

STERICYCLE INC
Form DEF 14A
April 15, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
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STERICYCLE, INC.

(Name of registrant as specified in its charter)

(Name of person(s) filing proxy statement, if other than the registrant)

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- No fee required.
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(3) Filing Party:

(4) Date Filed:

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NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 25, 2016

Dear Stockholder:

You are cordially invited to attend our 2016 Annual Meeting of Stockholders (the Annual Meeting) to be held on Wednesday, May 25, 2016 at 11:00 a.m. Central Daylight Time at the DoubleTree Hotel Chicago O'Hare Airport-Rosemont, 5460 North River Road, Rosemont, Illinois 60018.

At the Annual Meeting, you will be asked to consider and vote on the following matters:

the election to the Board of Directors (the Board) of the 10 nominees for director named in this proxy statement;

approval of the Stericycle, Inc. Canadian Employee Stock Purchase Plan;

ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2016;

an advisory vote to approve executive compensation (the say-on-pay vote);

a stockholder proposal on an independent chairman;

a stockholder proposal entitled Shareholder Proxy Access ; and

any other matter that properly comes before the meeting.

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Only stockholders of record at the close of business on the record date of March 28, 2016 are entitled to vote at the Annual Meeting.

Admission to the Annual Meeting requires an admissions card. If you plan to attend the meeting in person, please complete and return the Admission Request Form on the back cover of this proxy statement and an admissions card will be mailed to you. If you are the beneficial owner of shares held in street name, you must also provide confirmation of your stock ownership with your Admission Request Form. All Admission Request Forms must be received by May 18, 2016. An admissions card is not transferable. If you need directions to the meeting, please call Investor Relations at (800) 643-0240 ext. 2012.

For the convenience of our stockholders of record who do not plan to attend the Annual Meeting in person but who want their shares voted, we have enclosed a proxy card. If you do not plan to attend the Annual Meeting, please complete and return the proxy card in the envelope provided or go to www.proxyvote.com and follow the instructions. If you return your proxy card and later decide to attend the Annual Meeting and then vote in person, your earlier proxy card (or earlier vote by telephone or Internet) will be revoked. Your attendance at the Annual Meeting, by itself, does not revoke an earlier proxy. If for any other reason you want to revoke your proxy, you may do so at any time before your proxy is voted.

For the Board of Directors

Charles A. Alutto
President and Chief Executive Officer

Mark C. Miller
Executive Chairman of the Board

April 15, 2016

Lake Forest, Illinois

**Important Notice Regarding the Availability of Proxy Materials
for the 2016 Annual Meeting of Stockholders to be Held on May 25, 2016**

**The Proxy Statement, Notice of Annual Meeting and
2015 Annual Report to Stockholders are available at www.proxyvote.com**

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Summary Information

This summary highlights information contained elsewhere in this proxy statement. It does not contain all information that you should consider, and you should read the entire proxy statement carefully before voting.

ANNUAL MEETING OF STOCKHOLDERS

Time and Date:	11:00 a.m. Central Daylight Time on Wednesday, May 25, 2016
Place:	DoubleTree Hotel Chicago O'Hare Airport-Rosemont 5460 North River Road Rosemont, Illinois 60018
Record Date:	March 28, 2016
Voting:	Stockholders as of the record date are entitled to vote
Attendance:	Admission to the meeting requires an admissions card. Stockholders who wish to attend the meeting in person must complete and return an Admissions Request Form by May 18, 2016 to receive an admissions card

MEETING AGENDA AND VOTING RECOMMENDATIONS

Agenda Item	Board Recommendation	Page
Election of 10 directors	FOR EACH NOMINEE	8
Approval of the Stericycle, Inc. Canadian Employee Stock Purchase Plan	FOR	34
Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2016	FOR	39
Advisory vote to approve executive compensation (the say-on-pay vote)	FOR	40
Stockholder proposal on independent chairman	AGAINST	41
Stockholder proposal entitled Shareholder Proxy Access	AGAINST	44

BOARD NOMINEES

The following table provides summary information about the nominees for director. Each director is elected by a majority of votes cast.

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Nominee	Age	Director Since	Principal Occupation	Committees
Mark C. Miller	60	1992	Executive Chairman of the Board, Stericycle, Inc.	None
Jack W. Schuler	75	1990	Lead Director and former Chairman, Stericycle, Inc.; former president and chief operating officer, Abbott Laboratories; former chairman, Ventana Medical Systems, Inc.; co-founder and partner, Crabtree Partners LLC	Nominating and Governance (Chair)
Charles A. Alutto	50	2012	President and Chief Executive Officer, Stericycle Inc.	None
Lynn D. Bleil	52	2015	Former Senior Partner, McKinsey & Company	Audit

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Nominee	Age	Director Since	Principal Occupation	Committees
Thomas D. Brown	68	2008	Former senior vice president and president of the diagnostics division, Abbott Laboratories	Compensation
Thomas F. Chen	66	2014	Former senior vice president and president of international nutrition, Abbott Laboratories	Audit
Rod F. Dammeyer	75	1998	Chairman, CAC, LLC; former vice chairman, Anixter International; former managing partner, Equity Group Investments, LLC.	Audit (Chair)
William K. Hall	72	2006	Former chairman and chief executive officer, Procyon Technologies, Inc.; former chairman and chief executive officer, Falcon Building Products, Inc.	Nominating and Governance Compensation (Chair)
John Patience	68	1989	Chairman of the board of Accelerate Diagnostics, Inc.; co-founder and partner, Crabtree Partners LLC; former vice chairman, Ventana Medical Systems, Inc.; former partner, McKinsey & Company	Audit Nominating and Governance
Mike S. Zafirovski	62	2012	Former director, president and chief executive officer of Nortel Networks Corporation; former director, president and chief operating officer of Motorola, Inc.; former president and chief executive officer of General Electric Lighting	Compensation

COMPENSATION HIGHLIGHTS

Our compensation program is performance-oriented and designed to provide strong incentives to our executive officers to continue to improve our operating performance and thereby create value for all of our stockholders. The following table sets forth the 2015 compensation for each named executive officer as determined under SEC rules. See the notes accompanying the Summary Compensation Table on page 25 for more information.

Named Executive Officer	Salary	Bonus	Option Awards	All Other	Total
				Compensation	Compensation
Charles A. Alutto	\$ 488,269	\$ 465,327	\$ 2,510,200	\$ 1,750	\$ 3,465,546
Mark C. Miller	\$ 147,462	\$ 87,194	\$ 753,060	\$ 1,750	\$ 989,466
Daniel V. Ginnetti	\$ 346,923	\$ 234,871	\$ 1,026,900	\$ 1,750	\$ 1,610,444
Brent Arnold	\$ 343,077	\$ 234,871	\$ 1,026,900	\$ 1,750	\$ 1,606,598
Michael J. Collins	\$ 342,500	\$ 205,703	\$ 753,060	\$ 1,750	\$ 1,303,013

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GENERAL INFORMATION

28161 North Keith Drive

Lake Forest, Illinois 60045

PROXY STATEMENT

2016 Annual Meeting of Stockholders

To Be Held on May 25, 2016

In this proxy statement, we, us, our, Stericycle and the Company all refer to Stericycle, Inc.

General Information

WHY DID I RECEIVE THIS PROXY STATEMENT AND OTHER MATERIALS?

The Board of Directors (the Board) of Stericycle, Inc. is soliciting proxies to vote shares of our common stock at the 2016 Annual Meeting of Stockholders (the Annual Meeting) to be held on Wednesday, May 25, 2016 at 11:00 a.m. Central Daylight Time, at the DoubleTree Hotel Chicago O'Hare Airport-Rosemont, 5460 North River Road, Rosemont, Illinois 60018.

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This proxy statement and our annual report to stockholders (which includes a copy of our Annual Report on Form 10-K for the year ended December 31, 2015), are first being made available to stockholders on April 15, 2016. Although both are made available together, our annual report to stockholders is not part of this proxy statement.

WHAT WILL STOCKHOLDERS VOTE ON AT THE ANNUAL MEETING?

Stockholders will vote on following matters at the Annual Meeting:

the election to the Board of the 10 nominees for director named in this proxy statement (Item 1);

approval of the Stericycle, Inc. Canadian Employee Stock Purchase Plan (Item 2);

ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2016 (Item 3);

an advisory vote to approve executive compensation (the say-on-pay vote) (Item 4);

a stockholder proposal on an independent chairman (Item 5);

a stockholder proposal entitled Shareholder Proxy Access (Item 6), and

any other matter that properly comes before the meeting.

WHAT ARE THE BOARD'S VOTING RECOMMENDATIONS?

The Board recommends that you vote your shares:

FOR each of the 10 nominees for election to the Board (Item 1);

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FOR approval of the Stericycle, Inc. Canadian Employee Stock Purchase Plan (Item 2);

FOR ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2016 (Item 3);

FOR the advisory vote to approve executive compensation (Item 4);

AGAINST the stockholder proposal on an independent chairman (Item 5); and

AGAINST the stockholder proposal entitled Shareholder Proxy Access (Item 6).

WHO MAY VOTE AT THE ANNUAL MEETING?

Only stockholders of record as of the close of business on March 28, 2016 are entitled to vote at the Annual Meeting. Each outstanding share of common stock as of the record date is entitled to one vote on all matters that come before the meeting. There is no cumulative voting.

As of the close of business on the record date of March 28, 2016, there were 84,815,104 shares of our common stock issued and outstanding.

WHY DID I RECEIVE ONLY A ONE-PAGE NOTICE IN THE MAIL REGARDING THE INTERNET AVAILABILITY OF PROXY MATERIALS INSTEAD OF RECEIVING A FULL SET OF PRINTED PROXY MATERIALS?

In accordance with the notice and access rules of the U.S. Securities and Exchange Commission (SEC), we have elected to provide access to our proxy materials, including this proxy statement and our annual report to stockholders, over the Internet, and accordingly, we mailed our stockholders a Notice of Internet Availability of Proxy Materials (the Notice) on or about April 15, 2016. This Notice contains instructions on how to access our proxy materials over the Internet, how to request a printed or electronic copy of these materials and how to vote by Internet, telephone or mail. The voting facilities over the Internet or by telephone will remain open until 11:59 p.m. Eastern Daylight Time on May 24, 2016.

The Notice is not a proxy card and cannot be used to vote your shares.

WHAT IS THE DIFFERENCE BETWEEN A STOCKHOLDER OF RECORD AND A BENEFICIAL OWNER OF SHARES HELD IN STREET NAME?

If your shares are registered directly in your name with our stock registrar and transfer agent, Wells Fargo Shareowner Services, you are considered the stockholder of record for those shares and have the right to vote those shares directly. You may vote in person at the Annual Meeting or by proxy.

If your shares are held in an account at a brokerage firm, bank or other nominee (for convenient reference, a broker), you are considered the beneficial owner of those shares, which are said to be held in street name, and the broker is considered the stockholder of record for voting purposes. As the beneficial owner you cannot vote the shares in your account directly, but you have the right to instruct the broker how to vote them.

As a beneficial owner, you are invited to attend the Annual Meeting, but because you are not a stockholder of record, you may not vote your shares at the Annual Meeting unless you obtain a valid proxy from your broker.

IF I AM A STOCKHOLDER OF RECORD, HOW DO I VOTE?

You may vote in several ways. You may vote in person at the Annual Meeting, or you may vote by proxy over the Internet or by telephone by following the instructions provided in the Notice.

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In addition, if you request copies of our proxy materials in printed form, you may vote by completing and signing the proxy card included in the materials and returning it in the postage-paid envelope provided.

IF I AM A BENEFICIAL OWNER OF SHARES HELD IN STREET NAME, HOW DO I INSTRUCT MY BROKER HOW TO VOTE?

If you are a beneficial owner of our common stock, the Notice was forwarded to you by your broker. You may instruct your broker how to vote over the Internet or by telephone by following the instructions provided in the Notice.

In addition, if you request copies of our proxy materials in printed form, you may instruct your broker how to vote by completing and signing the voting instruction card included in the materials and returning it in the postage-paid envelope provided.

WHAT HAPPENS IF I AM A STOCKHOLDER OF RECORD AND SIGN AND RETURN THE PROXY CARD BUT DO NOT MAKE ANY VOTING CHOICES?

The proxy holders (the persons named as proxies) will vote your shares in accordance with the Board's voting recommendations for Items 1, 2, 3, 4, 5 and 6. See "What are the Board's voting recommendations?" above.

We do not expect that any other matters will properly come before the Annual Meeting. If, however, any other matters do come before the meeting, the proxy holders will vote your shares in accordance with their judgment.

WHAT HAPPENS IF I AM A BENEFICIAL OWNER OF SHARES HELD IN STREET NAME AND DO NOT GIVE VOTING INSTRUCTIONS TO MY BROKER?

Under the stock exchange and other rules governing brokers who are voting shares held in street name, brokers have authority to vote those shares at their discretion on routine matters but may not vote those shares on non-routine matters. The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2016 (Item 3) is considered a routine matter under the relevant rules. All of the other items to be voted on (Items 1, 2, 4, 5 and 6) are considered non-routine matters.

A broker non-vote occurs when your broker returns a proxy card for your shares held in street name but does not vote on a particular matter because (i) the broker has not received voting instructions from you and (ii) the broker does not have authority to vote on the matter without instructions because the matter is of a non-routine nature. Broker non-votes will not have any effect on the result of the vote when they occur. There will be not be any broker non-votes on the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2016 (Item 3), because brokers will have discretionary authority to vote on this matter.

WHAT IS THE QUORUM REQUIRED FOR THE ANNUAL MEETING?

Holders of a majority of our outstanding shares entitled to vote at the Annual Meeting who are present in person or represented by proxy will constitute a quorum to conduct business at the Annual Meeting.

If you are a stockholder of record and vote your shares by proxy, your shares will be counted for purposes of determining whether a quorum is present even if your voting choice is to abstain. Similarly, if you are a beneficial owner of shares held in street name and do not give voting instructions to your broker, your shares will be counted for purposes of determining whether a quorum is present if your broker votes your shares on any routine matter.

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WHAT ARE MY CHOICES IN VOTING ON THE MATTERS TO BE VOTED ON AT THE ANNUAL MEETING?

On Item 1 (the election of directors), you may vote **For** or **Against** each individual nominee or **Abstain** from voting on the nominee's election.

On Item 2 (approval of the Stericycle, Inc. Canadian Employee Stock Purchase Plan), Item 3 (ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2016), Item 4 (the say-on-pay vote), Item 5 (stockholder proposal on independent chairman) and Item 6 (stockholder proposal entitled **Shareholder Proxy Access**), you may vote **For** or **Against** the proposal or **Abstain** from voting on the proposal.

WHAT ARE THE VOTING REQUIREMENTS TO APPROVE THE MATTERS TO BE VOTED ON AT THE ANNUAL MEETING?

Item 1 (election of directors): Each nominee for election as a director must receive more **For** votes than **Against** votes in order to be elected as a director. Abstentions and broker non-votes will not have any effect on the result of the vote.

Item 2 (approval of the Stericycle, Inc. Canadian Employee Stock Purchase Plan): This proposal requires for approval the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote. Abstentions will have the same effect as a vote **Against**. Broker non-votes will not have any effect on the result of the vote.

Item 3 (ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2016): This proposal requires for approval the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote. Abstentions will have the same effect as a vote **Against**. Brokers will have discretionary authority to vote on Item 3, and therefore, there will not be any broker non-votes on this matter.

Item 4 (the say-on-pay vote): This proposal requires for approval the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote. Abstentions will have the same effect as a vote **Against**. Broker non-votes will not have any effect on the result of the vote.

Item 5 (stockholder proposal on independent chairman): This proposal requires for approval the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote. Abstentions will have the same effect as a vote **Against**. Broker non-votes

will not have any effect on the result of the vote.

Item 6 (stockholder proposal entitled *Shareholder Proxy Access*): This proposal requires for approval the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote. Abstentions will have the same effect as a vote *Against*. Broker non-votes will not have any effect on the result of the vote.

CAN I CHANGE MY VOTE AFTER I HAVE VOTED?

If you are a stockholder of record, you may change your vote by voting again over the Internet or by telephone (before those voting facilities are closed at 11:59 p.m. Eastern Daylight Time on May 24, 2016) or by returning a new, properly completed proxy card bearing a later date than the date of your original proxy card. In addition, you may revoke your proxy by attending the Annual Meeting in person and requesting to vote. Attendance at the meeting in person will not, by itself, revoke your proxy. You may also revoke your proxy any time before the final vote at the Annual Meeting by filing a signed notice of revocation with the Secretary of the Company at 28161 North Keith Drive, Lake Forest, Illinois 60045.

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If you are a beneficial owner of shares held in street name, you may submit new voting instructions to your broker over the Internet or by telephone (before those voting facilities are closed at 11:59 p.m. Eastern Daylight Time on May 24, 2016).

HOW CAN I FIND OUT THE VOTING RESULTS OF THE ANNUAL MEETING?

The preliminary voting results will be announced at the Annual Meeting. The final voting results will be tallied by the inspector of elections and reported in a current report on Form 8-K which we will file with the SEC within four business days following the Annual Meeting.

WHO IS PAYING FOR THE COST OF THIS PROXY SOLICITATION?

We will bear the cost of this proxy solicitation. Some of our officers and employees may solicit proxies by personal conversations, telephone, regular mail or email, but they will not receive any additional compensation for doing so. We will reimburse brokers and others for their reasonable charges and expenses in forwarding our proxy materials to stockholders who are beneficial owners of shares of our common stock.

MULTIPLE INDIVIDUALS RESIDING IN MY HOME ARE BENEFICIAL OWNERS OF STERICYCLE COMMON STOCK. WHY DID WE RECEIVE ONLY ONE MAILING?

We are sending only one envelope with multiple Notices to you if you share a single address with another stockholder, unless we have received instructions to the contrary from you. This practice, known as householding, is designed to eliminate duplicate mailings, conserve natural resources and reduce our printing and mailing costs. We will promptly deliver a separate Notice to you upon written or verbal request. If you wish to receive duplicate mailings in the future, you may contact Investor Relations, Stericycle, Inc., 28161 North Keith Drive, Lake Forest, Illinois 60045. If you currently receive multiple Notices, you can request householding by contacting our Investor Relations as described above. If you own your shares through a broker, bank or other nominee, you can request householding by contacting the holder of record.

HOW CAN I ATTEND THE ANNUAL MEETING?

We encourage our stockholders to attend the Annual Meeting. Admission to the meeting requires an admissions card. If you plan to attend the meeting in person, please complete and return the Admission Request Form on the back cover of this proxy statement and an admissions card will be mailed to you. If you are the beneficial owner of shares held in street name, you must also provide confirmation of your stock ownership with your Admission Request Form (for example, by providing a copy of a brokerage firm statement).

All Admission Request Forms must be received by May 18, 2016. An admissions card is not transferable and will admit only the stockholder or stockholders to whom it was issued. If you need directions to the meeting, please call Investor Relations at (800) 643-0240 ext. 2012.

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STOCK OWNERSHIP

Stock Ownership

STOCK OWNERSHIP BY DIRECTORS AND OFFICERS

The following table provides information about the beneficial ownership of shares of our common stock as of March 28, 2016 by (1) each of our directors and nominees for director, (2) each of our executive officers listed in the Summary Compensation Table on page 25 and (3) all of our directors and executive officers as a group:

	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percent of Class ⁽²⁾
Directors		
Mark C. Miller	1,206,369	1.4%
Jack W. Schuler ⁽³⁾	702,071	*
Charles A. Alutto	278,768	*
John Patience ⁽³⁾	200,805	*
Thomas D. Brown	57,776	*
Rod F. Dammeyer ⁽³⁾	48,587	*
William K. Hall	36,472	*
Mike S. Zafirovski	24,297	*
Thomas F. Chen	12,778	*
Lynn D. Bleil	6,507	*
Named Executive Officers		
Michael J. Collins	111,660	*
Daniel V. Ginnetti	71,085	*
Brent Arnold ⁽³⁾	67,760	*
All directors and executive officers as a group (15 persons)	2,830,495	3.3%

* Less than 1%.

- (1) This column includes shares of common stock issuable upon the exercise of stock options exercisable as of or within 60 days after March 28, 2016. These shares are held as follows: Mr. Miller, 994,810 shares; Mr. Schuler, 27,100 shares; Mr. Alutto, 277,253 shares; Mr. Patience, 50,671 shares; Mr. Brown, 57,776 shares; Mr. Dammeyer, 39,457 shares; Mr. Hall, 27,472 shares; Mr. Zafirovski, 24,297 shares; Mr. Chen 12,778 shares; Ms. Bleil 6,507; Mr. Collins, 102,898 shares; Mr. Ginnetti, 66,890 shares; and Mr. Arnold, 66,772 shares.
- (2) Shares of common stock issuable under a stock option exercisable as of or within 60 days after March 28, 2016 are considered outstanding for purposes of computing the percentage of the person holding the option but are not considered outstanding for purposes of computing the percentage of any other person.
- (3) The shares shown as beneficially owned by Mr. Schuler include 27,120 shares owned by trusts for his benefit and 29,340 shares owned by his wife, regarding the latter of which Mr. Schuler disclaims any beneficial ownership. The shares shown as beneficially owned by

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Mr. Dammeyer include 9,130 shares owned by a trust for his benefit, regarding which Mr. Dammeyer disclaims any beneficial ownership. The shares shown as beneficially owned by Mr. Patience include 1,000 shares owned by his wife, regarding which Mr. Patience disclaims any beneficial ownership. The shares shown as beneficially owned by Mr. Arnold include 15 shares owned by his son, regarding which Mr. Arnold disclaims any beneficial ownership.

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STOCK OWNERSHIP

STOCK OWNERSHIP OF CERTAIN STOCKHOLDERS

The following table provides information about the beneficial ownership of our common stock by each person who was known to us to be the beneficial owner as of the record date (March 28, 2016) of more than 5% of our outstanding common stock:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
The Vanguard Group, Inc. ⁽¹⁾ 100 Vanguard Boulevard Malvern, Pennsylvania 19355	7,152,533	8.4%
BlackRock, Inc. ⁽²⁾ 55 East 52 nd Street New York, New York 10055	5,557,708	6.5%
Brown Advisory Incorporated ⁽³⁾ 901 South Bond Street, Ste. 400 Baltimore, Maryland 21231	4,865,678	5.7%

(1) The shares shown as beneficially owned are derived from the Schedule 13G (Amendment No. 4) that The Vanguard Group, Inc. filed with the SEC on February 10, 2016. The Schedule 13G indicates that The Vanguard Group, Inc. had sole voting power over 158,363 shares, shared voting power over 8,200 shares, sole dispositive power over 6,987,050 shares, and shared dispositive power over 165,483 shares.

(2) The shares shown as beneficially owned are derived from the Schedule 13G (Amendment No. 2) that BlackRock, Inc. filed with the SEC on February 10, 2016. The Schedule 13G indicates that Blackrock, Inc. had sole voting power over 4,842,461 shares, shared voting power over 587 shares, sole dispositive power over 5,557,121 shares, and shared dispositive power over 587 shares.

(3) The shares shown as beneficially owned are derived from the Schedule 13G (Amendment No. 4) that Brown Advisory Incorporated filed with the SEC on February 9, 2016. The Schedule 13G indicates that (i) Brown Advisory Incorporated (BA, Inc.) had sole voting power over 4,015,677 shares, shared voting power over 88,242 shares, sole dispositive power over 0 shares, and shared dispositive power over 4,865,678 shares, (ii) Brown Advisory, LLC (BA, LLC) had sole voting power over 3,819,543 shares, shared voting power over 88,242 shares, sole dispositive power over 0 shares, and shared dispositive power over 4,669,191 shares, (iii) Brown Investment Advisory & Trust Company (BIATC) had sole voting power over 195,834 shares, shared voting power over 0 shares, sole dispositive power over 0 shares, and shared dispositive power over 196,187 shares, and (iv) Highmount Capital LLC (Highmount) had sole voting power over 300 shares, shared voting power over 0 shares, sole dispositive power over 0 shares, and shared dispositive power over 300 shares. According to the Schedule 13G, each of BA, LLC, BIATC and Highmount are direct or indirect subsidiaries of BA, Inc.

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ITEM 1 ELECTION OF DIRECTORS

Item 1 Election of Directors

Our Board is currently composed of 10 directors. With the exception of Mark C. Miller, our Executive Chairman of the Board, and Charles A. Alutto, our President and Chief Executive Officer, all of our directors are outside directors (i.e., directors who are neither officers nor employees of ours). The Board has determined that all of our outside directors are independent under the applicable listing standards of the NASDAQ Global Select Market (NASDAQ).

Each director elected at the Annual Meeting will hold office until our annual meeting of stockholders in 2017 or until his or her successor is elected and qualified.

VOTING IN UNCONTESTED DIRECTOR ELECTIONS

Under our bylaws, a nominee for election as a director must receive a majority of the votes cast in order to be elected as a director in an uncontested election (an election in which the number of nominees for election is the same as the number of directors to be elected). In other words, the nominee must receive more for votes than against votes, with abstentions and broker non-votes not having any effect on the voting.

If a nominee for election as a director is an incumbent director and the nominee is not re-elected, Delaware law provides that the director continues to serve as a holdover director until his successor is elected and qualified or until he resigns. Under our bylaws, an incumbent director who is not re-elected is required to tender his resignation as a director. Our Nominating and Governance Committee will review the circumstances and recommend to the Board whether to accept or reject the director's resignation or take any other action. The Board is required to act on this recommendation and publicly disclose its decision and the rationale behind its decision within 90 days from the date that the election results are certified.

NOMINEES FOR DIRECTOR

The following table provides information about the nominees for election as directors.

Nominee	Position with the Company	Age
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Mark C. Miller	Executive Chairman of the Board of Directors	60
Jack W. Schuler	Lead Director	75
Charles A. Alutto	President, Chief Executive Officer, Director	50
Lynn D. Bleil	Director	52
Thomas D. Brown	Director	68
Thomas F. Chen	Director	66
Rod F. Dammeyer	Director	75
William K. Hall	Director	72
John Patience	Director	68
Mike S. Zafirovski	Director	62

Mark C. Miller has served as our Executive Chairman since January 2013 and director as of May 1992. He became our Chief Executive Officer in May 1992 and Chairman of the Board of Directors in August 2008, and served in each of those roles until January 2013. From May 1989 until joining us, Mr. Miller served as vice president for the Pacific, Asia and Africa in the international division of Abbott Laboratories, a diversified health

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ITEM 1 ELECTION OF DIRECTORS

care company, which he joined in 1976 and where he held a number of management and marketing positions. Mr. Miller serves as a director of Accelerate Diagnostics, Inc., a developer of automated diagnostics systems, and formerly served as a director of Ventana Medical Systems, Inc., a developer and supplier of automated diagnostic systems. He received a B.S. degree in computer science from Purdue University, where he graduated Phi Beta Kappa. Mr. Miller was selected by Morningstar, Inc. as its 2009 CEO of the Year.

Jack W. Schuler has served as the Lead Director of our Board of Directors since August 2008 and served as our Chairman of the Board from January 1990 until becoming Lead Director. From January 1987 to August 1989 he served as president and chief operating officer of Abbott Laboratories, a diversified health care company, where he also served as a director from April 1985 to August 1989. Mr. Schuler serves as a director of Quidel Corporation, a developer and manufacturer of point-of-care diagnostic tests, and Accelerate Diagnostics, Inc., a developer of automated diagnostics systems, and formerly served as chairman of the board of directors of Ventana Medical Systems, Inc., and as a director of Hansen Medical, Inc., Medtronic, Inc., Amgen Incorporated, Chiron Corporation, Elan Corporation, plc, and ICOS Corporation. He is a co-founder of Crabtree Partners LLC, a private investment firm in Lake Forest, Illinois, and is a former trustee of Carleton College. Mr. Schuler received a B.S. degree in mechanical engineering from Tufts University and an M.B.A. degree from the Stanford University Graduate School of Business Administration.

Charles A. Alutto has served as our President and Chief Executive Officer since January 2013 and as a director since November 2012. He joined us in May 1997 following our acquisition of the company where he was then employed. He became an executive officer in February 2011 and served as President, Stericycle USA. He previously held various management positions with us, including vice president and managing director of SRCL Europe and corporate vice president of our large quantity generator business unit. Mr. Alutto received a B.S. degree in finance from Providence College and an M.B.A. degree in finance from St. John's University.

Lynn D. Bleil has served as a director since May 2015. Ms. Bleil was the leader of McKinsey & Company's West Coast Healthcare Practice, and a leader of McKinsey's worldwide Healthcare Practice. She retired in November 2013 as a Senior Partner (Director) in the Southern California Office of McKinsey. During her more than 25 years with McKinsey, she worked exclusively within the healthcare sector, advising senior management and boards of leading companies on corporate and business unit strategy, mergers and acquisitions and integration, marketing and sales, public policy and organization. Ms. Bleil also serves as a director of DST Systems, Inc., a financial and health services information technology company, Sonova Holding AG, and Auspex Pharmaceuticals, Inc. (sold to Teva in May 2015). Ms. Bleil holds a B.S.E. degree in Chemical Engineering from Princeton University and an M.B.A. degree from the Stanford Graduate School of Business.

Thomas D. Brown has served as a director since May 2008. From 1974 until his retirement in 2002, Mr. Brown held various sales, marketing and management positions at Abbott Laboratories, where he served as a senior vice president and president of the diagnostics division from 1998 to 2002 and as corporate vice president for worldwide commercial operations from 1993 to 1998. He is a director of Quidel Corporation and Cepheid, a molecular diagnostics company, and formerly served as a director of Ventana Medical Systems, Inc. Mr. Brown received a B.A. degree from the State University of New York at Buffalo.

Thomas F. Chen has served as a director since May 2014. Mr. Chen served as senior vice president and president of international nutrition of Abbott Laboratories before retiring in 2010. During his 22-year career at Abbott, Mr. Chen served in a number of roles with expanded responsibilities, primarily in Pacific/Asia/Africa where he oversaw expansion into a number of emerging markets. Prior to Abbott, he held several management positions at American Cyanamid Company, which later merged with Pfizer. He is a director of Baxter International Inc. and formerly served as a director of Cyanotech Corporation. Mr. Chen received a Bachelor's degree in International Business from National Cheng Chi University in Taipei, Taiwan, and an M.B.A. degree from Indiana University.

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Rod F. Dammeyer has served as a director since January 1998. He is the chairman of CAC, LLC, a private company providing capital investment and management advisory services, and is the former vice chairman of

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ITEM 1 ELECTION OF DIRECTORS

Anixter International, where he served from 1985 until February 2001, and the former managing partner of corporate investments of Equity Group Investments, L.L.C., where he served from 1995 until June 2000. Mr. Dammeyer serves as a director of Quidel Corporation, a developer and manufacturer of point-of-care diagnostic tests, and was an independent trustee of various Invesco funds through December 2015, and formerly served as a director of Ventana Medical Systems, Inc. prior to its being acquired in February 2008 and as a director of The Scripps Research Institute. Mr. Dammeyer received a B.S. degree in accounting from Kent State University.

William K. Hall has served as a director since August 2006. He is a private equity investor who served from 2000 to 2009 as chairman of the board and chief executive officer of Procyon Technologies, Inc., a privately owned holding company. From 1994 to 2000, Mr. Hall was chairman and chief executive officer of Falcon Building Products, Inc., a manufacturer and distributor of residential and commercial construction and home improvement products. He serves as a director of W.W. Grainger, a supplier of facilities maintenance products, as a director of Real Industry, Inc., a diversified metals company, and as a trustee of the Rush University Medical Center, and formerly served as a director of Actuant Corporation, a diversified industrial products manufacturer. Mr. Hall received a B.S.E. degree in aeronautical engineering, a M.S. degree in mathematical statistics, and M.B.A. and Ph.D. degrees in business from the University of Michigan.

John Patience has served as a director since our incorporation in March 1989. He is a co-founder and partner of Crabtree Partners LLC, a private investment firm in Lake Forest, Illinois, which was formed in June 1995. He is currently the chairman of the board and a director of Accelerate Diagnostics, Inc., a developer of automated diagnostics systems. He formerly served as a director and vice chairman of the board of directors of Ventana Medical Systems, Inc., a public company prior to its being acquired in February 2008. From January 1988 to March 1995, he was a general partner in a venture capital firm which he co-founded and which led our pre-IPO funding. He was previously a partner in the consulting firm of McKinsey & Company, specializing in health care. Mr. Patience received B.A. and LL.B. degrees from the University of Sydney in Sydney, Australia, and an M.B.A. degree from the Wharton School of Business of the University of Pennsylvania.

Mike S. Zafirovski has served as a director since November 2012. Mr. Zafirovski is the founder and president of The Zaf Group LLC, a management consulting and investment firm established in November 2012. Mr. Zafirovski has also served as an executive advisor to The Blackstone Group, a private investment banking company, since October 2011. From November 2005 to August 2009, Mr. Zafirovski served as the president and chief executive officer and a director of Nortel Networks Corporation. Prior to that, he was the president and chief operating officer and a director of Motorola, Inc. from July 2002 to January 2005, and remained a consultant to and a director of Motorola until May 2005. He served as executive vice president and president of the personal communications sector of Motorola from June 2000 to July 2002. Prior to joining Motorola, Mr. Zafirovski spent nearly 25 years with General Electric Company, where he served in management positions, including 13 years as president and chief executive officer of five businesses in the consumer, industrial and financial services areas, his most recent being president and chief executive officer of GE Lighting from July 1999 to May 2000. Mr. Zafirovski also serves as a director of The Boeing Company and two private companies (Apria Healthcare Group Inc. and non-executive chairman of the board for DJO Global, Inc.). He received a B.A. degree in mathematics from Edinboro University in Pennsylvania.

DIRECTOR QUALIFICATIONS

We believe that our 10 director nominees possess the experience, qualifications and skills that warrant their election as directors. Our directors have in common, among other qualities, a breadth of business experience, seasoned judgment and an insistence on looking beyond the next quarter or the next year in directing and supporting our management. From their service on the boards of other public and private companies, our

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directors also bring to us the insights that they gain from the operating policies, governance structures and growth dynamics of these other companies.

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Our directors individually bring to the Board a wide range of experience, backgrounds and knowledge. Among other things that each of our directors brings: Mr. Miller brings a wealth of knowledge of our industry; Mr. Schuler brings experience managing the operations of a multinational healthcare company and knowledge of the dynamics of the healthcare industry; Mr. Alutto brings experience in sales and marketing, operations, and general management of our industry; Ms. Bleil brings significant expertise in the healthcare industry; Mr. Brown brings experience managing the operations of a multinational diagnostics business; Mr. Chen brings experience in managing and expanding the operations of a multinational nutrition business in Asia and emerging markets; Mr. Dammeyer brings experience in a very wide range of businesses; Mr. Hall brings experience in developing, managing and expanding global manufacturing companies; Mr. Patience brings experience with public and private healthcare companies; and Mr. Zafirovski brings experience managing the operations of multinational communications and technology companies.

When the Board elected Mr. Zafirovski as a director in November 2012, it was aware that Nortel Networks Corporation had filed for bankruptcy protection in January 2009 while Mr. Zafirovski was serving as its president and chief executive officer and a director. The Board concluded that this event did not impair Mr. Zafirovski's ability to serve as one of the Company's directors.

COMMITTEES OF THE BOARD

Our Board of Directors has standing Compensation, Audit, and Nominating and Governance Committees. All of the members of each committee are outside directors who are independent under the applicable NASDAQ listing standards.

Compensation Committee

The Compensation Committee makes recommendations to the Board of Directors concerning the base salaries and cash bonuses of our executive officers and reviews our employee compensation policies generally. The committee also administers our stock option plans as they apply to our executive officers. In addition, the committee periodically reviews our compensation practices to evaluate whether they pose enterprise or other risks to us.

Audit Committee

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to the integrity of our financial statements, the qualifications and experience of our independent accountants, the performance of our internal audit function and our independent accountants, and our compliance with legal and regulatory requirements.

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The Audit Committee reviews our risk management policies and practices and reports any significant issues to the Board. Matters of risk management are brought to the committee's attention by our Chief Financial Officer, our General Counsel or by our principal internal auditor who focuses on potential weaknesses that could result in a failure of an internal control process. Our management reviews and reports on potential areas of risk at the committee's request or at the request of other members of the Board.

Nominating and Governance Committee

The Nominating and Governance Committee identifies and evaluates possible nominees for election to the Board of Directors and recommends to the Board a slate of nominees for election at the annual meeting of stockholders. The committee also recommends to the Board director assignments to the Board's committees. In addition, the committee develops, recommends to the Board and oversees the implementation of our corporate governance policies and practices.

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The Nominating and Governance Committee considers a variety of factors in evaluating a candidate for selection as a nominee for election as a director. These factors include the candidate's personal qualities, with a particular emphasis on probity, independence of judgment and analytical skills, and the candidate's professional experience, educational background, knowledge of our business and healthcare services generally and experience serving on the boards of other public companies. In evaluating a candidate's qualification for election to the Board, the committee also considers whether and how the candidate would contribute to the Board's diversity, which we define broadly to include gender and ethnicity as well as background, experience and other individual qualities and attributes. The committee has not established any minimum qualifications that a candidate must possess. In determining whether to recommend an incumbent director for re-election, the committee also considers the director's preparation for and participation in meetings of the Board of Directors and the committee or committees of the Board on which the director serves.

In identifying potential candidates for selection in the future as nominees for election as directors, the Nominating and Governance Committee relies on suggestions and recommendations from the other directors, management, stockholders and others and, when appropriate, may retain a search firm for assistance. The committee will consider candidates proposed by stockholders and will evaluate any candidate proposed by a stockholder on the same basis that it evaluates any other candidate. Any stockholder who wants to propose a candidate should submit a written recommendation to the committee indicating the candidate's qualifications and other relevant biographical information and providing preliminary confirmation that the candidate would be willing to serve as a director. Any such recommendation should be addressed to the Board of Directors, Stericycle, Inc., 28161 North Keith Drive, Lake Forest, Illinois 60045.

In addition to recommending director candidates to the Nominating and Governance Committee, stockholders may also, pursuant to procedures established in our bylaws, directly nominate one or more director candidates to stand for election at an annual meeting of stockholders. A stockholder wishing to make such a nomination must deliver written notice of the nomination to the secretary of the Company not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders. If, however, the date of the annual meeting is more than 30 days before or after the first anniversary, the stockholder's notice must be received no later than the close of business on the 90th day, and no earlier than the 120th day, prior to the annual meeting.

In accordance with a recent amendment to our bylaws, stockholders may now also submit director nominees to the Board to be included in our annual proxy statement, known as proxy access. Stockholders who intend to submit director nominees for inclusion in our proxy materials for the 2017 Annual Meeting of Stockholders must comply with the requirements of proxy access as set forth in our bylaws. The stockholder or group of stockholders who wish to submit director nominees pursuant to proxy access must deliver the required materials to the Company not less than 120 days nor more than 150 days prior to the anniversary of the date that the Company first mailed its proxy materials for the annual meeting of the previous year.

Committee Charters

The charters of the Compensation, Audit, and Nominating and Governance Committees are available on our website, www.stericycle.com.

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Committee Members and Meetings

The following table provides information about the membership of the committees of the Board of Directors.

Director	Compensation Committee	Audit Committee	Nominating and Governance Committee
Mark C. Miller			
Jack W. Schuler			x*
Charles A. Alutto			
Lynn D. Bleil		x	
Thomas D. Brown	x		
Thomas F. Chen		x	
Rod F. Dammeyer ⁽¹⁾		x*	x
William K. Hall	x*		
John Patience		x	x
Mike S. Zafirovski	x		

* Committee Chair

- (1) The Board of Directors has determined that Mr. Dammeyer, the Chairman of the Audit Committee, is an audit committee financial expert as defined in the applicable rules of the U.S. Securities and Exchange Commission.

Our Board of Directors held eight meetings in person during 2015 and acted without a formal meeting on a number of occasions by the unanimous written consent of the directors. The Audit Committee held eight meetings during the year. The Compensation Committee held four meetings during the year. The Nominating and Governance Committee held three meetings during the year. Each director attended at least 75% of the aggregate of the total number of Board meetings and the total number of meetings of all Board committees on which he or she served during his or her term of service.

We encourage our directors to attend the annual meeting of stockholders. All of the nominees for election as directors attended the 2015 Annual Meeting of Stockholders, and we anticipate that all of our directors will attend this year's Annual Meeting.

LEAD DIRECTOR

We amended our bylaws in August 2008 and November 2012 to require the Board of Directors to appoint one of our outside directors as the Lead Director if and when our president and chief executive, or any other officer or employee, is serving as the Executive Chairman of the

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Board. The Lead Director is required to be independent under the NASDAQ listing standards, and serves at the Board's pleasure until the next election of directors by the stockholders.

Working with the Executive Chairman of the Board, the Lead Director is responsible for coordinating the scheduling and agenda of Board meetings and the preparation and distribution of agenda materials. The Lead Director presides when the Board meets in executive session or in the absence of the Executive Chairman of the Board and may call special meetings of the Board when he considers appropriate. In general, the Lead Director oversees the scope, quality and timeliness of the flow of information from our management to the Board and serves as an independent point of contact for stockholders wishing to communicate with the Board other than through the Executive Chairman of the Board.

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In August 2008, our Chairman of the Board, Jack W. Schuler, resigned as Chairman after serving for more than 18 years, and our Board appointed Mr. Schuler as our Lead Director, and he still serves in this position. Also in August 2008, the Board appointed our then President and Chief Executive Officer, Mark C. Miller, who had served in these positions for more than 16 years, to the additional position of Chairman of the Board. Effective January 2013, Charles A. Alutto became our President and Chief Executive Officer and Mr. Miller assumed the position of Executive Chairman of the Board. At this time, the Board believes that the Executive Chairman arrangement, together with the Lead Director, serve the Company well. It is anticipated that Mr. Miller will transition from Executive Chairman to Chairman during 2016 and that Mr. Schuler will continue as Lead Director following that transition. The combined experience and knowledge of Messrs. Alutto, Miller and Schuler in their respective roles of Chief Executive Officer, Executive Chairman and Lead Director provide the Board and the Company with continuity of leadership that has enabled the Company's success with sufficient independent oversight of the Board through our Lead Director.

CORPORATE GOVERNANCE

Executive Sessions of the Board

Our Board of Directors excuses Mr. Alutto, our President and Chief Executive Officer, as well as any of our other executive officers who may be present by invitation, from a portion of each meeting of the Board in order to allow the Board, with our Lead Director presiding, to review Mr. Alutto's performance as President and Chief Executive Officer and to enable each director to raise any matter of interest or concern without the presence of management.

Board Evaluation

Our directors annually review the performance of the Board of Directors and its committees and the performance of their fellow directors by completing confidential evaluation forms that are returned to Mr. Schuler as the Chairman of the Nominating and Governance Committee. At a subsequent meeting of the Board, Mr. Schuler leads a discussion with the full Board of any issues and suggestions for improvement identified in his review of these evaluation forms.

Policy on Related Party Transactions

The Board of Directors has adopted a written policy requiring certain transactions with related parties to be approved in advance by the Audit Committee. For purposes of this policy, a related party includes any director or executive officer or an immediate family member of any director or executive officer. The transactions subject to review include any transaction, arrangement or relationship (or any series of similar transactions, arrangements and relationships) in which (i) we or one of our subsidiaries will be a participant, (ii) the aggregate amount involved exceeds \$100,000 and (iii) a related party will have a direct or indirect interest. In reviewing proposed transactions with related parties, the Audit

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Committee considers the benefits to us of the proposed transaction, the potential effect of the proposed transaction on the director's independence (if the related party is a director), and the terms of the proposed transaction and whether those terms are comparable to the terms available to an unrelated third party or to employees generally. There were no such transactions since January 1, 2015 that required the Audit Committee's approval.

Succession Planning

The Board of Directors annually reviews and approves our succession planning for our Chief Executive Officer, our other executive officers and a number of other officers.

Required Resignation on Change in Job Responsibilities

The Board of Directors has adopted a policy that a director must tender his resignation if the director's principal occupation or business association changes substantially from the position that he held when originally elected to the Board. The Nominating and Governance Committee will then review the circumstances of the director's

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ITEM 1 ELECTION OF DIRECTORS

new position or retirement and recommend to the full Board whether to accept or reject the director's resignation in light of the contribution that he can be expected to continue to make to the Board.

Anti-Hedging and Anti-Pledging Policy

Our directors, executive officers and other designated employees are generally prohibited from engaging in certain transactions in respect of our common stock including certain hedging and derivative transactions and short sales. In addition, these persons are generally prohibited from holding our common stock in a margin account or otherwise pledging our common stock as collateral for a loan.

Clawback Policy

In order to encourage sound financial reporting and enhance individual accountability, we maintain a clawback policy that allows us to recover from our executive officers certain performance-based compensation in the event of certain accounting restatements. If we are required to prepare a restatement of our financial statements due to material noncompliance with any financial reporting requirement under the securities laws, the Compensation Committee will seek to recover from a covered officer certain performance-based compensation if the covered officer is determined to have engaged in fraud or intentional misconduct that materially contributed to the need for the restatement or if otherwise required by applicable SEC or NASDAQ rules.

Risk Oversight

The Board regularly devotes time during its meetings to review and discuss the most significant risks facing the Company, and management's responses to those risks. During these discussions, the Chief Executive Officer, Chief Financial Officer, General Counsel and other members of senior management present management's assessment of risks, a description of the most significant risks facing the Company and any mitigating factors and plans or practices in place to address and monitor those risks. In addition, the Board conducts an annual, in-depth review of the Company's business, which includes detailed analysis and consideration of strategic, operational, financial, competitive, compliance and compensation risk areas.

Each Board committee addresses relevant risk topics as part of its committee responsibilities. The committees oversee the Company's risk profile and exposures relating to matters within the scope of their authority and provide periodic reports to the full Board about their deliberations and recommendations. The Compensation Committee is responsible for overseeing the management of risks relating to the Company's executive compensation plans and its overall compensation philosophy.

Responsibility for risk management flows to individuals and entities throughout our Company as described above, including our Board, Board committees and senior management. We believe our culture has facilitated, and will continue to facilitate, effective risk management across the Company.

COMMUNICATIONS WITH THE BOARD

Stockholders who would like to communicate with the Board may do so by writing to the Board of Directors, Stericycle, Inc., 28161 North Keith Drive, Lake Forest, Illinois 60045. Our Investor Relations department will process all communications received. Communications relating to matters within the scope of the Board's responsibilities will be forwarded to the Executive Chairman of the Board and at his direction to the other directors, and communications relating to ordinary day-to-day business matters that are not within the scope of the Board's responsibilities will be forwarded to the appropriate officer or executive. Communications addressed to the Lead Director will be forwarded to him and at his direction to the other directors, and communications addressed to a particular committee of the Board will be forwarded to the chair of that committee and at his direction to the other members of the committee.

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EQUITY COMPENSATION PLANS

The following table summarizes information as of December 31, 2015 relating to our equity compensation plans pursuant to which stock option grants, restricted stock awards or other rights to acquire shares of our common stock may be made or issued:

Equity Compensation Plan Information

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted- Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Equity compensation plans approved by our security holders ⁽¹⁾	5,398,111	\$ 92.11	3,317,483
Equity compensation plans not approved by our security holders ⁽²⁾			