory authority for transactions at all levels of the organization and shall specify which matters must be brought to the Board for consideration and approval, including contracts, acquisitions, divestitures and other matters.

(iii) Stericycle shall maintain standard contracts for U.S. Small Quantity Regulated Medical Waste customers that include limits on annual automatic price increases and transparent all-in pricing provisions through June 7, 2021.

(iv) Stericycle shall update and expand its internal accounting audit and financial controls, and maintain a separate Chief Accounting Officer and Vice President for Internal Audits.

(v) Stericycle shall implement substantial improvements regarding disclosures and controls, which shall include a formal Disclosure Committee process to oversee the accuracy and completeness of the Company's disclosures. The Disclosure Committee shall be chaired by the General Counsel and Chief Accounting Officer and shall also include the CECO, Chief People Officer, head of Internal Audit, and Stericycle's Securities Counsel.

(vi) Stericycle shall in good faith pursue implementation of a new Enterprise Resource Planning ("ERP") system. Stericycle also shall significantly enhance the Company's systems and processes for financial controls and management reporting.

g. Ethical and Code of Conduct Controls.

(i) Stericycle shall maintain a Code of Business Conduct and Ethics that requires every team member to conduct themselves in compliance with all applicable laws, rules and regulations in the countries in which they operate, as well as with all of Stericycle's policies and procedures. The Code shall require team members to report to management any possible breaches of the Code itself or known or suspected violations of laws or governmental regulations, ethics, and conflicts of interest.

(ii) Stericycle shall maintain a Chief Ethics and Compliance Officer who shall be responsible for, and lead the implementation of, a global compliance program.

h. Insider Trading and Compensation Controls

(i) Stericycle will maintain a Securities Trading Compliance Officer, who shall be the General Counsel of the Company and their designees or, in certain cases the Chair of the Audit Committee of the Board or the Company's Chief Financial Officer.

(ii) The Securities Trading Compliance Officer will be responsible for overseeing compliance with the Company's Insider Trading Policy and 10b5-1 Plan Guidelines, including reviewing and approving (i) all proposed transactions by the Company's directors and those employees subject to Section 16 of the Securities Exchange Act, (ii) 10b5-1 plans (and any modifications or changes to such plans) entered into by such directors and employees, and (iii) any requests for waivers/exceptions to the Insider Trading Policy and 10b5-1 Plan Guidelines.

(iii) The Audit Committee will be responsible for (i) reviewing and approving the Insider Trading Policy and 10b5-1 Plan Guidelines and any amendments and modifications thereto, and (ii) conducting quarterly reviews of the activities of the Securities Trading Compliance Officer.

(iv) The Securities Trading Compliance Officer will make quarterly reports to the Audit Committee concerning transactions and plan under the Insider Trading Policy and 10b5-1 Plan Guidelines reviewed during the prior quarterly period.

(v) Stericycle will add the following language to its Insider Trading Policy: "In the event of a violation of this policy, the Company reserves all its available rights and remedies with respect thereto, up to and including termination of employment and disgorgement of profits."

(vi) The Securities Trading Compliance Officer will provide recommendations to the Audit Committee on whether to approve any requests to waive any lock-up provisions or blackout trading restrictions, which will then be subject to approval by the Audit Committee. No member of the Audit Committee will participate in the deliberations, review, or approval of any request to waive any lock-up provisions or blackout trading restrictions made by such committee member or committee member's affiliate.

(vii) Stericycle shall maintain strengthened insider trading controls by revising its Insider Trading Guidelines to include pre-clearance procedures for designated insiders.

(viii) Stericycle shall adopt and implement a policy that complies with the SEC's incentive compensation clawback regulations.

(ix) Stericycle shall require annual certification of completed training on the Company's Code of Conduct for any team member eligible to receive incentive compensation.

i. Reforms to Whistleblower Program.

(i) Stericycle shall maintain a global whistleblower line that shall be publicized through the Company. The Company shall also maintain a report of complaints and their outcomes.

(ii) The whistleblower system shall allow employees to report anonymously where permitted by law. The whistleblower line shall allow the Company to communicate with employees via a confidential and anonymous PIN system so that the employee's identity remains undisclosed. Access to whistleblower reports shall be restricted to limited personnel. The Company shall also maintain a strict non-retaliation policy.

(iii) Stericycle shall adopt an escalation policy for its whistleblower program that requires certain high risk reports to be reviewed by an Investigation Committee comprised of the CECO, General Counsel, and Chief People Officer.

(iv) The escalation policy shall also call for certain high risk reports involving senior leadership to be further escalated to the Audit Committee.

j. Employee Training. Stericycle shall require: annual compliance training for all employees on its Code of Conduct, annual training for its accounting team members on compliance with GAAP, and annual training for the disclosure committee and executive officer of the federal and state securities laws applicable to Stericycle's operations.

HOW WILL PLAINTIFF'S COUNSEL BE PAID?

Before final approval of the Settlement, Plaintiff's Counsel will petition the Court for an award of attorneys' fees, costs and an incentive award, to be paid out of the Settlement Amount. In recognition of the substantial benefits conferred upon Stericycle and its stockholders as a result of the issuance of the Demand and the initiation, prosecution, and Settlement of the Action, Stericycle, through its Board exercising its independent business judgment, agrees not to oppose such petition for attorneys' fees, costs and an incentive award so long as the aggregate amount of the petition does not exceed \$2,900,000. The Parties agree that this Fee Award is fair and

reasonable in light of the substantial benefits conferred upon Stericycle and its stockholders as a result of this Settlement and was reached only after all other material terms of the Settlement were agreed and following good faith negotiation, including with the assistance of mediation by Mr. Lindstrom, and reflects Mr. Lindstrom's mediator's proposal regarding an appropriate fee award.

WHY ARE THE PARTIES SETTLING?

The Parties have determined that it is desirable and beneficial that the Action and any dispute related thereto is fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation, and Plaintiff's Counsel believes that the settlement is in the best interest of the Parties and current Stericycle Stockholders.

Plaintiff and Plaintiff's Counsel believe that the claims asserted in the Action have merit. Nonetheless, Plaintiff and Plaintiff's Counsel also recognize and acknowledge the significant risk, expense, and length of continued proceedings necessary to prosecute the Action against the Individual Defendants through trial and appeal. Plaintiff and Plaintiff's Counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in complex cases such as the Action, as well as the difficulties and delays inherent in such litigation. Plaintiff and Plaintiff's Counsel are also mindful of the inherent problems of proving the violations asserted in the Action. In consideration of the mediation that led to the settlement and after weighing the risks of continued litigation, Plaintiff and Plaintiff's Counsel have determined that it is in the best interests of Stericycle and its stockholders that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation, and that these terms and conditions are fair, reasonable, adequate, and confer substantial benefits to Stericycle and its stockholders.

Defendants deny each and all of the claims and contentions alleged in the Action. Moreover, Defendants expressly deny any misconduct alleged in the Action and further deny any wrongdoing, legal liability, or violation of any laws arising out of any of the conduct alleged in the Action. Furthermore, Defendants believe they have substantial defenses to the claims alleged against them in the Action. And neither the Stipulation, nor any document referred to therein, nor any action taken to carry out the Stipulation, is, may be construed as, or may be used as an admission by or against Defendants of any fault, wrongdoing, or liability whatsoever or the lack of merit of any defense that had been or could have been asserted to such claim.

Defendants nevertheless recognize that further conduct of the Action against them would be protracted, expensive, and distracting. If the Action is not settled, substantial amounts of time, energy, and resources have been and, unless this settlement is made, will have to be devoted to the defense of the claims asserted in the Action.

Defendants have, therefore, determined that it is desirable and beneficial to them and to the Company that the Action should be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation to eliminate the burden and expense of further protracted litigation.

WHAT CLAIMS WILL THE SETTLEMENT RELEASE?

If the Settlement is approved, the Court will enter a final order and judgment (the “Final Order and Judgment”). Pursuant to the Final Order and Judgment, upon the Effective Date of the Settlement, the Action will be dismissed with prejudice and the following releases will occur:

“Released Defendants’ Claims” means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys’ fees, actions, potential actions, causes of action, suits, judgments, defenses, counterclaims, offsets, decrees, matters, issues and controversies of any kind, nature or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims, which were or which could have been asserted by any of the Defendants in any court, tribunal, forum or proceeding, whether based on state, local, foreign, federal, statutory, regulatory, common or other law or rule, and which are based upon, arise out of, relate in any way to, or involve, directly or indirectly, (i) the actions, inactions, deliberations, discussions, decisions, votes, or any other conduct of any kind by any of the Released Parties, relating in any way to any agreement, transaction, occurrence, conduct, or fact alleged or set forth in the Verified Stockholder Derivative Complaint or (ii) the commencement, prosecution, defense, mediation or settlement of the Action, including, but not limited to, discovery produced in the Action; provided, however, for the avoidance of doubt, that the Released Defendants’ Claims shall not include any claims to enforce this Stipulation, the Settlement, the Final Order and Judgment, or any other document memorializing the Settlement of the Action

“Released Plaintiffs’ Claims” means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys’ fees, actions, potential actions, causes of action, suits, judgments, defenses, counterclaims, offsets, decrees, matters, issues and controversies of any kind, nature or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims, (i) that Plaintiff

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asserted in the Verified Stockholder Derivative Complaint; or (ii) that Plaintiff could have asserted derivatively on behalf of Stericycle in any court, tribunal, forum or proceeding, whether based on state, local, foreign, federal, statutory, regulatory, common or other law or rule, and which are based upon, arise out of, relate in any way to, or involve, directly or indirectly, the actions, inactions, deliberations, discussions, decisions, votes, or any other conduct of any kind by any of the Released Parties, relating in any way to any agreement, transaction, occurrence, conduct, or fact alleged or set forth in the Verified Stockholder Derivative Complaint, or (ii) that Plaintiff could have asserted derivatively on behalf of Stericycle in any court, tribunal, forum or proceeding, whether based on state, local, foreign, federal, statutory, regulatory, common, or other law, rule, or regulation, and that are based upon, arise out of, or relate to the actions, inactions, deliberations, discussions, decisions, votes, or any other conduct of any kind by any of the Released Defendants relating to any agreement, transaction, occurrence, conduct, or fact alleged or set forth in the Verified Stockholder Derivative Complaint; provided, however, for the avoidance of doubt, that the Released Plaintiffs' Claims shall not include (i) those direct stockholder claims asserted in the Securities Action; or (ii) any claims to enforce this Stipulation, the Settlement, or the Final Order and Judgment.

Pending final determination by the Court of whether the Settlement should be approved, Plaintiff and all other Stericycle Stockholders are barred and enjoined from commencing, instituting, or prosecuting any of the Released Plaintiffs' Claims against any of the Released Defendants.

**WHEN AND WHERE WILL THE SETTLEMENT HEARING BE HELD?
DO I HAVE THE RIGHT TO APPEAR AT THE SETTLEMENT HEARING?**

The Court will consider the Settlement and all matters related to the Settlement at the Settlement Hearing. The Settlement Hearing will be held before The Honorable J. Travis Laster, Vice Chancellor, on _____, 2019 at __:___.m., at the Court of Chancery of the State of Delaware, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801. The Court may change the date or time of the Settlement Hearing without further notice to the stockholders.

At the Settlement Hearing, the Court will consider, among other things: (i) whether the terms of the settlement are fair, reasonable, and adequate, including the amount for Plaintiff's Counsel's attorneys' fees and expenses, and should be finally approved; (ii) whether the Final Judgment Order should be entered and the Action dismissed with prejudice pursuant to the Stipulation; and (iii) such other matters as may be necessary or proper under the circumstances.

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Any person who was a stockholder of Stericycle as of February 25, 2019 and continues to be a stockholder of Stericycle through _____, 2019 (the date of the Settlement Hearing) and who objects to the Settlement or the application by Plaintiffs' Counsel for an Attorneys' Fees and Expenses Award, or who otherwise wishes to be heard, may appear in person or through his, her, or its attorney at the Settlement Hearing and present any evidence in argument that be proper and relevant; provided, however, that no such person shall be heard, and no papers, briefs, pleadings, or other documents submitted by any such person shall be received and considered by the Court unless, no later than twenty-one (21) calendar, such person files with the Register in Chancery, Court of Chancery, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware 19801, the following: (a) a written and signed notice of intention to appear, which states the name, address and telephone number of the objector and, if represented, his, her, or its counsel; (b) proof that the objector owned shares of Stericycle stock as of February 25, 2019 and continues to hold such shares; and (c) a detailed statement of the person's objections to any matter before the Court, including the specific grounds for such objections, the reasons why such person desires to appear and be heard, as well as all documents and writings such person desires the Court to consider, including any legal and evidentiary support. These writings must also be served by File & Serve*Xpress*, by email, by hand, by first-class mail, or by express service upon the following attorneys such that they are received no later than twenty-one (21) business days prior to the Settlement Hearing:

If to Plaintiff:

Peter B. Andrews
Craig J. Springer
ANDREWS & SPRINGER LLC
3801 Kennett Pike
Building C, Suite 1305
Wilmington, DE 19807

Geoffrey M. Johnson
SCOTT+SCOTT ATTORNEYS AT
LAW LLP
12434 Cedar Road, Suite 12
Cleveland Heights, OH 44118

If to Defendants:

Lisa A. Schmidt
Richards, Layton & Finger, P.A.
One Rodney Square
920 North King Street
Wilmington, DE 19801

Sean M. Berkowitz
Michael J. Faris
Latham & Watkins, LLP
330 North Wabash, Suite 2800
Chicago, IL 60611

Unless the Court orders otherwise, any person or entity who or which does not make his, her or its objection in the manner provided herein shall be deemed to have waived his, her or its right to object to any aspect of the proposed Settlement and shall be forever barred and foreclosed from objection to the fairness, reasonableness or adequacy of the Settlement, or from otherwise being heard concerning the Settlement in this or any other proceeding.

WHERE CAN I FIND ADDITIONAL INFORMATION?

This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in the Action, you may refer to the papers on file in the Action, including the Stipulation, which may be inspect during regular office hours at the Office of the Register in Chancery in the Court of Chancery of the State of Delaware, 500 North King Street, Wilmington, 19801. Additionally, copies of the Stipulation and any related orders entered by the court will be posted on the following website: http://_____.

**NOTICE TO PERSONS OR ENTITIES HOLDING
RECORD OWNERSHIP ON BEHALF OF OTHERS**

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF
THE REGISTER IN CHANCERY REGARDING THIS NOTICE.**

Dated: _____, 2019

BY ORDER OF THE COURT OF
CHANCERY OF THE STATE OF
DELAWARE