

NET SETTLEMENT FUND PLAN OF ALLOCATION

A. Preliminary Matters

1. The settlement amount of \$295 million in cash (the “Initial Settlement Amount”) and the interest earned thereon is the “Gross Settlement Fund.” From the Gross Settlement Fund will be deducted all Court-approved attorneys’ fees and expenses, notice and administration expenses, and taxes and tax expenses. The Gross Settlement Fund less all such deductions is the “Net Settlement Fund.” The Net Settlement Fund will be disbursed to Class Members in accordance with the provisions of this Plan of Allocation.

2. The purpose of this Plan of Allocation of the Net Settlement Fund (“Plan of Allocation” or “Plan”) is to establish a reasonable and equitable method of distributing the Net Settlement Fund among Class Members. For purposes of determining the amount a Class Member may recover under this Plan, Plaintiffs’ Class Counsel retained the services of Berkeley Research Group, LLC (“BRG”), which previously developed a methodology for analyzing Stericycle’s transactional records, identifying Class Members, and calculating damages for purposes of class certification. This Plan is intended to be consistent with that methodology, and is consistent with the method Plaintiffs’ Class Counsel would have employed had this matter gone to trial. The calculations used in this Plan are intended to reflect an approximation of the damages that could have reasonably expected to be recovered if Plaintiffs’ Class Counsel had prevailed at trial. The Plan is not intended to and does not exactly replicate such assessment of damages, however. Nor does this Plan assume that the damages that could reasonably have been recovered at trial are equal to the highest damage claims presented by Plaintiffs’ Class Counsel in the course of this litigation, which represented the highest possible estimate of damages arguably supported by the law and evidence, assuming that Plaintiffs’ Class Counsel prevailed on every contested factual and legal issue. As such, those previous damage estimates represent

the ideal or best possible recovery, and not a realistic determination of the likely outcome at trial considering all of the risks inherent in a trial.

3. As a result of the assumptions made in calculating Class Member recoveries pursuant to this Plan, certain Class Members who may not have had recoverable damages from a judgment obtained through trial may be eligible to receive a payment under this Plan. Certain Class Members who are not eligible to receive a payment under this Plan likewise may have been entitled to a recovery if the case had gone to trial and Plaintiffs' Class Counsel prevailed.

4. Because the Net Settlement Fund is less than the total damages alleged to have been suffered by Class Members, the formulas described below are intended to provide a reliable and fair basis for determining the extent of each Class Member's entitlement to a distribution of the Net Settlement Funds. The methodology for calculating each Class Member's recovery, if any, applies equally to every Member of the Class, and no exceptions to that methodology may be granted.

B. Definitions

1. "Contractually Agreed Price" means the initial price charged to the member of the Class pursuant to agreement between it and Stericycle, as reflected in Stericycle's customer transaction database. In the event of a price change not identified by Stericycle's customer transaction database as being the result of the Challenged Pricing Practice, that changed price becomes the Contractually Agreed Price for purposes of calculating Gross Compensation Basis for any later price changes as described in the definition of the term Gross Compensation Basis.

2. "Contractually Allowed Price" means, solely for the purposes of this Agreement, the initial price charged to Class Members, as reflected in Stericycle's customer transaction database, plus annual price increases of 8%.

3. “Gross Compensation Basis” means the amount by which Plaintiffs alleged each Class Member was charged over the Contractually Agreed Price. “Gross Compensation Basis” is calculated as the difference between (a) the Actual Price each Class Member paid during the Class Period, including price increases resulting from the Challenged Pricing Practice and (b) the Contractually Allowed Price. If a Class Member received statement credits during the Class Period, both the original transaction and any corresponding credit shall be excluded from the Gross Compensation Basis. If a Class Member received credits that cannot be matched with any specific transaction, the Gross Compensation Basis shall be reduced by the amount of such credits. The calculation of the “Gross Compensation Basis” shall take into account the total amount by which Plaintiffs allege each Class Member was charged over the Contractually Agreed Price during the Class Period. In the event of a price change that was not identified in Stericycle’s customer transaction database as being the result of Stericycle’s Challenged Pricing Practice, the resulting price becomes the new Contractually Agreed Price, and additional Gross Compensation Basis will only accrue based on the new Contractually Agreed Price.

C. Methodology for Calculating Class Member Recovery: Initial Distribution

1. Plaintiffs Class Counsel shall provide to the Class Action Settlement Administrator, in such electronic format as the Class Action Settlement Administrator may reasonably specify, a list containing:

- a. The name of every Class Member;
- b. The contact information available in Stericycle’s customer transactional database, as such database has been provided to Plaintiffs’ Class Counsel for purposes of this litigation (“Database”), including where available, the most current mailing address, telephone number, fax number, and email address;
- c. The Gross Compensation Basis for each Class Member;
- d. The Total Gross Compensation Basis.

2. The information referred to in the preceding paragraph shall be compiled by Berkeley Research Group, LLC (“BRG”), under the direction of Patrick Kilbourne, in accordance with the terms of this Plan. BRG will provide such information prior to the submission of the Settlement Agreement for Preliminary Approval. As soon as practicable following the granting of Preliminary Approval, BRG shall provide updated information as necessary to reflect any changes in the interim period. Stericycle shall promptly provide to Plaintiffs’ Class Counsel an update to the Database containing information current through the date of Preliminary Approval.

3. BRG shall compile a list of Stericycle customers meeting the Class Definition set forth in the Settlement Agreement using the Database, along with the available contact information for each Class Member in the Database.

4. For each Class Member so identified, BRG will determine the Contractually Agreed Price by identifying the initial price charged to the member of the Class, as reflected in the Database. BRG will also analyze the transactional history reflected in the Database for each Class Member to identify any changes to the Contractually Agreed Price during the Class Period, consistent with the definition of the term “Contractually Agreed Price.”

5. BRG shall determine the Gross Compensation Basis for each Class Member by calculating the difference between (a) the Actual Price each Class Member paid during the Class Period, including price increases resulting from the Challenged Pricing Practice and (b) the Contractually Allowed Price as defined herein.

6. A Class Member’s share of the Settlement Fund shall be determined as follows: the Gross Compensation Basis for all Class Members will be added to become the “Total Gross Compensation Basis.” The Total Gross Compensation Basis will then be compared to the “Net

Settlement Fund” (i.e., the Settlement Fund less Notice and Administrative Costs, Attorneys’ Fees and Expenses and Plaintiffs’ Service Awards) in order to determine what percentage of the Total Gross Compensation Basis is covered by the Net Settlement Fund. Each Class Member’s Gross Compensation Basis will then be adjusted according to that percentage:

Classwide Recovery Percentage Formula

$$[\text{Net Settlement Fund}] \div [\text{Total Gross Compensation Basis}] = \text{Class Recovery Percentage}$$

Individual Class Member Compensation Formula

$$[\text{Individual Gross Compensation Basis}] \times [\text{Class Recovery Percentage}] = \text{Individual Share}$$

By way of example only, if it is determined that the Class Recovery Percentage is 60%, each Class Member will receive 60% of their Gross Compensation Basis.

7. A Class Member shall be entitled to a share of the Settlement Fund if the Class Member has a Gross Compensation Basis of greater than \$0. In no event shall a Class Member receive more than one payment from the fund under this Section, except that a Class Member with multiple Service Locations, whether billed separately or together, may recover for each Service Location provided that the Class Member has an aggregate Gross Compensation Basis across all Service Locations greater than \$0.

D. Methodology for Calculating Class Member Recovery: Second Distribution

1. Class Members who cashed the initial checks distributing their respective shares of the Net Settlement Fund shall be eligible for a second distribution of the Remaining Net Settlement Fund if the cost of administering such a second distribution is less than 50% of the Remaining Net Settlement Fund. If the cost of administering a second distribution would exceed 50% of the Remaining Net Settlement Fund, the Remaining Net Settlement Fund shall be

distributed to such *cy pres* recipients that are agreed upon by the Parties and reported to the Court and the Class Action Settlement Administrator.

2. Each eligible Class Member's share of any second distribution will be calculated in the same manner as the initial distribution was calculated except that only the Gross Compensation Basis for Class Members who cashed their initial checks (less the amount each such Class Member was paid in the initial distribution) shall be used in calculating the Total Gross Compensation Basis for the second distribution.

E. Settlement Funds Remaining After a Second Distribution

1. Any Remaining Settlement Funds after all issued and reissued checks from the second distribution have expired shall be distributed to such *cy pres* recipients that are agreed upon by the Parties and reported to the Court and the Class Action Settlement Administrator.