STERICYCLE INC

MEETING DATE	Wed, 25 May 2016 11:00 am	TYPE	AGM	ISSUE DATE	Mon, 16 May 2016
MEETING LOCATION	DoubleTree Hotel Chicago O'Hare Airport-Rosemont, 5460 North River Road, Rosemont, Illinois 60018				
CURRENT INDICES	S&P500				
SECTOR	Hazardous waste management				

	PROPOSALS	ADVICE
1a	**Elect Mark C. Miller** Executive Chairman. Mr. Miller is the beneficial owner of 1.4% of the Company's shares. It is not considered good practice for a Chairman to hold an executive position in the Company as the management of the business and the functioning of the Board are best kept separate. Triodos does not support this resolution.	**Oppose**
1b	**Elect Jack W. Schuler** Lead Director. Not considered independent owing to a tenure of over nine years. There is insufficient independence on the Board. He is chair of the Nomination committee and less than 20% of the Board are women which Triodos does not support.	**Oppose**
1c	**Elect Charles A. Alutto** President and Chief Executive Officer.	**For**
1d	**Elect Lynn D. Bleil** Independent Non-Executive Director.	**For**
1e	**Elect Thomas D. Brown** Independent Non-Executive Director.	**For**
1f	**Elect Thomas F. Chen** Independent Non-Executive Director.	**For**
1g	**Elect Rod F. Dammeyer** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independence on the Board.	**Oppose**
1h	**Elect William K. Hall** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independence on the Board.	**Oppose**
1i	**Elect John Patience** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independence on the Board.	**Oppose**
1j	**Elect Mike S. Zafirovski** Independent Non-Executive Director.	**For**
2	**Approve Stericycle, Inc. Canadian Employee Stock Purchase Plan** The Board has asked for shareholder approval of the Stericycle, Inc. Canadian Employee Stock Purchase Plan (ESPP). The ESPP authorizes 100,000 shares to be purchased by employees of Canadian subsidiaries of the Company at a 5% discount from the market price of the shares. Approximately 3,500 employees would be eligible to participate in the ESPP. The ESPP will have two consecutive six-month offering periods in which employees can make payroll deductions to purchase shares. Total payroll deductions in an offering period may not exceed $5,000, and the maximum value of shares that an employee can purchase is $25,000. It is in the best interests of the Company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership through payroll deductions.The ESPP is open to the majority of employees of Canadian subsidiaries at a purchase price of no less than 95% of fair market value. Triodos supports this resolution.	**For**

2 Appoint the auditors **Oppose**

EY proposed. Non-audit fees represented 14.81% of audit fees during the year under review and 14.72% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Triodos opposes this resolution.

4 Advisory vote on executive compensation **Oppose**

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: CDD.

Long-term incentives consisted of stock options that vest in 20% annual increments over five years. Whilst the amount of reward derived from options is determined by share price growth, the awards of options have no performance conditions attached. Stock option plans provide for the full vesting upon a change in control of all unvested options. Based on these concerns, Triodos opposes this resolution.

5 Shareholder Resolution: Require Independent Chairman **For**

Proposed by: Teamsters General Fund of the International Brotherhood of Teamsters

The Proponent asks for the Board to adopt a policy to require the Chairman to be an independent member of the Board. If no independent director is willing to serve as Chairman, compliance with the policy would not be necessary.

Supporting Argument: The Proponent states that it is the Board's responsibility to protect shareholders' long-term interests by providing independent oversight of management. The Proponent states that the Board's lengthy tenures and other, overlapping public company board commitments raise concerns about its independence.

Opposing Argument: The Board recommends a vote against the proposal. The Board states that it requires flexibility in selecting the leadership of the Company in order to govern the Company effectively and in the best interests of shareholders. The Board points out that it has separated the positions of Chief Executive Officer and Chairman and has appointed a Lead Director, who is responsible for coordinating Board meetings, among other things. The Board also states that it conducts annual assessments of Board members.

Conclusion: The proposal effectively requires the separation of the Chief Executive Officer and Chairman roles by establishing the position of Chairman as independent. A separation of these roles is considered best practice. The Chief Executive Officer should be responsible for the running of the business and the Chairman for the functioning of the Board. Triodos supports this resolution.

6 Shareholder Resolution: proxy access **For**

Proposed by: John Chevedden

The Proponent asks for the Board to adopt, and present for shareholder approval, a "proxy access" bylaw. The bylaw would require the Board to include in the proxy materials prepared for a shareholder meeting the name, certain disclosures and the statement of a person nominated for election to the Board by a shareholder or an unrestricted number of nominating shareholders that meet certain criteria. The Proponent's criteria would require nominating shareholders to have beneficially owned 3% or more of the Company's shares continuously for at least three years and would limit the number of shareholder-nominated candidates appearing in proxy materials to one quarter of the directors then serving or two, whichever is greater.

Supporting Argument: The Proponent states that the proposal would enhance shareholder value. The Proponent cites a cost-benefit analysis by the Chartered Financial Analyst Institute, which found that proxy access would benefit both markets and corporate boardrooms, and states that the proposal is similar to the terms in a vacated SEC rule.

Opposing Argument: The Board recommends a vote against the proposal. The Board argues that its recently-adopted proxy access bylaw makes the proposal unnecessary. The proxy access provisions limit the number of shareholders that may aggregate their shares to constitute 3% to 20 and also limit the number of shareholder-nominated directors to the greater of two or 20% of the Board. The Board states that the limits in the existing provisions strike the appropriate balance between proxy access and preventing special interests shareholders from furthering their goals. In addition, the Board discusses its other strong corporate governance practices.

Conclusion: The terms of the proxy access proposal - the 3% ownership threshold, one quarter limit on shareholder-nominated directors and no limits on the number of shareholders that may aggregate their shares - are in line with best practice in this regard and are superior to the Company's existing proxy access bylaw. Triodos supports this resolution.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 4 - Advisory vote on executive compensation

Disclosure: C - The Company has achieved an average level of disclosure for the fiscal year. The annual bonuses were based on the achievement of an earnings before interest, taxes, depreciation and amortization target, though a second metric has been added beginning in 2016. Long-term incentives consisted of stock options that vest in 20% annual increments over five years. Restricted stock units have been added for long-term incentives beginning in 2016.

Balance: D - The Company has achieved a poor balance for rewards. Annual bonus payments were reasonable. The vesting schedule for stock options is not considered sufficiently long term to link pay with performance. In addition, whilst the amount of reward derived from options is determined by share price growth, the awards of options have no performance conditions attached. Therefore, an increase in share price over the lifespan of an option can reward executives even in circumstances of poor relative performance.

Contracts: D - The Company has achieved a poor approach to contracts with executives. The Company has not entered into any severance or similar agreements or arrangements with any of the executive officers. It has no contractual or other obligation to provide severance benefits or other payments in the event of a change in control or termination of employment. However, stock option plans provide for the full vesting upon a change in control of all unvested options.

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