

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re Stericycle, Inc. Securities Litigation

Civ. A. No. 1:16-cv-07145
Hon. Andrea R. Wood

CLASS ACTION

ECF CASE

**NOTICE OF (I) PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT;
(II) SETTLEMENT HEARING; AND (III) MOTION FOR AN AWARD OF
ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned securities class action (the “Action”) pending in the United States District Court for the Northern District of Illinois, Eastern Division (the “Court”), if, during the period from February 7, 2013 through February 21, 2018, inclusive (the “Class Period”), you purchased or otherwise acquired publicly-traded Stericycle, Inc. (“Stericycle” or the “Company”) common stock (“Stericycle Common Stock”) or publicly-traded Stericycle depository shares (“Stericycle Depository Shares”) (collectively, “Stericycle Securities”) in the open market, including Stericycle Depository Shares purchased in or traceable to the public offering of Stericycle Depository Shares conducted on or around September 15, 2015, and were damaged thereby.¹

NOTICE OF SETTLEMENT: Please also be advised that the Court-appointed Lead Plaintiffs, the Public Employees’ Retirement System of Mississippi and the Arkansas Teacher Retirement System (collectively, “Lead Plaintiffs”), on behalf of themselves and the Settlement Class (as defined in ¶ 25 below), have reached a proposed settlement of the Action for \$45,000,000 in cash that, if approved, will resolve all claims in the Action (the “Settlement”).

PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.

If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact Stericycle, any of the other Defendants in the Action, or their counsel. All questions should be directed to Lead

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated February 14, 2019 (the “Settlement Stipulation” or “Stipulation”), which is available at www.StericycleSecuritiesLitigation.com.

Counsel or the Court-appointed Claims Administrator, JND Legal Administration (see ¶ 91 below).

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that Stericycle, the Officer Defendants,² the Director Defendants,³ and the Underwriter Defendants⁴ (collectively, “Defendants”) violated the federal securities laws by making materially false and misleading statements regarding Stericycle’s business. A more detailed description of the Action is set forth in ¶¶ 11-24 below. The proposed Settlement, if approved by the Court, will settle claims of the Settlement Class, as defined in ¶ 25 below.

2. **Statement of the Settlement Class’s Recovery:** Subject to Court approval, Lead Plaintiffs, on behalf of themselves and the Settlement Class, have agreed to settle the Action in exchange for a settlement payment of \$45,000,000 in cash (the “Settlement Amount”) to be deposited into an escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the “Settlement Fund”) less (i) any Taxes; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; (iv) any attorneys’ fees awarded by the Court; and (v) any other costs or fees approved by the Court) will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Class. The proposed plan of allocation (the “Plan of Allocation”) is set forth in ¶¶ 52-75 below.

3. **Estimate of Average Amount of Recovery Per Share:** Lead Plaintiffs’ damages expert estimates that the conduct at issue in the Action affected approximately 149,069,845 shares of Stericycle Common Stock and approximately 18,779,658 Stericycle Depository Shares purchased during the Class Period. Assuming all Settlement Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses, and costs as described herein) per eligible share of Stericycle Common Stock is approximately \$0.27 per share and the estimated average recovery (before the deduction of any Court-approved fees, expenses, and costs as described herein) per eligible Stericycle Depository Share is approximately \$0.22 per share. Settlement Class Members should note, however, that the foregoing average recoveries per share are only estimates. Some Settlement Class Members may recover more or less than these estimated amounts depending on, among other factors, when and at what prices they purchased/acquired or sold their Stericycle Securities, and the total number and value of valid Claim Forms submitted. Distributions to Settlement Class Members will be made based on the Plan of Allocation set forth herein (*see* ¶¶ 52-75 below) or such other plan of allocation as may be ordered by the Court.

4. **Average Amount of Damages Per Share:** The Parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiffs were to prevail in the

² The “Officer Defendants” are Charles A. Alutto, Dan Ginnetti, Brent Arnold, Frank ten Brink, and Richard Kogler.

³ The “Director Defendants” are Mark C. Miller, Jack W. Schuler, Lynn Dorsey Bleil, Thomas D. Brown, Thomas F. Chen, Rodney F. Dammeyer, William K. Hall, John Patience, and Mike S. Zafirovski.

⁴ The “Underwriter Defendants” are Merrill Lynch, Pierce, Fenner & Smith Incorporated, Goldman Sachs & Co. LLC (f/k/a Goldman, Sachs & Co.), J.P. Morgan Securities LLC, HSBC Securities (USA) Inc., MUFG Securities Americas Inc. (f/k/a Mitsubishi UFJ Securities (USA), Inc.), Santander Investment Securities Inc., SMBC Nikko Securities America, Inc., and U.S. Bancorp Investments, Inc.

Action. Among other things, Defendants do not agree with the assertion that they violated the federal securities laws or that any damages were suffered by any members of the Settlement Class as a result of their conduct.

5. **Attorneys' Fees and Expenses Sought:** Plaintiffs' Counsel, which have been prosecuting the Action on a wholly contingent basis since its inception in 2016, have not received any payment of attorneys' fees for their representation of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Court-appointed Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP, will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 25% of the Settlement Fund. In addition, Lead Counsel will apply for reimbursement of Litigation Expenses paid or incurred by Plaintiffs' Counsel in connection with the institution, prosecution, and resolution of the claims against Defendants, in an amount not to exceed \$350,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiffs directly related to their representation of the Settlement Class. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. If the Court approves Lead Counsel's fee and expense application, the estimated average cost per eligible share of Stericycle Common Stock is approximately \$0.07 per share and the estimated average cost per eligible Stericycle Depository Share is approximately \$0.06 per share. Please note that these amounts are only estimates.

6. **Identification of Attorneys' Representatives:** Lead Plaintiffs and the Settlement Class are represented by John C. Browne, Esq. of Bernstein Litowitz Berger & Grossmann LLP, 1251 Avenue of the Americas, 44th Floor, New York, NY 10020, 1-800-380-8496, settlements@blbglaw.com.

Further information regarding the Action, the Settlement, and this Notice may be obtained by contacting Lead Counsel or the Claims Administrator at: Stericycle Securities Litigation, c/o JND Legal Administration, P.O. Box 91124, Seattle, WA 98111-9224, 1-833-291-1647, info@StericycleSecuritiesLitigation.com, www.StericycleSecuritiesLitigation.com.

7. **Reasons for the Settlement:** Lead Plaintiffs' principal reason for entering into the Settlement is the substantial immediate cash benefit for the Settlement Class without the risk or the delays inherent in further litigation. Moreover, the substantial cash benefit provided under the Settlement must be considered against the significant risk that a smaller recovery – or indeed no recovery at all – might be achieved after contested motions, a trial of the Action, and the likely appeals that would follow a trial. This process could be expected to last several years. Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden, and expense of further protracted litigation.

Defendants have denied and continue to deny each and all of the claims alleged by Lead Plaintiffs in the Action. Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Action. Defendants also have denied and continue to deny, among other things, the allegations that Lead Plaintiffs or the Settlement Class have suffered any damage, that Lead Plaintiffs or the Settlement Class were harmed by the conduct alleged in the Action, or that the Action is properly certifiable as a class action for litigation purposes.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:

SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN AUGUST 7, 2019.	This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs' Claims (defined in ¶ 35 below) that you have against Defendants and the other Defendants' Releasees (defined in ¶ 36 below), so it is in your interest to submit a Claim Form.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN JULY 1, 2019.	If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Defendants' Releasees concerning the Released Plaintiffs' Claims.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN JULY 1, 2019.	If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.
GO TO A HEARING ON JULY 22, 2019 AT 9:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN JULY 1, 2019.	Filing a written objection and notice of intention to appear by July 1, 2019 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys' fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.
DO NOTHING.	If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

WHAT THIS NOTICE CONTAINS

Why Did I Get This Notice?	Page 5
What Is This Case About?	Page 6
How Do I Know If I Am Affected By The Settlement? Who Is Included In The Settlement Class?	Page 8
What Are Lead Plaintiffs' Reasons For The Settlement?	Page 9
What Might Happen If There Were No Settlement?	Page 10
How Are Settlement Class Members Affected By The Action And The Settlement?	Page 10
How Do I Participate In The Settlement? What Do I Need To Do?	Page 12
How Much Will My Payment Be?	Page 12
What Payment Are The Attorneys For The Settlement Class Seeking? How Will The Lawyers Be Paid?	Page 18
What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?	Page 19
When And Where Will The Court Decide Whether To Approve The Settlement? Do I Have To Come To The Hearing? May I Speak At The Hearing If I Don't Like The Settlement?	Page 19
What If I Bought Shares On Someone Else's Behalf?	Page 21
Can I See The Court File? Whom Should I Contact If I Have Questions?	Page 22

WHY DID I GET THIS NOTICE?

8. The Court directed that this Notice be mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired Stericycle Common Stock or Stericycle Depositary Shares during the Class Period. The Court has directed us to send you this Notice because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlement, and the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by Lead Plaintiffs and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court (the "Settlement Hearing") to determine: (i) whether the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) whether, for purposes of the proposed Settlement only, the Action should be certified as a class action on behalf of the Settlement Class, Lead Plaintiffs should be certified as Class Representatives for

the Settlement Class, and Lead Counsel should be appointed as Class Counsel for the Settlement Class; (iii) whether the Action should be dismissed with prejudice against Defendants, and the Releases specified and described in ¶¶ 34-40 below should be granted; (iv) whether the proposed Plan of Allocation should be approved as fair and reasonable; and (v) whether Lead Counsel’s application for an award of attorneys’ fees and reimbursement of Litigation Expenses should be approved. See ¶¶ 81-82 below for details about the Settlement Hearing, including the date and location of the hearing.

10. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

WHAT IS THIS CASE ABOUT?

11. This Action involves allegations that Stericycle, an international waste management and disposal company, made misrepresentations and omissions about the Company’s practices concerning its small quantity (“SQ”) customers and the reasons for the Company’s growth during the Class Period.

12. On July 11, 2016, a class action complaint was filed in the Court, styled *St. Lucie County Fire District Firefighters’ Pension Trust Fund, et al., v. Stericycle, Inc., et al.*, Case No. 1:16-cv-07145. An amended class action complaint was filed in the Court on August 4, 2016, and a corrected amended class action complaint was filed in the Court on October 21, 2016.

13. On February 1, 2017, Lead Plaintiffs then filed a Class Action Complaint for Violations of the Federal Securities Laws (the “CAC”) asserting: (i) claims under § 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”), and Rule 10b-5 promulgated thereunder, against Defendant Stericycle and the Officer Defendants; (ii) claims under § 20(a) of the Exchange Act against the Officer Defendants; (iii) claims under § 11 of the Securities Act of 1933 (the “Securities Act”) against Defendant Stericycle, the Director Defendants, the Underwriter Defendants, and Defendants Charles A. Alutto and Dan Ginnetti; (iv) claims under § 12(a)(2) of the Securities Act against the Underwriter Defendants; and (v) claims under § 15 of the Securities Act against the Director Defendants and Defendants Charles A. Alutto, Dan Ginnetti, and Brent Arnold. The claims under §§ 11 and 12(a)(2) of the Securities Act related to Stericycle’s September 2015 offering of Depositary Shares. Among other things, the CAC alleged that throughout the alleged class period (February 7, 2013 through September 18, 2016, inclusive), Stericycle made a series of materially false and misleading statements and omissions regarding its alleged practice of automatically and improperly raising the rates charged to Stericycle’s SQ customers without any advance notice to such customers. The CAC also alleged that Stericycle made materially false and misleading statements about the reasons for the Company’s growth, while knowingly or recklessly disregarding that such growth was attributable to the allegedly improper automatic rate increases. The CAC alleged that certain of the alleged materially false statements were also set forth in the offering materials for Stericycle’s September 2015 offering of Depositary Shares. The CAC further alleged that the prices of Stericycle Common Stock and Stericycle Depositary Shares were artificially inflated as a result of Defendants’ allegedly false and misleading statements and declined when the truth was revealed.

14. On April 3, 2017, Defendants filed a motion to dismiss the CAC and a supporting memorandum of law. On May 19, 2017, Lead Plaintiffs filed their opposition to Defendants' motion to dismiss and, on June 19, 2017, Defendants filed their reply memorandum of law in further support of their motion to dismiss.

15. On August 7, 2017, Lead Plaintiffs filed a Motion for Judicial Notice of Recent Development ("Motion for Judicial Notice") in further support of their opposition to Defendants' motion to dismiss the CAC, arguing that the Court should take judicial notice of the Company's Form 8-K filed on August 2, 2017. The Form 8-K announced Stericycle's preliminary settlement of a class action litigation that Stericycle's customers had filed against the Company (the "Customer Case") and made certain disclosures that Lead Plaintiffs claimed corroborated their allegations in the Action. On August 11, 2017, the Stericycle Defendants filed their response to the Motion for Judicial Notice, which was joined by the Underwriter Defendants on August 15, 2017, and, on August 17, 2017, Lead Plaintiffs served their reply memorandum of law in further support of the Motion for Judicial Notice.

16. On March 6, 2018, Lead Plaintiffs filed a Notice of Recent Development and Intent to Amend the Complaint ("Notice of Recent Development"), in order to further inform the Court that: (i) on February 21, 2018, Stericycle made several announcements about the Company's financial condition that were directly relevant to Lead Plaintiffs' allegations in this litigation (including a \$25 million expense to combat customer "churn" due to customer price increases), which caused the price of Stericycle stock to fall by 19%; and (ii) Lead Plaintiffs' intention to amend the CAC in order to incorporate this information into the complaint.

17. On March 20, 2018, Lead Plaintiffs filed an Unopposed Motion to Amend the Class Action Complaint ("Motion to Amend the Complaint"), which attached a copy of their proposed Amended Class Action Complaint for Violations of the Federal Securities Laws (the "Amended CAC" or "Complaint"). By Order dated March 30, 2018, the Court: (i) granted Lead Plaintiffs' Motion to Amend the Complaint; and (ii) denied as moot Defendants' motion to dismiss the CAC and Lead Plaintiffs' Motion for Judicial Notice.

18. On March 30, 2018, the Clerk entered the Amended CAC on the Court docket. The Amended CAC identifies the same allegedly false and misleading statements as in the CAC, but incorporates Lead Plaintiffs' additional allegations that Defendants misrepresented the Company's integration of its acquisitions into its operations and allegations arising out of the Company's February 21, 2018 disclosures, and asserts an expanded class period of February 7, 2013 through February 21, 2018, inclusive.

19. On May 25, 2018, Defendants filed a renewed motion to dismiss the Amended CAC and a supporting memorandum of law. On June 22, 2018, Lead Plaintiffs filed their opposition to Defendants' motion to dismiss and, on July 13, 2018, Defendants filed their reply in further support of their motion to dismiss.

20. In an attempt to resolve the Action, on April 16, 2018, Lead Counsel and counsel for Stericycle participated in a full-day mediation session before Gregory P. Lindstrom, Esq. of Phillips ADR as mediator (the "Mediator") in Chicago, Illinois. In advance of that session, Lead Plaintiffs and Stericycle exchanged detailed mediation statements, which addressed the issues of liability and damages.

21. Following the mediation, the Parties engaged in additional negotiations under the supervision and guidance of the Mediator. The Parties then reached an agreement in principle to settle the Action that was pursuant to a Mediator's recommendation and memorialized in a term sheet executed on December 6, 2018 (the "Term Sheet"). The Term Sheet sets forth, among

other things, the Parties' agreement to settle and release all claims against Defendants in return for a cash payment by Stericycle of \$45,000,000 for the benefit of the Settlement Class, subject to certain terms and conditions and the execution of a formal stipulation and agreement of settlement and related papers. The agreement to settle was further conditioned on Lead Plaintiffs confirming the fairness, reasonableness, and adequacy of the proposed Settlement based on due diligence discovery to be provided by the Company.

22. Pursuant to the Term Sheet, Lead Counsel conducted due diligence discovery regarding the strengths and weaknesses of Lead Plaintiffs' claims to assure the reasonableness of the proposed Settlement. In connection with due diligence discovery, the Company produced 25 confidential deposition transcripts of Stericycle executives (and exhibits) from the related Customer Case, and additional internal Stericycle documents, which Lead Counsel reviewed. The due diligence discovery has confirmed Lead Plaintiffs' and Lead Counsel's belief that the Settlement is fair, reasonable, and adequate.

23. On February 14, 2019, the Parties entered into the Settlement Stipulation, which sets forth the terms and conditions of the Settlement. The Settlement Stipulation is available at www.StericycleSecuritiesLitigation.com.

24. On March 12, 2019, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?
WHO IS INCLUDED IN THE SETTLEMENT CLASS?**

25. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class consists of:

all persons or entities who purchased or otherwise acquired publicly-traded Stericycle common stock ("Stericycle Common Stock") or publicly-traded Stericycle depositary shares ("Stericycle Depositary Shares") (collectively, "Stericycle Securities") in the open market during the period from February 7, 2013 through February 21, 2018, inclusive (the "Class Period"), including Stericycle Depositary Shares purchased in or traceable to the public offering of Stericycle Depositary Shares conducted on or around September 15, 2015, and were damaged thereby.

Excluded from the Settlement Class are: (i) Defendants; (ii) members of the Immediate Family of any Individual Defendant; (iii) any person who was an Officer or director of Stericycle during the Class Period and any members of their Immediate Family; (iv) any parent, subsidiary, or affiliate of Stericycle; (v) any firm, trust, corporation, or other entity in which any Defendant or any other excluded person or entity has, or had during the Class Period, a controlling interest, *provided, however*, that any Investment Vehicle (as defined in the Stipulation) shall not be excluded from the Settlement Class; and (vi) the legal representatives, agents, heirs, successors-in-interest, or assigns of any such excluded persons or entities. Also excluded from the Settlement Class are any persons or entities who or which exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. *See* "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself," on page 19 below.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN AUGUST 7, 2019.

WHAT ARE LEAD PLAINTIFFS' REASONS FOR THE SETTLEMENT?

26. Lead Plaintiffs and Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue their claims against Defendants through trial and appeals, as well as the very substantial risks they would face in establishing liability and damages. For example, Defendants have raised a number of arguments and defenses including that Lead Plaintiffs' claims are barred by the statute of limitations because a government settlement and the filing of the Customer Case purportedly revealed to the market the existence of the price increase scheme more than two years before the present securities Action was filed. Defendants also argued that they did not make materially false and misleading statements in violation of the federal securities laws because their SQ customer contracts purportedly allowed for price increases in certain situations, and that Lead Plaintiffs would not be able to establish that Defendants acted with the requisite intent with respect to the claims brought under the Exchange Act. Defendants have also argued that Lead Plaintiffs have not shown loss causation, including arguing that the specific alleged corrective disclosures did not reveal new material information to investors about the alleged price increase fraud, but instead simply disclosed disappointing financial results tied to unrelated market events and developments. Even assuming Lead Plaintiffs could establish liability and loss causation, the amount of damages that could be attributed to the allegedly false statements would be hotly contested.

27. At the time that the Parties agreed in principle to settle the Action, the Court had not yet decided Defendants' motion to dismiss the Complaint, and while Lead Plaintiffs believe that they had compelling arguments in response to it, Lead Plaintiffs acknowledge that a serious risk exists that Defendants' arguments would persuade the Court to reduce dramatically, or even eliminate altogether, the damages that they could recover from Defendants. What is more, even if Lead Plaintiffs successfully defeated Defendants' motion to dismiss, which was far from certain, Defendants would in all likelihood make the same arguments to a jury should this case proceed to trial. Thus, there were very significant risks attendant to the continued prosecution of the Action.

28. In light of these risks, the amount of the Settlement, and the immediacy of recovery to the Settlement Class, Lead Plaintiffs and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class. Lead Plaintiffs and Lead Counsel believe that the Settlement provides a substantial benefit to the Settlement Class, namely \$45,000,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no, recovery after summary judgment, trial, and appeals, possibly years in the future.

29. Defendants have denied the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by Defendants.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

30. If there were no Settlement and Lead Plaintiffs failed to establish any essential legal or factual element of their claims against Defendants, neither Lead Plaintiffs nor the other members of the Settlement Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial, or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

31. As a Settlement Class Member, you are represented by Lead Plaintiffs and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” below.

32. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section entitled, “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?,” below.

33. If you are a Settlement Class Member and you wish to object to the Settlement, the Plan of Allocation, or Lead Counsel’s application for attorneys’ fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” below.

34. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiffs and each of the other Settlement Class Members, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Plaintiffs’ Claim (as defined in ¶ 35 below) against Defendants and the other Defendants’ Releasees (as defined in ¶ 36 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs’ Claims against any of the Defendants’ Releasees.

35. “Released Plaintiffs’ Claims” means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, common, or foreign law, that Lead Plaintiffs or any other member of the Settlement Class (i) asserted in the Complaint, or (ii) could have asserted in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations, or omissions involved, set forth, or referred to in the Complaint and that relate to the purchase, acquisition, holding, sale, or disposition of publicly-traded Stericycle common stock or publicly-traded Stericycle depository shares during the Class Period. This release does not cover, include,

or release: (i) any claims asserted in any ERISA or derivative action, including without limitation the claims asserted in *Weinstein v. Alutto et al.*, No. 2017-CG-03062 (Cir. Ct. Cook Cty., Ill., filed March 1, 2017), *Shah v. Alutto et al.*, No. 2016-CH-11636 (Cir. Ct. Cook Cty., Ill., filed September 1, 2016), *Janklow v. Alutto et al.*, No. 18 cv 00457 (D. Del., filed March 26, 2018), *Siu v. Alutto et al.*, No. 1:16-cv-07145 (Del. Chancery Ct., filed April 12, 2018), *Brennan v. Alutto et al.*, No. 1:18-cv-00567-RGA (D. Del., filed April 16, 2018), or *Turney v. Miller et al.*, Case No. 1:18-cv-05186 (N.D. Ill., filed July 30, 2018); (ii) any claims relating to the enforcement of the Settlement; or (iii) any claims of any person or entity who submits a request for exclusion that is accepted by the Court (“Excluded Plaintiffs’ Claims”).

36. “Defendants’ Releasees” means Defendants and their current and former parents, affiliates, subsidiaries, officers, directors, agents, successors, predecessors, assigns, assignees, partnerships, partners, trustees, trusts, employees, Immediate Family Members, insurers, reinsurers, and attorneys.

37. “Unknown Claims” means any Released Plaintiffs’ Claims which Lead Plaintiffs or any other Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, and any Released Defendants’ Claims which any Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her or it, might have affected his, her, or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Lead Plaintiffs and Defendants shall expressly waive, and each of the other Settlement Class Members shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Lead Plaintiffs and Defendants acknowledge, and each of the other Settlement Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

38. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Defendants’ Claim (as defined in ¶ 39 below) against Lead Plaintiffs and the other Plaintiffs’ Releasees (as defined in ¶ 40 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants’ Claims against any of the Plaintiffs’ Releasees.

39. “Released Defendants’ Claims” means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, common, or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims asserted in the Action against Defendants. Released Defendants’ Claims do not include: (i) any claims relating to the enforcement of the Settlement; or (ii) any claims

against any person or entity who submits a request for exclusion from the Settlement Class that is accepted by the Court (“Excluded Defendants’ Claims”).

40. “Plaintiffs’ Releasees” means Lead Plaintiffs, all other plaintiffs in the Action, and all other Settlement Class Members, and their respective current and former parents, affiliates, subsidiaries, officers, directors, agents, successors, predecessors, assigns, assignees, partnerships, partners, trustees, trusts, employees, Immediate Family Members, insurers, reinsurers, and attorneys.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

41. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than August 7, 2019**. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlement, www.StericycleSecuritiesLitigation.com, or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-833-291-1647 or emailing the Claims Administrator at info@StericycleSecuritiesLitigation.com. Please retain all records of your ownership of and transactions in Stericycle Securities, as they may be needed to document your Claim. If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

HOW MUCH WILL MY PAYMENT BE?

42. At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement.

43. Pursuant to the Settlement, Stericycle has agreed to pay or caused to be paid forty-five million dollars (\$45,000,000) in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the “Net Settlement Fund” (that is, the Settlement Fund less (i) any Taxes; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; (iv) any attorneys’ fees awarded by the Court; and (v) any other costs or fees approved by the Court) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

44. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.

45. Neither Defendants nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court’s order or judgment approving the Settlement becomes Final. Defendants shall not have any liability, obligation, or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund, or the plan of allocation.

46. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

47. Unless the Court otherwise orders, any Settlement Class Member who or which fails to submit a Claim Form postmarked on or before August 7, 2019 shall be fully and forever barred

from receiving payments pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any judgment entered and the releases given. This means that each Settlement Class Member releases the Released Plaintiffs' Claims (as defined in ¶ 35 above) against the Defendants' Releasees (as defined in ¶ 36 above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Plaintiffs' Claims against any of the Defendants' Releasees whether or not such Settlement Class Member submits a Claim Form.

48. Participants in and beneficiaries of a plan covered by ERISA ("ERISA Plan") should NOT include any information relating to their transactions in Stericycle Securities held through the ERISA Plan in any Claim Form that they may submit in this Action. They should include ONLY those shares that they purchased or acquired outside of the ERISA Plan. Claims based on any ERISA Plan's purchases or acquisitions of Stericycle Securities during the Class Period may be made by the plan's trustees.

49. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member.

50. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her, or its Claim Form.

51. Only Settlement Class Members, *i.e.*, persons and entities who purchased or otherwise acquired Stericycle Securities during the Class Period and were damaged as a result of such purchases or acquisitions, will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Settlement Class by definition or that exclude themselves from the Settlement Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms. The only securities that are included in the Settlement are the Stericycle Securities.

PROPOSED PLAN OF ALLOCATION

52. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund to those Settlement Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

53. In developing the Plan of Allocation, Lead Plaintiffs' damages expert calculated the estimated amounts of artificial inflation in the per share closing prices of Stericycle Common Stock and Stericycle Depository Shares which allegedly was proximately caused by Defendants' alleged materially false and misleading statements and omissions.

54. In calculating the estimated artificial inflation allegedly caused by Defendants' alleged misrepresentations and omissions, Lead Plaintiffs' damages expert considered price changes in Stericycle Common Stock and Stericycle Depository Shares in reaction to certain public announcements allegedly revealing the truth concerning Defendants' alleged misrepresentations and omissions. The estimated artificial inflation in Stericycle Common Stock and Stericycle Depository Shares is stated in Table A at the end of this Notice.

55. In order to have recoverable damages, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the security. In this case, Lead Plaintiffs allege that Defendants made false statements and omitted material facts during the period between February 7, 2013 and February 21, 2018, inclusive, which had the effect of artificially inflating the price of Stericycle Common Stock and Stericycle Depositary Shares. Lead Plaintiffs further allege that corrective information was released to the market on: October 22, 2015, February 4, 2016, April 28, 2016, July 28, 2016, September 2, 2016, September 18-19, 2016, August 3, 2017, and February 21, 2018, which partially removed the artificial inflation from the prices of Stericycle Common Stock and Stericycle Depositary Shares on: October 23, 2015, February 5, 2016, April 29, 2016, July 29, 2016, September 2, 2016, September 19, 2016, August 4, 2017, and February 22, 2018.

56. Recognized Loss Amounts are based primarily on the difference in the amount of alleged artificial inflation in the respective prices of the Stericycle Securities at the time of purchase or acquisition and at the time of sale or the difference between the actual purchase price and sale price. Accordingly, in order to have a Recognized Loss Amount under the Plan of Allocation, a Settlement Class Member who or which purchased or otherwise acquired Stericycle Common Stock or Stericycle Depositary Shares prior to the first corrective disclosure, which occurred after the close of the financial markets on October 22, 2015, must have held his, her, or its shares of the respective Stericycle Security through at least October 23, 2015. A Settlement Class Member who purchased or otherwise acquired Stericycle Common Stock or Stericycle Depositary Shares from October 23, 2015 through and including the close of trading on February 21, 2018, must have held the respective Stericycle Security through at least one of the later dates where new corrective information was released to the market and partially removed the artificial inflation from the price of the respective Stericycle Security.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

Stericycle Common Stock

57. Based on the formula stated below, a “Recognized Loss Amount” will be calculated for each purchase or acquisition of Stericycle Common Stock in the open market during the Class Period that is listed on the Claim Form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, that number will be zero.

58. For each share of Stericycle Common Stock purchased or otherwise acquired in the open market during the period from February 7, 2013 through and including the close of trading on February 21, 2018, and:

- (a) Sold before October 23, 2015, the Recognized Loss Amount will be \$0.00;
- (b) Sold from October 23, 2015 through and including the close of trading on February 21, 2018, the Recognized Loss Amount will be the lesser of: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table A minus the amount of artificial inflation per share on the date of sale as stated in Table A; or (ii) the purchase/acquisition price (excluding all fees, taxes, and commissions) minus the sale price (excluding all fees, taxes, and commissions);
- (c) Sold from February 22, 2018 through and including the close of trading on May 22, 2018, the Recognized Loss Amount will be the least of: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table A; (ii) the purchase/acquisition price (excluding all fees, taxes, and commissions) minus the

average closing price between February 22, 2018 and the date of sale as stated in Table B attached to the end of this Notice; or (iii) the purchase/acquisition price (excluding all fees, taxes, and commissions) minus the sale price (excluding all fees, taxes, and commissions); or

(d) Held as of the close of trading on May 22, 2018, the Recognized Loss Amount will be the lesser of: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table A; or (ii) the purchase/acquisition price (excluding all fees, taxes, and commissions) minus \$61.38.⁵

Stericycle Depositary Shares

59. Based on the formula stated below, a “Recognized Loss Amount” will be calculated for each purchase or acquisition of Stericycle Depositary Shares in the open during market during the Class Period that is listed on the Claim Form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, that number will be zero.

60. For each Stericycle Depositary Share purchased or otherwise acquired in the open market during the period from the initial offering of the security conducted on or around September 15, 2015 through and including the close of trading on February 21, 2018, and:

(a) Sold before October 23, 2015, the Recognized Loss Amount will be \$0.00;

(b) Sold from October 23, 2015 through and including the close of trading on February 21, 2018, the Recognized Loss Amount will be the lesser of: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table A minus the amount of artificial inflation per share on the date of sale as stated in Table A; or (ii) the purchase/acquisition price (excluding all fees, taxes, and commissions) minus the sale price (excluding all fees, taxes, and commissions);

(c) Sold from February 22, 2018 through and including the close of trading on May 22, 2018, the Recognized Loss Amount will be the least of: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table A; (ii) the purchase/acquisition price (excluding all fees, taxes, and commissions) minus the average closing price between February 22, 2018 and the date of sale as stated in Table B below; or (iii) the purchase/acquisition price (excluding all fees, taxes, and commissions) minus the sale price (excluding all fees, taxes, and commissions); or

(d) Held as of the close of trading on May 22, 2018, the Recognized Loss Amount will be the lesser of: (i) the amount of artificial inflation per share on the date of

⁵ Pursuant to Section 21D(e)(1) of the Exchange Act, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the Exchange Act, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Stericycle Common Stock during the “90-day look-back period,” February 22, 2018 through and including May 22, 2018. The mean (average) closing price for Stericycle Common Stock during this 90-day look-back period was \$61.38.

purchase/acquisition as stated in Table A; or (ii) the purchase/acquisition price (excluding all fees, taxes, and commissions) minus \$47.45.⁶

61. In consideration of the differences in the proof in establishing a Section 11 claim as compared to establishing a Section 10(b) claim, with respect to Stericycle Depository Shares, the Claimant's Recognized Loss Amounts will be multiplied by 1.10.

ADDITIONAL PROVISIONS

62. **Calculation of Claimant's "Recognized Claim":** A Claimant's "Recognized Claim" will be the sum of his, her, or its Recognized Loss Amounts as calculated above with respect to all Stericycle Securities.

63. **FIFO Matching:** If a Settlement Class Member made more than one purchase/acquisition or sale of any Stericycle Security during the Class Period, all purchases/acquisitions and sales of the like security will be matched on a First In, First Out ("FIFO") basis. Class Period sales will be matched first against any holdings of the like Stericycle Security at the beginning of the Class Period, and then against purchases/acquisitions of the like Stericycle Security in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

64. **"Purchase/Acquisition/Sale" Dates:** Purchases or acquisitions and sales of Stericycle Securities will be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance, or operation of law of Stericycle Securities during the Class Period shall not be deemed a purchase, acquisition, or sale of those Stericycle Securities for the calculation of a Claimant's Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition/sale of such Stericycle Securities unless (i) the donor or decedent purchased or otherwise acquired or sold such Stericycle Securities during the Class Period; (ii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights; and (iii) no Claim was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such Stericycle Securities.

65. **Short Sales:** The date of covering a "short sale" is deemed to be the date of purchase or acquisition of the Stericycle Security. The date of a "short sale" is deemed to be the date of sale of the Stericycle Security. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on "short sales" and the purchases covering "short sales" is zero.

66. In the event that a Claimant has an opening short position in Stericycle Common Stock, the earliest purchases or acquisitions of Stericycle Common Stock during the Class Period will be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

67. **Stericycle Securities Purchased/Sold Through the Exercise of Options:** Option contracts are not securities eligible to participate in the Settlement. With respect to Stericycle Securities purchased or sold through the exercise of an option, the purchase/sale date of the security is the exercise date of the option and the purchase/sale price is the exercise price of the option.

⁶ As explained in footnote 5 above, pursuant to the Exchange Act, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of the relevant security during the 90-day look-back period, February 22, 2018 through and including May 22, 2018. The mean (average) closing price for Stericycle Depository Shares during this 90-day look-back period was \$47.45.

68. **Market Gains and Losses:** The Claims Administrator will determine if the Claimant had a “Market Gain” or a “Market Loss” with respect to his, her, or its overall transactions in Stericycle Securities during the Class Period. For purposes of making this calculation, the Claims Administrator shall determine the difference between (i) the Claimant’s Total Purchase Amount⁷ and (ii) the sum of the Claimant’s Total Sales Proceeds⁸ and the Claimant’s Holding Value.⁹ If the Claimant’s Total Purchase Amount *minus* the sum of the Claimant’s Total Sales Proceeds and the Holding Value is a positive number, that number will be the Claimant’s Market Loss; if the number is a negative number or zero, that number will be the Claimant’s Market Gain.¹⁰

69. If a Claimant had a Market Gain with respect to his, her, or its overall transactions in Stericycle Securities during the Class Period, the value of the Claimant’s Recognized Claim will be zero, and the Claimant will in any event be bound by the Settlement. If a Claimant suffered an overall Market Loss with respect to his, her, or its overall transactions in Stericycle Securities during the Class Period but that Market Loss was less than the Claimant’s Recognized Claim, then the Claimant’s Recognized Claim will be limited to the amount of the Market Loss.

70. **Determination of Distribution Amount:** If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share will be the Authorized Claimant’s Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

71. If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund will be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

⁷ The “Total Purchase Amount” is the total amount the Claimant paid (excluding all fees, taxes, and commissions) for all shares of Stericycle Common Stock and Stericycle Depository Shares purchased/acquired during the Class Period.

⁸ For Stericycle Common Stock, the Claims Administrator shall match any sales of the stock during the Class Period first against the Claimant’s opening position in the stock (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding all fees, taxes, and commissions) for sales of the remaining shares of Stericycle Common Stock sold during the Class Period is the “Total Common Stock Sales Proceeds.” For Stericycle Depository Shares, there is no opening position since it was issued during the Class Period. The total amount received (excluding all fees, taxes, and commissions) for sales of Stericycle Depository Shares sold during the Class Period is the “Total Depository Shares Sales Proceeds.” The sum of the Total Common Stock Sales Proceeds and the Total Depository Shares Sales Proceeds shall be the “Total Sales Proceeds.”

⁹ The Claims Administrator shall ascribe a “Holding Value” of \$60.63 to each share of Stericycle Common Stock purchased/acquired during the Class Period that was still held as of the close of trading on February 21, 2018. The Claims Administrator shall ascribe a “Holding Value” of \$48.14 to each Stericycle Depository Share purchased/acquired during the Class Period that was still held as of the close of trading on February 21, 2018.

¹⁰ Consistent with ¶ 61 above, a Claimant’s Market Loss under the Plan of Allocation will be adjusted upward by 10% in the same proportion that the Claimant’s Recognized Loss Amounts arise from purchases/acquisitions of Stericycle Depository Shares.

72. If an Authorized Claimant's Distribution Amount calculates to less than \$10.00, no distribution will be made to that Authorized Claimant.

73. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund nine (9) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determines that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance will be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s), to be recommended by Lead Counsel and approved by the Court.

74. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, will be conclusive against all Authorized Claimants. No person or entity shall have any claim against Lead Plaintiffs, Plaintiffs' Counsel, Lead Plaintiffs' damages or consulting experts, Defendants, Defendants' Counsel, or any of the other Plaintiffs' Releasees or Defendants' Releasees, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Lead Plaintiffs, Defendants, and their respective counsel, and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the plan of allocation; the determination, administration, calculation, or payment of any Claim or nonperformance of the Claims Administrator; the payment or withholding of Taxes; or any losses incurred in connection therewith.

75. The Plan of Allocation stated herein is the plan that is being proposed to the Court for its approval by Lead Plaintiffs after consultation with their damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the Settlement website, www.StericycleSecuritiesLitigation.com.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS
SEEKING? HOW WILL THE LAWYERS BE PAID?**

76. Plaintiffs' Counsel have not received any payment for their services in pursuing claims against Defendants on behalf of the Settlement Class, nor have Plaintiffs' Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 25% of the Settlement Fund. At the same time, Lead Counsel also intends to apply for reimbursement of Litigation Expenses incurred by Plaintiffs' Counsel in an amount not to exceed \$350,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiffs directly related to their representation of the Settlement Class. The Court will determine the amount of any award of attorneys' fees or reimbursement of

Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS?
HOW DO I EXCLUDE MYSELF?**

77. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Class, addressed to: Stericycle Securities Litigation, EXCLUSIONS, c/o JND Legal Administration, P.O. Box 91124, Seattle, WA 98111-9224. The exclusion request must be **received on or before July 1, 2019**. You will not be able to exclude yourself from the Settlement Class after that date. Each Request for Exclusion must (i) state the name, address, and telephone number of the person or entity requesting exclusion, and in the case of entities, the name and telephone number of the appropriate contact person; (ii) state that such person or entity “requests exclusion from the Settlement Class in *In re Stericycle, Inc. Securities Litigation*, Civil Action No. 1:16-cv-07145”; (iii) state the number of shares of Stericycle Common Stock and/or Stericycle Depositary Shares that the person or entity requesting exclusion (a) owned as of the opening of trading on February 7, 2013 and (b) purchased/acquired and/or sold during the Class Period (*i.e.*, from February 7, 2013 through February 21, 2018, inclusive), as well as the dates, number of shares, and prices of each such purchase/acquisition and sale; and (iv) be signed by the person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

78. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs’ Claim against any of the Defendants’ Releasees. Excluding yourself from the Settlement Class is the only option that allows you to be part of any other current or future lawsuit against Defendants or any of the other Defendants’ Releasees concerning the Released Plaintiffs’ Claims. Please note, however, if you decide to exclude yourself from the Settlement Class, you may be time-barred from asserting the claims covered by the Action by a statute of repose.

79. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

80. Stericycle has the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by Lead Plaintiffs and Stericycle.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE
SETTLEMENT? DO I HAVE TO COME TO THE HEARING?
MAY I SPEAK AT THE HEARING IF I DON’T LIKE THE SETTLEMENT?**

81. **Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.** Please Note: The date and time of the Settlement Hearing may change without further written notice to the Settlement Class. You should

monitor the Court’s docket and the Settlement website, www.StericycleSecuritiesLitigation.com, before making plans to attend the Settlement Hearing. You may also confirm the date and time of the Settlement Hearing by contacting Lead Counsel.

82. The Settlement Hearing will be held on **July 22, 2019 at 9:00 a.m.**, before the Honorable Andrea R. Wood at the United States District Court for the Northern District of Illinois, Eastern Division, Courtroom 1925 of the Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, IL 60604. The Court reserves the right to certify the Settlement Class, approve the Settlement, the Plan of Allocation, Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses, and/or consider any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Class.

83. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation, or Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk’s Office at the United States District Court for the Northern District of Illinois, Eastern Division at the address set forth below **on or before July 1, 2019**. You must also serve the papers on Lead Counsel and on Defendants’ Counsel at the addresses set forth below so that the papers are *received on or before July 1, 2019*.

CLERK’S OFFICE	
United States District Court Northern District of Illinois, Eastern Division Everett McKinley Dirksen United States Courthouse Clerk’s Office 219 South Dearborn Street Chicago, IL 60604	
LEAD COUNSEL	DEFENDANTS’ COUNSEL
Bernstein Litowitz Berger & Grossmann LLP John C. Browne, Esq. 1251 Avenue of the Americas, 44th Floor New York, NY 10020	Latham & Watkins LLP Michael Faris, Esq. 330 North Wabash Avenue, Suite 2800 Chicago, IL 60611 Winston & Strawn LLP Robert Y. Sperling, Esq. 35 W. Wacker Drive Chicago, IL 60601-9703

84. Any objection (i) must state the name, address, and telephone number of the person or entity objecting and must be signed by the objector; (ii) must state with specificity the grounds for the Settlement Class Member’s objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court’s attention and whether the objection applies only to the objector, to a specific subset of the Settlement Class, or to the entire Settlement Class; and (iii) must include documents sufficient to prove membership in the Settlement Class, including the number of shares of Stericycle Common Stock and/or Stericycle Depository Shares that the objecting Settlement Class Member (a) owned as of the opening of

trading on February 7, 2013 and (b) purchased/acquired and/or sold during the Class Period (*i.e.*, from February 7, 2013 through February 21, 2018, inclusive), as well as the dates, number of shares, and prices of each such purchase/acquisition and sale. Documentation establishing membership in the Settlement Class must consist of copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from the objector's broker containing the transactional and holding information found in a broker confirmation slip or account statement. You may not object to the Settlement, the Plan of Allocation, or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

85. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

86. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you timely file and serve a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 83 above so that it is **received on or before July 1, 2019**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

87. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 83 above so that the notice is **received on or before July 1, 2019**.

88. The Settlement Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

89. Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

90. If you purchased or otherwise acquired Stericycle Common Stock or Stericycle Depositary Shares in the open market during the period from February 7, 2013 through February 21, 2018, inclusive, for the beneficial interest of persons or organizations other than yourself, you must either (i) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice Packets forward them to all such beneficial owners; or (ii) within seven (7) calendar days of receipt of this Notice,

provide a list of the names, mailing addresses, and, if available, email addresses of all such beneficial owners to: Stericycle Securities Litigation, c/o JND Legal Administration, P.O. Box 91124, Seattle, WA 98111-9224. If you choose the second option, the Claims Administrator will send a copy of the Notice and the Claim Form to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may also be obtained from the Settlement website, www.StericycleSecuritiesLitigation.com, by calling the Claims Administrator toll-free at 1-833-291-1647, or by emailing the Claims Administrator at info@StericycleSecuritiesLitigation.com.

**CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF
I HAVE QUESTIONS?**

91. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Settlement Stipulation, which may be inspected during regular office hours at the Clerk's Office, United States District Court for the Northern District of Illinois, Eastern Division, Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, IL 60604. Additionally, copies of the Settlement Stipulation and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, www.StericycleSecuritiesLitigation.com.

All inquiries concerning this Notice and the Claim Form should be directed to:

Stericycle Securities Litigation
c/o JND Legal Administration
P.O. Box 91124
Seattle, WA 98111-9224
1-833-291-1647
info@StericycleSecuritiesLitigation.com
www.StericycleSecuritiesLitigation.com

and/or

John C. Browne, Esq.
Bernstein Litowitz Berger
& Grossmann LLP
1251 Avenue of the Americas, 44th Floor
New York, NY 10020
1-800-380-8496
settlements@blbglaw.com

**DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE
CLERK OF THE COURT, DEFENDANTS, OR DEFENDANTS'
COUNSEL REGARDING THIS NOTICE.**

Dated: April 9, 2019

By Order of the Court
United States District Court
Northern District of Illinois, Eastern Division

TABLE A**Estimated Artificial Inflation with Respect to Purchases/Acquisitions and Sales of Stericycle Common Stock and Stericycle Depository Shares from February 7, 2013 Through and Including February 21, 2018***

Date Range	Artificial Inflation Per Common Stock Share	Artificial Inflation Per Depository Share
February 7, 2013 – October 22, 2015	\$96.74	\$54.49
October 23, 2015 – February 4, 2016	\$67.88	\$40.71
February 5, 2016 – April 28, 2016	\$64.57	\$38.43
April 29, 2016 – July 28, 2016	\$38.91	\$24.33
July 29, 2016 – September 1, 2016	\$23.08	\$14.20
September 2, 2016 – September 18, 2016	\$21.48	\$13.82
September 19, 2016 – August 3, 2017	\$18.23	\$11.91
August 4, 2017 – February 21, 2018	\$14.12	\$10.39

* For purposes of calculating Recognized Loss Amounts under the Plan of Allocation, the amount of artificial inflation per share will in no event exceed the purchase/acquisition or sale price.

TABLE B

90-Day Look-Back Table for Stericycle Common Stock and Stericycle Depository Shares
(Average Closing Prices: February 22, 2018 – May 22, 2018)

Date	Average Closing Price of Stericycle Common Stock Between February 22, 2018 and Date Shown	Average Closing Price of Stericycle Depository Shares Between February 22, 2018 and Date Shown	Date	Average Closing Price of Stericycle Common Stock Between February 22, 2018 and Date Shown	Average Closing Price of Stericycle Depository Shares Between February 22, 2018 and Date Shown
2/22/2018	\$60.63	\$48.14	4/10/2018	\$61.09	\$47.29
2/23/2018	\$60.34	\$48.04	4/11/2018	\$61.00	\$47.22
2/26/2018	\$60.86	\$48.40	4/12/2018	\$60.94	\$47.17
2/27/2018	\$61.28	\$48.71	4/13/2018	\$60.88	\$47.14
2/28/2018	\$61.56	\$48.68	4/16/2018	\$60.86	\$47.12
3/1/2018	\$61.64	\$48.57	4/17/2018	\$60.85	\$47.11
3/2/2018	\$61.59	\$48.41	4/18/2018	\$60.87	\$47.12
3/5/2018	\$61.77	\$48.46	4/19/2018	\$60.87	\$47.12
3/6/2018	\$61.92	\$48.48	4/20/2018	\$60.86	\$47.10
3/7/2018	\$62.10	\$48.54	4/23/2018	\$60.86	\$47.10
3/8/2018	\$62.26	\$48.58	4/24/2018	\$60.87	\$47.11
3/9/2018	\$62.46	\$48.67	4/25/2018	\$60.86	\$47.10
3/12/2018	\$62.65	\$48.75	4/26/2018	\$60.87	\$47.11
3/13/2018	\$62.79	\$48.82	4/27/2018	\$60.88	\$47.11
3/14/2018	\$62.89	\$48.86	4/30/2018	\$60.83	\$47.07
3/15/2018	\$62.92	\$48.85	5/1/2018	\$60.79	\$47.04
3/16/2018	\$62.96	\$48.84	5/2/2018	\$60.76	\$47.01
3/19/2018	\$62.96	\$48.81	5/3/2018	\$60.73	\$46.99
3/20/2018	\$62.92	\$48.76	5/4/2018	\$60.79	\$47.03
3/21/2018	\$62.86	\$48.70	5/7/2018	\$60.85	\$47.07
3/22/2018	\$62.70	\$48.56	5/8/2018	\$60.90	\$47.11
3/23/2018	\$62.51	\$48.41	5/9/2018	\$60.96	\$47.15
3/26/2018	\$62.35	\$48.28	5/10/2018	\$61.02	\$47.19
3/27/2018	\$62.21	\$48.16	5/11/2018	\$61.07	\$47.23
3/28/2018	\$62.07	\$48.06	5/14/2018	\$61.13	\$47.27
3/29/2018	\$61.93	\$47.95	5/15/2018	\$61.17	\$47.30
4/2/2018	\$61.78	\$47.83	5/16/2018	\$61.22	\$47.33
4/3/2018	\$61.65	\$47.73	5/17/2018	\$61.26	\$47.36
4/4/2018	\$61.53	\$47.63	5/18/2018	\$61.30	\$47.39
4/5/2018	\$61.43	\$47.56	5/21/2018	\$61.34	\$47.42
4/6/2018	\$61.32	\$47.47			
4/9/2018	\$61.19	\$47.37	5/22/2018	\$61.38	\$47.45