US ECOLOGY, INC.
Form DEF 14A
April 11, 2018

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

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Check the appropriate box:

o Preliminary Proxy Statement

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US ECOLOGY, 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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US ECOLOGY, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TIME	8:00 a.m. Eastern Daylight Time on May 22, 2018
PLACE	US Ecology, Inc. 17440 College Parkway, Suite 300 Livonia, Michigan 48152
PURPOSE	(1) To elect eight directors to the Board of Directors to serve a one-year term. (2) To ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the Company's fiscal year ending December 31, 2018. (3) To hold a non-binding advisory vote on the Company's executive compensation. (4) To transact other business as may properly come before the meeting or any adjournments or postponements thereof.
RECORD DATE	You are entitled to vote if you were a stockholder at the close of business on March 29, 2018. A list of stockholders will be available for inspection at the Company's principal office in Boise, Idaho for a period of ten (10) days prior to the Annual Meeting of Stockholders and will also be available for inspection at the meeting.
VOTING BY PROXY	In accordance with rules promulgated by the Securities and Exchange Commission, we have elected to use the Internet as our primary means of furnishing proxy materials to our stockholders. Accordingly, most stockholders will not receive paper copies of our proxy materials and we will mail a notice to these stockholders with instructions for accessing the proxy materials, including our Proxy Statement and Annual Report on Form 10-K, and for voting via the Internet. This notice also provides information on how stockholders may obtain paper copies of our proxy materials free of charge, if they so choose. The electronic delivery of our proxy materials will reduce our printing and mailing costs and the environmental impact of the proxy materials. Your vote is important. Whether or not you are able to attend the Annual Meeting of Stockholders in person, it is important that your shares be represented. We have provided instructions on each of the alternative voting methods in the accompanying Proxy Statement. Please vote as soon as possible.

Jeffrey R. Feeler
Chairman of the Board of Directors

Boise, Idaho
April 11, 2018

All Stockholders are cordially invited to attend the Annual Meeting of Stockholders in person. Even if you have given your proxy, you may still vote in person if you attend the Annual Meeting of Stockholders and elect to revoke your proxy.

PLEASE NOTE, HOWEVER, THAT IF YOUR SHARES ARE HELD OF RECORD BY A BROKER, BANK OR OTHER NOMINEE AND YOU WISH TO VOTE AT THE ANNUAL MEETING OF STOCKHOLDERS, YOU WILL NOT BE PERMITTED TO VOTE IN PERSON AT THE MEETING UNLESS YOU FIRST OBTAIN A PROXY ISSUED IN YOUR NAME FROM THE RECORD HOLDER.

US ECOLOGY, INC.

ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 22, 2018

PROXY STATEMENT

The Board of Directors ("*Board*" or "*Board of Directors*") of US Ecology, Inc. ("*Company*") is soliciting proxies to be voted at the Annual Meeting of Stockholders of the Company to be held on May 22, 2018, at 8:00 a.m. Eastern Daylight Time, at US Ecology, Inc., 17440 College Parkway, Suite 300, Livonia, Michigan 48152, including any adjournments or postponements thereof (the "*Meeting*" or the "*Annual Meeting*"). We intend to mail a Notice Regarding the Availability of Proxy Materials ("*Notice*") and to make this Proxy Statement available to our stockholders of record entitled to vote at the Annual Meeting on or about April 11, 2018.

PROXY SOLICITATION AND VOTING INFORMATION

In accordance with the rules and regulations adopted by the Securities and Exchange Commission ("*SEC*"), instead of mailing a printed copy of our proxy materials to each stockholder of record, we will furnish proxy materials, including this Proxy Statement, the proxy card, and the Company's Annual Report on Form 10-K for the year ended December 31, 2017 ("*Annual Report*"), to our stockholders by providing access to such documents on the Internet. Stockholders will not receive printed copies of the proxy materials unless requested. Instead, the Notice will inform stockholders how they may access and review all of the proxy materials. The Notice will also inform stockholders how to submit a proxy through the Internet. If you wish to receive a paper copy or e-mail copy of your proxy materials, please follow the instructions in the Notice for requesting such materials. We will pay the entire cost of preparing, assembling, printing, mailing, and distributing these proxy materials and soliciting votes. If you choose to access the proxy materials and/or vote over the Internet, however, you are responsible for any Internet access charges you may incur.

If you are a stockholder of record, you may vote in person at the Annual Meeting. A ballot will be provided to you upon your arrival. If you do not wish to vote in person or you will not be attending the Annual Meeting, you may vote by proxy over the Internet, by telephone or by mail. The procedures for voting by proxy are as follows:

To vote by proxy on the **Internet**, go to www.proxyvote.com to complete an electronic proxy card.

To vote by proxy by telephone, dial the toll free number listed on your proxy card using a **touch-tone telephone** and follow the recorded instructions.

To vote by proxy using a **mailing card** (if you received a printed copy of these proxy materials by mail), complete, sign, and date the enclosed proxy card and return it promptly in the envelope provided.

All shares represented by duly executed proxies on the accompanying form received prior to the Meeting will be voted in the manner specified therein. Any stockholder granting a proxy may revoke it at any time before it is voted by filing with the Secretary of the Company either an instrument revoking the proxy or a duly executed proxy bearing a later date. Any stockholder present at the Meeting who expresses a desire to vote shares in person may also revoke his or her proxy. For any matter for which no choice has been specified in a duly executed proxy, the shares represented will be voted **FOR** each of the nominees for director listed herein, **FOR** the ratification of the Company's independent registered public accounting firm, **FOR** the compensation as disclosed in the "Compensation Discussion and Analysis" section and the accompanying compensation tables contained in this Proxy Statement and, with respect to any other business that may properly come before the Meeting, at the discretion of the persons named in the proxy.

The Company is providing Internet proxy voting to allow you to vote your shares on-line using procedures designed to ensure the authenticity and correctness of your voting instructions. If you vote by proxy on the Internet or by telephone, your vote must be received by 11:59 p.m. Eastern Daylight Time on May 21, 2018, to be counted.

The Annual Report is being furnished with this Proxy Statement to stockholders of record as of March 29, 2018. The Annual Report does not constitute a part of the proxy solicitation materials except as otherwise provided by the rules of the SEC, or as expressly provided for herein.

OUTSTANDING SHARES AND VOTING RIGHTS

The Board of Directors of the Company fixed March 29, 2018 as the record date ("*Record Date*") for the determination of stockholders entitled to notice of, and to vote at, the Meeting. On the Record Date there were 21,923,691 shares of common stock issued, outstanding, and entitled to vote. The Company has no other voting securities outstanding. Each stockholder of record is entitled to one vote per share held on all matters submitted to a vote of stockholders, except that in electing directors each stockholder is entitled to cumulate his or her votes and give any one candidate an aggregate number of votes equal to the number of directors to be elected (8), multiplied by the number of his or her shares, or to distribute such aggregate number of votes among as many candidates as he or she chooses. For a stockholder to exercise cumulative voting rights, the stockholder must give notice of his or her intention to cumulatively vote prior to the Meeting or at the Meeting in person, prior to voting. If any stockholder has given such notice, all stockholders may cumulatively vote. The holders of proxies will have authority to cumulatively vote and allocate such votes in their discretion to one or more of the director nominees. The holders of the proxies solicited do not intend to cumulatively vote the shares they represent unless a stockholder indicates his or her intent to do so, in which instance they intend to cumulatively vote all the shares they hold by proxy as indicated by the stockholder.

The holders of a majority of the outstanding shares of common stock on the Record Date entitled to vote at the Meeting in person or by proxy will constitute a quorum for the transaction of business at the Meeting. In accordance with the Company's Amended and Restated Bylaws, an affirmative vote of a majority of the votes cast is required for approval of all matters. Abstentions and broker non-votes are not included in the determination of the number of votes cast at the Meeting, but are counted for purposes of determining whether a quorum is present.

CORPORATE GOVERNANCE

In accordance with the Delaware General Corporation Law, the Company's Restated Certificate of Incorporation, and Amended and Restated Bylaws, the Company's business, property, and affairs are managed under the direction of the Board of Directors. Although the Company's non-employee directors are not involved in day-to-day operations, they are kept informed of the Company's business through written financial and operations reports and other documents provided to them from time to time by management, as well as by operating, financial, and other reports presented by management in preparation for, and at meetings of, the Board of Directors and the three standing committees of the Board of Directors.

The Board of Directors is ultimately responsible for the Company's corporate governance and it is the responsibility of the Board of Directors to ensure that the Company complies with federal securities laws and regulations, including those promulgated under the Sarbanes-Oxley Act of 2002.

The Board of Directors has adopted a Code of Ethics for Chief Executive Officer, Chief Financial Officer, and Other Executive Officers as well as a Code of Ethics for Directors (collectively the "*Codes* *of Ethics*"), which are posted on the Company's website at www.usecology.com. Please note that none of the information on the Company's website is incorporated by reference in this Proxy Statement. There have been no waivers to the Codes of Ethics since their adoption. Any future waivers or changes to the Codes of Ethics would be disclosed on the Company's website in accordance with SEC rules.

Independence. The Company is required by NASDAQ listing standards to have a majority of independent directors. The Board of Directors has determined that the following directors are independent as defined by the applicable NASDAQ standards: Joe F. Colvin, Katina Dorton, Glenn A. Eisenberg, Daniel Fox, Ronald C. Keating, Stephen A. Romano, and John T. Sahlberg. The Board of Directors has determined that each of these directors is free of any relationship that would interfere with his or her exercise of independent judgment in carrying out the responsibilities of a director. Mr. Feeler is the Company's President and Chief Executive Officer and therefore not considered independent under the applicable NASDAQ standards.

Meetings of the Board of Directors. During the year ended December 31, 2017, the Board of Directors held four regularly scheduled meetings. Three special meetings of the Board were also held. Each of the directors attended at least 75% of the total meetings of the Board of Directors and the total number of meetings held by the committees on which he or she served. Director attendance at the Annual Meeting of Stockholders is encouraged but not required. All directors who stood for election at the 2017 Annual Meeting of Stockholders on May 23, 2017 attended that meeting. It is the policy of the Board to hold an executive session at each regularly scheduled Board meeting where non-employee directors meet without management participation. The Board of Directors met in executive session without management present at all regularly scheduled Board of Directors meetings in fiscal year 2017.

Risk Oversight. The Board of Directors oversees an enterprise-wide approach to risk management, designed to support the achievement of organizational objectives, including strategic objectives, to improve long-term organizational performance, and enhance stockholder value while managing risk. A fundamental part of risk management is not only understanding the risks the Company faces and what steps management is taking to understand and manage those risks, but also evaluating what level of risk is appropriate for the Company. The involvement of the Board of Directors in setting the Company's business strategy is a key part of its assessment of management's risk tolerance and determination of what constitutes an appropriate level of risk for the Company. The Board of Directors participates in and discusses the results of an annual enterprise risk management assessment, which is monitored and coordinated by the Audit Committee. In this process, risk is assessed throughout the business, focusing on five primary areas of risk: financial, legal, operational, strategic, and information technology. At each regularly scheduled Audit Committee meeting, changes to the Company's risk environment are discussed.

While the Board of Directors has the ultimate oversight responsibility for the risk management process, committees of the Board also have responsibility for certain aspects of risk management. In particular, the Audit Committee focuses on financial risk, including internal controls. In setting compensation, the Compensation Committee strives to create incentives and equity ownership programs that will align the interests of management with the interests of stockholders and encourage an appropriate level of risk-taking behavior consistent with the Company's business strategy.

Board of Directors Assessment and Board Evaluation. The Company believes that good governance requires a focus on continual improvement of each director and the Board as a whole. Annually, at the Board's direction, an assessment and inventory of the skills of the directors and the performance of each of the directors and the Board as a whole is conducted. The Board solicits each director's evaluation of the skills and performance of each of the directors in different categories. Each category is rated and the ratings are then compiled and averaged. The Board reviews the results of the evaluations and identifies areas of strengths and weaknesses and action items to improve the performance and effectiveness of the Board.

Committees of the Board of Directors. The three standing committees of the Board of Directors are the Audit, Corporate Governance, and Compensation Committees.

Audit Committee The current members of the Audit Committee are Messrs. Fox and Sahlberg, and Ms. Dorton. Mr. Fox is the committee chair. The Audit Committee, which met six times in 2017, has duties that include the following:

- Reviewing the proposed plan and scope of the Company's annual audit, as well as the audit results, and reviewing and approving the selection of and services provided by the Company's independent registered public accountant and its fees;
- Meeting with management to assure the adequacy of accounting principles, financial controls, and policies;
- Reviewing transactions, if any, that may present a conflict of interest on the part of management or individual directors;
- Meeting at least quarterly to review financial results, discuss financial statements and SEC reporting, and make recommendations to the Board;
- Monitoring and coordinating enterprise-wide approach to risk management;
- Reviewing and discussing with management the Company's compliance programs;
- Reaffirming, on a quarterly basis, the Board-approved dividend policy based on financial information provided by management; and
- Reviewing the independent registered public accountant's recommendations for internal controls, adequacy of staff, and management performance concerning audit and financial controls.

The Board of Directors has determined that each of Messrs. Fox and Sahlberg, and Ms. Dorton meets the independence requirements for Audit Committee service set forth in the applicable rules under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), and that each of Mr. Fox and Ms. Dorton qualifies as an "audit committee financial expert" as defined in Item 407 of Regulation S-K. The written charter for the Audit Committee is available on the Company's website at www.usecology.com.

Corporate Governance Committee The current members of the Corporate Governance Committee are Messrs. Colvin and Fox, and Ms. Dorton. Ms. Dorton is the committee chair. The Corporate Governance Committee, which met four times in 2017, fulfills the requirement of a nominating committee composed solely of independent directors as required by the applicable NASDAQ listing standards. The Corporate Governance Committee is responsible for identifying and recommending qualified and experienced individuals to fill vacancies and potential new director seats if the Board is expanded. On March 1, 2018, the Corporate Governance Committee recommended, and the Board of Directors discussed and approved, the eight director nominees standing for election at the Annual Meeting, seven of whom the Board of Directors has determined are independent as defined by the applicable NASDAQ standards.

The Corporate Governance Committee evaluates candidates based upon various factors, including, but not limited to:

- Integrity;
- Education and business experience;
- Broad-based business acumen;

Understanding of the Company's business, industry, and related regulatory environment; and

Expertise in a particular skill(s) determined to be important through the Board of Directors Assessment and Board Evaluation process.

The Company believes that consideration of these and other factors leads to a Board consisting of individuals with viewpoints, professional experience, education, skills, and other qualities that contribute to Board heterogeneity. The Corporate Governance Committee and Board evaluated the qualifications of the Board as a whole, considering a number of key skills. The Corporate Governance Committee concluded that the individuals nominated to stand for election at the Annual Meeting collectively offer a mix of skills, expertise, and experience that is well suited to the Company's needs. The written charter for the Corporate Governance Committee is available on the Company's website at www.usecology.com.

Compensation Committee The current members of the Compensation Committee are Messrs. Colvin, Keating, and Sahlberg. Mr. Sahlberg is the committee chair. The Board of Directors has determined that each of Messrs. Colvin, Keating, and Sahlberg meets the independence requirements for Compensation Committee service set forth by the applicable rules under the Exchange Act and NASDAQ listing standards. The Compensation Committee, which met three times in 2017, oversees the Company's overall compensation policies, reviews and approves performance targets for the Company's incentive compensation programs, designs and administers the Company's equity compensation plans, and reviews and approves the compensation of each of the Named Executive Officers, including the amount of base salary, incentive compensation, and equity compensation payable. The Compensation Committee also makes recommendations to the Board regarding compensation of the directors and performs other Board-delegated functions. The written charter for the Compensation Committee is available on the Company's website at www.usecology.com.

Board Leadership Structure. Each year the Board selects a Chairman of the Board and a Chief Executive Officer. The Chairman of the Board is responsible for helping establish the Company's strategic priorities, presiding over Board meetings, and communicating the Board's guidance to management. The Chief Executive Officer, on the other hand, is responsible for the day-to-day management of the Company's operations and business and reports directly to the Board.

During the 2017-2018 Board year, the roles of Chairman of the Board and Chief Executive Officer were both held by Mr. Feeler. Mr. Feeler has been with the Company for over a decade, which has given him a unique understanding of the environmental services industry, market trends, and the Company's strategic position, strengths, and weaknesses, as well as day-to-day operational details. The Board believes that these attributes make Mr. Feeler uniquely qualified to serve in both positions and helps the Board and management operate in an efficient and effective manner.

The Company's Corporate Governance Guidelines specify that when the Chairman of the Board also serves as an employee of the Company, the chair of the Corporate Governance Committee shall serve as "Lead Independent Director" and, among other things, serve as a liaison between the non-independent chairman and the independent directors; review and approve the schedule, agenda, and materials for all meetings of the Board; chair executive sessions of the independent Board members at scheduled Board meetings without the non-independent chairman present; provide consultation and direct communication to major stockholders, if requested; and call special meetings of the independent directors if needed. From the date of Mr. Feeler's appointment as Chairman of the Board on May 27, 2015, Ms. Dorton has served as Lead Independent Director.

Although the Board believes the current leadership structure is in the best interests of the Company and its stockholders, the Board will, each year, reevaluate whether to separate the responsibilities of Chief Executive Officer and Chairman of the Board.

SUBMISSION OF STOCKHOLDER PROPOSALS AND DIRECTOR NOMINATIONS

In accordance with SEC rules and regulations, the Company must receive stockholder proposals submitted for inclusion in the Company's proxy materials and for consideration at the 2019 Annual Meeting of Stockholders ("*2019 Annual Meeting*") no later than December 8, 2018. Any such proposals are requested to be submitted to Wayne R. Ipsen, Secretary, US Ecology, Inc., 101 S. Capitol Blvd., Suite 1000, Boise, Idaho 83702 and should comply with the SEC rules governing stockholder proposals submitted for inclusion in proxy materials.

Stockholders may also submit recommendations for nominees for director to Wayne R. Ipsen, Secretary, US Ecology, Inc., 101 S. Capitol Blvd., Suite 1000, Boise, Idaho 83702. Recommendations are requested no later than December 8, 2018 for consideration by the Corporate Governance Committee for the 2019 Annual Meeting. In considering any nominee proposed by a stockholder, the Corporate Governance Committee will apply the same criteria it uses in evaluating all director candidates. Nominees should reflect suitable expertise, skills, attributes, and personal and professional backgrounds for service as a director of the Company.

Other stockholder communications to the Board of Directors may be sent at any time to US Ecology, Inc., c/o Wayne R. Ipsen, Secretary, 101 S. Capitol Blvd., Suite 1000, Boise, Idaho 83702. Management intends to summarize and present all such communications to the Board of Directors.

The SEC has promulgated rules relating to the exercise of discretionary voting authority under proxies solicited by the Board of Directors. If a stockholder intends to present a proposal at the 2019 Annual Meeting without inclusion of that proposal in the Company's proxy materials and written notice of the proposal is not received by Wayne R. Ipsen, Secretary of the Company, by February 26, 2019 (the date that is forty-five (45) days before the one year anniversary on which the Company first sent its proxy materials for this Annual Meeting), or if the Company meets other requirements of the applicable SEC rules, the proxies solicited by the Board of Directors for use at the 2019 Annual Meeting will confer discretionary authority to vote on the proposal should it then be raised at the 2019 Annual Meeting.

ELECTION OF DIRECTORS

PROPOSAL NO. 1

At the Meeting, the eight director nominees receiving the greatest number of votes cast will be elected, provided, that each nominee receives a majority of the votes cast. Directors so elected will hold office until the 2019 Annual Meeting or until their death, resignation or removal, in which case the Board of Directors may or may not appoint a successor. It is the intent of the persons named in the proxy, Jeffrey R. Feeler and Wayne R. Ipsen, to vote proxies that are not marked to the contrary for the director nominees named below. If any nominee is unable to serve, the named proxies may, in their discretion, vote for any or all other persons who may be nominated.

The Corporate Governance Committee recommended eight directors to stand for election to the Board of Directors. All nominees have agreed to serve if elected. During 2017, the Company did not receive any nominee recommendations from stockholders for consideration by the Corporate Governance Committee for this Annual Meeting.

Nominees for Directors

Name	Age	Position with Company	Residence	Director Since
Joe F. Colvin	75	Independent Director	Santa Fe, NM	2008
Katina Dorton	60	Independent Director	Raleigh, NC	2014
Glenn A. Eisenberg	56	Independent Director	Charlotte, NC	2018
Jeffrey R. Feeler	48	Chairman, President, and CEO	Boise, ID	2013
Daniel Fox	67	Independent Director	Phoenix, AZ	2010
Ronald C. Keating	49	Independent Director	Pittsburgh, PA	2017
Stephen A. Romano	63	Independent Director	Niwot, CO	2002
John T. Sahlberg	64	Independent Director	Boise, ID	2015

Joe F. Colvin joined the Board of Directors in 2008. He is a former senior executive with more than forty (40) years of experience in the nuclear energy field. Mr. Colvin serves on the Board of Directors of The Club at Las Campanas, a private golf, tennis, and equestrian country club in Santa Fe, New Mexico (2012), and on the Board of Directors of the School for Advanced Research, a non-profit organization whose mission is to conduct innovative research and offer public education focused on the study of human societies (2016). He previously served as a director of Cameco Corporation (1999-2015) and the American Nuclear Society (2007-2012), an organization in which he served as President from 2011-2012. He is also President Emeritus of the Nuclear Energy Institute, Inc. ("*NEI*"), serving since 2005 and having previously served in various executive positions with the NEI, including President and Chief Executive Officer (1996-2005) and Executive Vice President and Chief Operating Officer (1994-1996). Mr. Colvin previously held senior management positions with the Nuclear Management and Resources Committee and the Institute for Nuclear Power Operations. Mr. Colvin served twenty (20) years as a line officer with the U.S. Navy nuclear submarine program.

The Board of Directors concluded that Mr. Colvin is qualified to serve as a director because of his extensive senior management experience, deep knowledge of the nuclear industry, and participation on the boards of large public and private organizations.

Katina Dorton joined the Board of Directors in 2014. She is currently Chief Financial Officer of AVROBIO, a biotechnology company (2017). Ms. Dorton served as Chief Financial Officer of Immatics GmbH, also a biotechnology company, from 2015-2017. From 2011-2015, Ms. Dorton was the principle owner of Doric LLC, an advisory firm, where she provided consulting services to public and private companies in the areas of M&A and strategic finance. She previously served as Managing Director at Needham & Co., Managing Director-Investment Banking at Morgan Stanley, and as an attorney in private practice at Sullivan & Cromwell. Ms. Dorton has more than twenty (20) years of investment banking experience advising corporate clients and their boards on capital markets, fund raising, mergers and acquisitions, and other strategic transactions. Ms. Dorton holds a JD from the University of Virginia School of Law, an MBA from George Washington University, and a BA from Duke University.

The Board of Directors concluded that Ms. Dorton is qualified to serve as a director because of her extensive knowledge of strategic finance, over twenty (20) years of investment banking experience, senior management experience, and experience as a practicing attorney.

Glenn A. Eisenberg joined the Board of Directors in 2018. He is currently the Executive Vice President and Chief Financial Officer at Laboratory Corporation of America Holdings (NYSE: LH) (2014), a leading global life sciences company. Mr. Eisenberg brings more than thirty (30) years of financial and leadership experience with sizeable and diversified publicly traded companies. He previously served as Executive Vice President (Finance and Administration) at The Timken Company (2002-2014) and held senior executive and leadership positions at United Dominion Industries (1990-2001) and The Citizens and Southern Corporation (1985-1990). In addition to these executive leadership positions, Mr. Eisenberg served on the boards of two public companies: Family Dollar Stores, Inc. (2002-2015) and Alpha Natural Resources, Inc. (2005-2015). Mr. Eisenberg holds an MBA with a concentration in Finance from Georgia State University and a BA in Economics and Environmental Studies from Tulane University.

The Board of Directors concluded that Mr. Eisenberg is qualified to serve as a director because of his senior executive and board member experience with publicly traded companies and expertise in finance, accounting, capital structures, M&A, corporate governance, and investor relations.

Jeffrey R. Feeler joined the Board of Directors in 2013, was appointed Chairman of the Board in 2015, and is the Company's President and Chief Executive Officer. He joined the Company in 2006 as Vice President, Chief Accounting Officer, Treasurer, and Controller. He was promoted in 2007 to Vice President and Chief Financial Officer; positions he held until his promotion to senior executive in

October 2012. Prior to 2006, Mr. Feeler held financial and accounting management positions with MWI Veterinary Supply, Inc. (a distribution company), from 2003 to 2005 with Albertson's, Inc. (a grocery retailer), and from 2002 to 2003 with Hewlett-Packard Company. From 1993 to 2002, he held various accounting and auditing positions, including the position of Sr. Manager, for PricewaterhouseCoopers LLP. Mr. Feeler is a Certified Public Accountant and holds a BBA of Accounting and a BBA of Finance from Boise State University.

The Board of Directors concluded that Mr. Feeler is qualified to serve as a director because of his intimate knowledge of the Company's business operations and the industry in which it competes. Mr. Feeler also has an extensive knowledge of and experience in capital markets, mergers, acquisitions, and strategic planning gained through his professional experiences.

Daniel Fox joined the Board of Directors in 2010. He is a Certified Public Accountant and Faculty Associate in the W.P. Carey School of Business at Arizona State University where he develops and teaches undergraduate accounting courses (2016). Mr. Fox was a full-time lecturer in the College of Business and Economics at Boise State University from 2007 through May 2016 where he developed and taught graduate and upper division undergraduate accounting and finance courses. Mr. Fox held various management and leadership positions over a twenty-eight (28) year career at PricewaterhouseCoopers LLP, retiring as a senior partner and the firm's Global Capital Markets Leader in Switzerland. During his public accounting career, Mr. Fox provided a wide range of services to a diverse mix of clients ranging in size from small privately held start-up companies to mature global public companies. He has been a frequent speaker on broad-ranging topics such as impacts of new or proposed auditing, accounting, reporting, regulatory, and international financial reporting matters. Mr. Fox also served on a committee of the Idaho State Board of Accountancy.

The Board of Directors concluded that Mr. Fox is qualified to serve as a director because of his wide-ranging experience working with audit committees, boards, and senior management as well as his knowledge of Generally Accepted Accounting Principles ("GAAP") and SEC accounting and reporting gained through his career in public accounting and activities as a lecturer and speaker on auditing, accounting, finance, reporting, and regulatory matters.

Ronald C. Keating joined the Board of Directors in 2017. He brings more than twenty-five (25) years of operations and leadership experience with companies providing solutions to municipal, industrial, and infrastructure customers. Mr. Keating is currently the President, Chief Executive Officer, and a director at Evoqua Water Technologies Corp., a global provider of water and wastewater treatment solutions and services (2014). He previously served as President and Chief Executive Officer at Contech Engineered Solutions (2008-2014), a provider of site solutions for contractors, owners, engineers, and architects and held senior leadership positions at Kennametal Inc. and Ingersoll-Rand Inc. Mr. Keating holds an MBA from the Kellogg School of Management at Northwestern University and a BS in Industrial Distribution from Texas A&M.

The Board of Directors concluded that Mr. Keating is qualified to serve as a director because of his significant operational, strategic, and senior leadership experience in industries serving commercial and industrial markets.

Stephen A. Romano joined the Board of Directors in 2002. He was appointed President and Chief Operating Officer of the Company in October 2001, Chief Executive Officer in March 2002, and Chairman of the Board of Directors in February 2008, a position he held until May 2015. He was an employee of the Company for more than twenty (20) years prior to his retirement in December 2009. Mr. Romano was previously a consultant to the International Atomic Energy Agency on nuclear waste matters and worked for the U.S. Nuclear Regulatory Commission, Wisconsin Department of Natural Resources, the Idaho National Engineering Laboratory, and as an independent consultant on hazardous and radioactive waste management.

The Board of Directors concluded that Mr. Romano is qualified to serve as a director because of his knowledge and understanding of the Company's operations and his industry, regulatory, and government relations experience. Mr. Romano has demonstrated his leadership abilities while serving in various positions with the Company, including Chief Executive Officer.

John T. Sahlberg joined the Board of Directors in 2015. He is currently Senior Vice President of Human Resources and General Counsel for Boise Cascade Company, promoted from Vice President in 2012, a position in which he had served since 2008. Boise Cascade Company is one of the largest producers of plywood and engineered wood products in North America and a leading U.S. wholesale distributor of wood products. At Boise Cascade Company, Mr. Sahlberg is responsible for human resources, labor relations, environmental compliance, legal, government relations, communications, and board administration. During his thirty-five (35) years with Boise Cascade Company and its predecessors, he has held numerous legal and human resource positions. From 2000 to the present, Mr. Sahlberg has served as a director and chair (2014) of Vigilant, a non-profit employer association. He also serves as Management Trustee of Bledsoe Health Care Trust (2000) and served as Management Trustee of TOC/Carpenters Pension Trust from 2000-2009. Mr. Sahlberg is a member of the Idaho State Bar and holds a BA in Economics from Harvard University and a JD from Georgetown University.

The Board of Directors concluded that Mr. Sahlberg is qualified to serve as a director because of his human resource and board governance knowledge and his experience in integrating acquisitions and in environmental matters gained through his professional experiences.

The Board of Directors unanimously recommends a vote FOR each of the listed nominees.

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PROPOSAL NO. 2

The Audit Committee has selected Deloitte & Touche LLP ("*Deloitte*") as the Company's independent registered public accountant for the 2018 fiscal year. A Deloitte representative plans to be present telephonically or in person at the Annual Meeting, will be available to answer appropriate questions, and will have an opportunity to make a statement if he or she desires to do so.

While stockholder ratification of Deloitte as the Company's independent registered public accountant is not required by the Company's Restated Certificate of Incorporation, Amended and Restated Bylaws or otherwise, the Board is submitting its selection of Deloitte for ratification as a matter of good corporate practice. If the stockholders do not ratify the selection, the Board, in conjunction with its Audit Committee, will further evaluate whether to retain Deloitte. If the selection is ratified, the Board and the Audit Committee, in their discretion, may direct the appointment of a different independent accounting firm at any time if they determine that such a change would be in the best interests of the Company and its stockholders.

The affirmative vote of the holders of a majority of the votes cast is required to ratify the appointment of Deloitte. Abstentions and broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this proposal has been ratified.

Audit, Audit-Related, Tax and Other Fees

The aggregate fees billed or expected to be billed for the audit of the Company's financial statements for the fiscal years ended December 31, 2017 and 2016 by the Company's principal accounting firm, Deloitte, were as follows:

	2017	2016
Audit Fees	$ 1,211,090	$ 1,150,555
Audit-Related Fees	85,000(1)	
Tax Fees	155,910(2)	127,335
All Other Fees	1,895(3)	2,600
Total Fees	$ 1,453,895	$ 1,280,490

(1) Amount due for services provided in connection with the Company's assessment of (i) ASC 606 Revenue Recognition Standard Implementation; and (ii) information technology systems implementation.

(2) Amount due for federal, state, and foreign tax compliance and consulting.

(3) Amount due for access to Deloitte's Accounting Access Research Tool.

Deloitte prepared an annual engagement letter that was submitted to the Audit Committee for approval for the 2017 audit. The Audit Committee approved all of the non-audit services provided by Deloitte in fiscal year 2017 in advance of the services being performed. The engagement letter created a contract between the Company and Deloitte that specified the responsibilities of each party. It was signed on behalf of the Company by the chair of the Audit Committee and the Chief Financial Officer. The Company paid Deloitte a fixed amount for the annual audit and each quarterly review and for other services agreed to in the engagement letter and subsequent amendments. The Audit Committee believes that Deloitte's provision of non-audit services has been compatible with maintaining the firm's independence.

The Board of Directors unanimously recommends a vote FOR ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm.

ADVISORY VOTE ON EXECUTIVE COMPENSATION

PROPOSAL NO. 3

As required by Section 14 of the Exchange Act, the Company is providing its stockholders with the opportunity to cast an advisory vote on the compensation of its named executive officers, as disclosed pursuant to Item 402 of Regulation S-K in the "Compensation Discussion and Analysis" section and accompanying tables of this Proxy Statement. These individuals are referred to collectively in this Proxy Statement as the Company's "Named Executive Officers." The Board of Directors believes it is appropriate to seek the views of its stockholders on the design and effectiveness of the Company's executive compensation program.

The Company's goal for its executive compensation program is to attract and retain exceptional, highly motivated individuals as executive officers who will provide leadership for the Company's success in dynamic, highly competitive markets. The Company seeks to accomplish this goal in a way that is aligned with the long-term interests of the Company's stockholders. The Company believes that its executive compensation program achieves this goal with its emphasis on long-term equity awards and performance-based compensation.

As an advisory vote, this proposal is not binding upon the Company. However, the Board of Directors values the opinions expressed by stockholders in their vote on this proposal and, to the extent that a significant percentage of votes are cast against the compensation of the Named Executive Officers, the Compensation Committee will evaluate potential changes for consideration by the Board to address the concerns reflected in such votes. The Company expects to hold its next advisory vote on executive compensation at its 2019 Annual Meeting.

Accordingly, the Company asks the stockholders to vote on the following resolution:

"RESOLVED, that the compensation paid to the Company's Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K in the Compensation Discussion and Analysis, compensation tables, and narrative discussion sections of this Proxy Statement, is hereby APPROVED."

The Board of Directors unanimously recommends a vote FOR the resolution approving the compensation of the Company's Named Executive Officers.

AUDIT COMMITTEE REPORT

The information contained in this report shall not be deemed to be "soliciting material" or "filed" or incorporated by reference in future filings with the SEC or subject to the liabilities of Section 18 of the Exchange Act, except to the extent that the Company specifically incorporates it by reference into a document filed under the Securities Act of 1933, as amended, or the Exchange Act.

The Audit Committee has reviewed and discussed the Company's audited financial statements with management. The Audit Committee has also discussed with Deloitte, the Company's independent registered public accountant for fiscal year 2017, the matters required to be discussed by the Public Company Accounting Oversight Board (the "*PCAOB*") and the SEC. These include, among other items, the audit of the Company's financial statements. The Audit Committee has reviewed with the independent registered public accountant its judgment as to the quality, not just the acceptability, of the Company's accounting principles, as well as its opinion on the effectiveness of the Company's internal controls over financial reporting.

The Audit Committee has received written disclosures and the letter from Deloitte required by the PCAOB Ethics and Independence Rule 3526 relating to the registered public accountant's independence from the Company and its related entities and has discussed with Deloitte the registered public accountant's independence from the Company. The Audit Committee has considered whether the provision of services by the registered public accountant, other than audit services and review of Forms 10-Q, is compatible with maintaining the registered public accountant's independence.

In fulfilling its oversight responsibilities, the Audit Committee reviewed with management the Company's earnings releases and quarterly reports on Form 10-Q for the quarters ended March 31, June 30, and September 30, 2017, and the fiscal year earnings release and audited financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2017. This included discussion of the quality, not just the acceptability, of the Company's accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

Based on the review of the Company's audited financial statements and discussion with management and the independent registered public accountant described above, the Audit Committee recommended to the Board of Directors that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

In addition, the Audit Committee, in consultation with executive management, has selected Deloitte as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018. The Board has recommended to the stockholders that they ratify and approve the selection of Deloitte as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018.

While the Audit Committee has provided oversight, advice, and direction regarding the Company's financial reporting process, management is responsible for establishing and maintaining the Company's internal controls, the preparation, presentation, and integrity of financial statements, and for the appropriateness of the accounting principles and reporting policies used by the Company. It is the responsibility of the independent registered public accountant, not the Audit Committee, to conduct the audit and opine on the conformity of the financial statements with accounting principles generally accepted in the United States, to opine on the effectiveness of the Company's internal control over financial reporting, and to review the Company's unaudited interim financial statements. The Audit Committee's responsibility is to monitor and review these processes. It is not the Audit Committee's duty or responsibility to conduct auditing or accounting reviews.

This report is respectfully submitted by the Audit Committee of the Board of Directors:

AUDIT COMMITTEE
Katina Dorton
Daniel Fox, Committee Chair
John T. Sahlberg

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes the Company's compensation program for the Named Executive Officers for fiscal year 2017. The Company's executive compensation program is performance-based and otherwise designed to ensure that the interests of its executive officers, including the Named Executive Officers, are closely aligned with those of stockholders. The Board believes this program is effective in allowing the Company to attract and motivate highly qualified senior talent capable of delivering outstanding business performance. The following discussion presents the Company's executive compensation program and policies. The Compensation Committee has provided oversight on the design and administration of the Company's executive compensation program and policies, participated in the preparation of the Compensation Discussion and Analysis, and recommended to the Board that it be included in this Proxy Statement. The Company's stockholders overwhelmingly approved the Company's executive compensation program at the last annual meeting. Of the shares voted, 97.87% voted for approval. Although this vote is non-binding, the Compensation Committee viewed this strong endorsement of the Company's executive compensation decisions and policies as an additional factor supporting the Compensation Committee's conclusion that the Company's existing approach to executive compensation has been successful for the Company and its stockholders.

The Company's Named Executive Officers for fiscal year 2017 were Jeffrey R. Feeler (President and Chief Executive Officer), Eric L. Gerratt (Executive Vice President, Chief Financial Officer, and Treasurer), Steven D. Welling (Executive Vice President of Sales and Marketing), Simon G. Bell (Executive Vice President and Chief Operating Officer), and Andrew P. Marshall (Executive Vice President of Regulatory Compliance and Safety (effective as of May 23, 2017)).

Oversight of the Executive Compensation Program

The Compensation Committee, which is composed entirely of independent directors, administers the Company's executive compensation program. Committee membership is determined by the Board of Directors. The Compensation Committee has direct responsibility to review and recommend corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer, evaluate his performance in light of such goals and objectives, and make recommendations to the Board regarding his compensation, based on this evaluation. The Compensation Committee also reviews the evaluation process and compensation structure for the Company's other Named Executive Officers and approves their compensation. The Compensation Committee also administers the Company's programs for incentive cash and equity payments.

Objective of the Executive Compensation Program

The Company's long-term goal is to increase stockholder value. The objective of the executive compensation program is to attract, motivate, reward, and retain highly qualified executive officers with the ability to help the Company achieve this goal. The executive compensation program is designed to provide a foundation of fixed compensation and a significant portion of performance-based compensation to align the interests of the Company's executive officers, including the Named Executive Officers, with those of the Company's stockholders.

Principles

The Company believes that in order to meet its goal of increasing stockholder value, compensation must be both reasonable and competitive with what the Named Executive Officers would otherwise obtain if employed elsewhere in a similar position with similar responsibilities. The Compensation Committee believes performance-based executive compensation should reflect value created for stockholders consistent with the Company's strategic goals. The following principles are among those applied by the Compensation Committee:

- Executive compensation programs should support short and long-term strategic goals and objectives;
- Executive compensation programs should reflect the Company's overall value and business growth and reward individuals for outstanding contributions; and
- Short and long-term executive compensation programs are critical factors in attracting and retaining well-qualified executive officers.

Compensation Best Practices

The Compensation Committee seeks to apply best governance practices in developing and administering compensation and benefit programs, and has taken steps to enhance its ability to effectively carry out its responsibilities and to ensure that the Company maintains strong links between pay and performance. Examples of actions the Compensation Committee has taken to accomplish this are set forth below:

Stock ownership requirements for directors and Named Executive Officers	No repricing or cash buyouts of stock options without stockholder approval
No excise tax gross-ups on any severance paid following a change of control	Capped payouts under the Company's annual Management Incentive Plan and long-term incentive plan
Double-trigger change-of-control severance arrangements	No supplemental benefits and limited perquisites to the Named Executive Officers
No dividends paid or accrued on performance stock units prior to vesting	Prohibition against pledging of equity or cash-based awards

Role of Executive Officers and Consultants

While the Compensation Committee determines the Company's overall compensation philosophy and independently recommends the compensation of the Chief Executive Officer to the Board, it consults with the Chief Executive Officer with respect to both overall compensation policy and specific compensation decisions for the other Named Executive Officers. As part of this process, management gathers compensation data for public companies. The Compensation Committee then evaluates this and other information and discusses it with the Chief Executive Officer. The Compensation Committee has the authority to retain independent compensation consultants to provide advice relating to market and compensation trends and to assist with data gathering and analysis. The Compensation Committee engaged Meridian Compensation Partners, LLC ("*Meridian*") in 2017 to assist the Committee in its review of executive and director compensation matters. The Compensation Committee did not direct Meridian to perform its services in any particular manner.

Meridian has no other business relationships with the Company and provides no other services to the Company. The Compensation Committee adopted a written policy to review the independence of any compensation consultants it uses for executive compensation matters. The Compensation Committee considered Meridian in light of the six independence factors mandated by SEC rules and related NASDAQ listing standards and concluded that Meridian is independent.

Relevance to Performance

The executive compensation program emphasizes performance measured by goals or equity vehicles that align the interest of executives with those of the Company and its stockholders. For the Named Executive Officers to earn cash-based incentive payments, the Company must meet or exceed specified performance targets based on achievement of operating income, health and safety, and environmental compliance targets, each determined by the Compensation Committee to align with the creation of stockholder value. The Compensation Committee may also approve other equity-based compensation such as restricted stock and/or options to purchase the Company's common stock based on the Company's performance and the performance of executives and other employees considered for such grants. The performance-based incentive programs for fiscal year 2017 are addressed in detail under the "Elements of Compensation" section in this Proxy Statement.

Competitive Considerations

The Company reviews relevant compensation market data, from time to time, in order to determine appropriate overall compensation for the Named Executive Officers. It does so to balance the need to compete for talent with the need to maintain a reasonable and responsible cost structure and to better align the Named Executive Officers' interests with stockholders' interests. Peer group-based compensation market data and Named Executive Officer pay history data are provided to the Compensation Committee by Meridian.

In 2016, the Compensation Committee, with advice from Meridian, approved a peer group for benchmarking 2017 executive compensation consisting of fourteen (14) companies; eleven (11) of which were in the environmental and facilities services industry and three of which were from other industries (collectively referred to as the "*2016 Industry Peer Group*"). The companies in the 2016 Industry Peer Group are as follows:

Casella Waste Sys Inc.	Matrix Service Co.	Tetra Tech Inc.
CECO Environmental Corp.	Newalta Corp.	TRC Cos Inc.
Clean Harbors Inc.	North American Energy Partners	
Covanta Holding Corp.	Perma-Fix Environmental Services	
Ecology and Environment Inc.	Stericycle Inc.	
Heritage-Crystal Clean Inc.	Team Inc.	

The median of revenue, total assets, and market capitalization of these companies at the time of their selection in 2016 were $546 million, $610 million, and $260 million, respectively. At that time, the Company was positioned at the 54th percentile of the group in revenue terms, the 68th percentile in asset terms, and the 71st percentile in market capitalization terms. The 2016 Industry Peer Group was reviewed again in 2017 during the Compensation Committee's annual review of executive compensation and it was determined that the group should remain unchanged.

The Compensation Committee reviewed the base salary, annual short-term incentive opportunity, annual equity-based/long-term incentive award, and total compensation data from the 2016 Industry Peer Group, which was provided by Meridian. The Company does not target a particular peer or market percentile when making compensation decisions. Instead, total compensation for the Named Executive Officers is reviewed to determine whether the Company is generally competitive in the market in which it operates, taking into consideration, among other things:

- Relative size of the Company;
- Geographical location;
- Performance of the Company and the contributing roles of individual Named Executive Officers;
- Each Named Executive Officer's experience and responsibilities;
- Performance of each Named Executive Officer;
- Internal pay alignment; and
- Executive compensation at peer group companies, taking into account the relative size of those companies.

The Compensation Committee does not assign a particular weight to any of these factors. The Compensation Committee considered the data provided by Meridian, among other things, when making 2017 compensation decisions (including in setting base salaries, target bonus opportunity amounts, and equity compensation grants).

Elements of Compensation

Executive compensation is based primarily on three components: base salary, annual short-term incentive opportunities, and long-term equity-based awards. The Compensation Committee regularly reviews each element of the compensation program to ensure consistency with the Company's objectives. The Compensation Committee believes that each compensation element complements the others and that together they serve to achieve the Company's compensation objectives. The Compensation Committee does not require that a particular component comprise a set portion of the total compensation mix. The Compensation Committee believes that a significant portion of the compensation should be performance-based and at-risk, and that the performance-based (incentive) compensation should align an executive's interests with those of stockholders. While the Compensation Committee reviews total direct compensation (the sum of base salary, incentive opportunities, and equity awards) for the Named Executive Officers, it does not have a fixed target with respect to such total direct compensation.

Base Salary The Company provides competitive base salaries to attract and retain executive talent. The Compensation Committee believes a competitive base salary provides a degree of financial stability for the Named Executive Officers. Salaries may also form the basis for other compensation. For example, annual short-term incentive opportunities are calculated as a percentage of base salary.

Base salaries for the Named Executive Officers as of January 1, 2017, are set forth in the table below:

Name and Principal Position	Initial Base Salary for 2017 ($)
Jeffrey R. Feeler *President & Chief Executive Officer*	485,000
Steven D. Welling *Executive Vice President of Sales & Marketing*	340,000
Simon G. Bell *Executive Vice President & Chief Operating Officer*	340,000
Eric L. Gerratt *Executive Vice President, Chief Financial Officer & Treasurer*	316,500
Andrew P. Marshall *Executive Vice President of Regulatory Compliance & Safety*	215,000

With the exception of Mr. Marshall, whose base salary was increased to $250,000 effective February 20, 2017 and again to $275,000 effective May 15, 2017 to coincide with his appointment to Executive Vice President of Regulatory Compliance and Safety, the base salaries of the Named Executive Officers remained unchanged during 2017.

Annual Short-Term Incentives Consistent with its commitment to performance-based compensation, the Company has established plans under which the Named Executive Officers and other employees are eligible to earn annual incentive cash payments based on Company performance compared to established operating income and other targets (the "*Cash Incentive*"). Each Named Executive Officer has an annual target Cash Incentive that is established as a percentage of annual base salary. These percentages are developed by the Compensation Committee according to such employee's duties, level and range of responsibility, and other compensation. Upon the availability of audited financial statements, Cash Incentives are determined and paid for the prior fiscal year.

On November 17, 2016, the Compensation Committee approved the 2017 Management Incentive Plan ("*2017 MIP*") for all Named Executive Officers and certain other key employees. Under the 2017 MIP, each Named Executive Officer was eligible to receive a cash incentive payment for fiscal year 2017 based upon the achievement of four independent objectives: (1) financial; (2) individual performance; (3) health and safety; and (4) compliance (each a "*Plan Objective*"); as established by the Compensation Committee. The payout available for achievement of 100% of each Plan Objective was a percentage of the Named Executive Officer's annual base salary ("*Target Cash Incentive*"). The Target Cash Incentive for each of the Named Executive Officers for 2017 is set forth in the following table:

Named Executive Officer	Target Cash Incentive
Jeffrey R. Feeler	100%
Steven D. Welling	70%
Simon G. Bell	70%
Eric L. Gerratt	70%
Andrew P. Marshall	60%*

* Mr. Marshall's Target Cash Incentive increased from 50% to 60% upon his appointment to Executive Vice President of Regulatory Compliance and Safety effective May 23, 2017.

The amount available for achievement of each Plan Objective was weighted as a percentage of a Named Executive Officer's Target Cash Incentive and could be earned even if an amount was not earned for another Plan Objective.

The portion of a Named Executive Officer's Target Cash Incentive based on financial performance was scalable beginning with every percentage point over 79% of the Company's approved consolidated operating income target ("*Base MIP Target*") and was weighted at up to 50% of the Named Executive Officer's Target Cash Incentive ("*Finance Target Incentive*"). If actual consolidated operating income is less than 80% of the Base MIP Target, no bonuses are paid for the financial Plan Objective. For every percentage point achievement over 79% of the Base MIP Target, up to and including 89% (rounded to the nearest percentage), such Named Executive Officer would earn 2.33% of his respective Finance Target Incentive. For every percentage point achievement over 89% of the Base MIP Target, up to and including 100% (rounded to the nearest percentage), such Named Executive Officer would earn 6.98% of his respective Finance Target Incentive. Upon 100% achievement of the Base MIP Target, 100% of the respective Finance Target Incentive (or 50% of the Named Executive Officer's Target Cash Incentive) would be awarded to the Named Executive Officer. The Named Executive Officers were eligible for an additional incentive payment in an amount calculated by multiplying their respective base salaries by an additional 4.5% for every 1% increase over the Base MIP Target and multiplying the resulting product by 50%. The additional incentive was capped at one times the participant's Target Cash Incentive.

Up to an additional 30% of a Named Executive Officer's Target Cash Incentive could have been earned based on the Compensation Committee's assessment of individual performance, including through achievement of established annual priorities, effective use of Company resources, and other evaluative factors as determined by the Compensation Committee. The metric was independent and mutually exclusive of achievement of any other Plan Objective. Individual Priorities were established at the beginning of the year and included matters specific to each Named Executive Officer's area of responsibility.

Named Executive Officer	**2017 MIP Priorities**
Jeffrey R. Feeler	Overall success of strategic priorities, execution on sales, operations, financial, information systems, human resources, regulatory, and compliance initiatives supporting long-term market positioning.
Steven D. Welling	Deliver sales programs, marketing initiatives, and customer service platforms to build customer brand awareness and position the Company for long-term growth.
Simon G. Bell	Support and promote organic growth initiatives with disciplined review of sustainability and ROI expectations, including continued review and validation of results. Increase free cash flow generation through measuring and streamlining operations.
Eric L. Gerratt	Manage the Company's debt and capital structure, accounting, reporting, and treasury initiatives. Oversee the development and implementation of information systems supporting the long-term infrastructure requirements of the organization. Monitor and oversee compliance with reporting and accounting requirements and regulations.
Andrew P. Marshall	Monitor performance and ensure compliance with environmental, transportation, and safety regulations.

The three metrics for the health and safety objective (as enumerated below) were weighted cumulatively at up to 10% of the Named Executive Officer's Target Cash Incentive. Measurement on each metric is independent; a percentage of the Target Cash Incentive related to any one of the health and safety metrics may be earned regardless of results for the other two metrics. The health and safety metrics included: (i) total recordable incident rates or "TRIR" (number of safety incidents that meet OSHA recordable criteria) (2%), (ii) days away restricted time or "DART" (safety incidents that result in the employee being placed on restricted duty or time away from work) (3%), and (iii) lost time incidents or "LTI" (number of safety incidents that result in an employee having to spend time away from work or be re-assigned to another job function to recover from a work related injury) (5%).

Up to 10% of a Named Executive Officer's Target Cash Incentive was based on compliance. The metric for the compliance objective was subjective based on the Company's overall compliance program effectiveness and considered the avoidance of "notices of violation or enforcement" with monetary penalties and achievement of permitting initiatives. The corresponding incentive was earned based on a determination by the Compensation Committee taking into consideration, among other things, the dollar amount of a monetary penalty paid (or accrued under GAAP) in fiscal year 2017, the nature of the notices of violation or enforcement, the regulatory basis for any such penalty, and the respective fact patterns.

A summary of the 2017 MIP targets is provided below:

Objective/Weight	Target
Financial (50%) Consolidated Operating Income	$83,563,000
Individual Performance (30%)	Achievement of Established Priorities
Health and Safety (10%)	
TRIR (2%)	=<1.99
DART (3%)	=<1.22
LTI (5%)	=<0.47
Compliance (10%)	Subjective Based On Actual Results

The Company's 2017 consolidated operating income before 2017 MIP expense and associated payroll taxes was $63,399,781. At the discretion of the Compensation Committee, certain adjustments were made to determine an adjusted 2017 operating income of $74,114,059 as set forth in the table below:

Financial Objective/Weight (50%)	Actual	Target
Operating Income	$ 63,399,781	$ 83,563,000
Adjustments		
Impairment Charges	$ 8,903,739	
Operating Loss/(Income) resulting from three months of downtime at one of the Company's facilities due to wind damage and budgeted income for the same period.	$ 1,401,401	($ 4,188,695)
Business Interruption Insurance resulting from three months of downtime at one of the Company's facilities due to wind damage.	($ 2,718,000)	
Revenue Reduction: customer was prohibited from shipping to one of our facilities due to the Customer's non-compliance.	$ 1,618,198	
Property Tax Penalty	$ 1,008,939	
Business Development Expenses	$ 500,001	
Adjusted Operating Income	$ 74,114,059	$ 79,374,305

The adjusted 2017 operating income of $74,114,059 was 93.4% of the Base MIP Target (as adjusted). As a result, the Company awarded the Named Executive Officers 51% of their respective Finance Target Incentive for operating income achievement.

The Company achieved the 2017 MIP targets for TRIR, DART, and LTI. Therefore, the Cash Incentive earned for achievement of the health and safety objective was 10% of each Named Executive Officer's Target Cash Incentive.

The Cash Incentive earned by each Named Executive Officer for the compliance objective was 10%, reflecting the Compensation Committee's view of the success of the overall compliance program at various operating divisions. The Company received eighty-seven (87) regulatory inspections and did not have any associated environmental penalties. There were no new enforcement actions initiated in 2017.

A summary of the 2017 MIP actual results compared to the applicable targets is provided below:

Objective/Weight	Target	Actual	Comment
Financial (50%)	$79,374,305 (Adjusted)	$ 74,114,059) (Adjusted	Achieved 93.4% of the adjusted Base MIP Target amount
Individual Performance (30%)	Achievement of Individual and Team Objectives		Individual and Team Priorities Substantially Achieved
Jeffrey R. Feeler	30%		27.6%
Steven D. Welling	30%		28%
Simon G. Bell	30%		28%
Eric L. Gerratt	30%		27%
Andrew P. Marshall	30%		28%
Health and Safety (10%)			
TRIR (2%)	=<1.99	1.63	Achieved
DART (3%)	=<1.22	1.04	Achieved
LTI (5%)	=<0.47	0.39	Achieved
Compliance (10%)	Compliance Program Effectiveness		Program Goals Were Determined to Have Been Achieved

The amount paid to each Named Executive Officer under the 2017 MIP is set forth in the "Summary Compensation Table" of this Proxy Statement.

Long-Term Incentives The Company uses equity awards to provide long-term incentive opportunities to the Named Executive Officers and may grant performance stock units ("*PSU*"), options to purchase common stock, and shares of restricted stock as part of their total compensation package pursuant to the Company's Omnibus Incentive Plan. These awards align the Named Executive Officers' interests with the interests of the Company's stockholders because the ultimate value of the stock options and stock depends on the Company's future success to which each Named Executive Officer must contribute over a period of years in order to ultimately vest in or be entitled to exercise such grants. The Company's long-term incentive program in 2017 was based on the following three vehicles:

- Restricted stock/units (approximately 50% of total value)
- PSUs linked to relative Total Stockholder Return ("*TSR*") (approximately 30% of total value)
- Stock options (approximately 20% of total value)

Restricted Stock/Units Awards Restricted stock granted to the Named Executive Officers in 2017 vests in its entirety on the third anniversary of the grant date. Restricted stock units granted to Mr. Marshall vest annually over three years. The value of restricted stock/units is tied to the market price of the Company's common stock and further aligns the Named Executive Officers' interests with the interests of the Company's stockholders, while also providing the Company with a significant retention tool.

PSU Awards PSU awards are designed to link a portion of a Named Executive Officer's compensation with increases in stockholder value relative to an established index and peer group. The total number of PSUs granted in 2017 that each of Messrs. Feeler, Welling, Bell, and Gerratt is eligible to earn ranges from 0% to 200% of the target number of PSUs granted (for each, the "*Target PSUs*"), based on the Company's TSR relative to the TSR of the S&P 600 (50% of Target PSUs) and the TSR of certain companies in the environmental and facilities services industry ("*Peer Group*") (50% of Target PSUs) over the three-year performance period beginning January 1, 2017. TSR is determined by reference to a change in the value of the Company's common stock (based on the stock price) for the relevant measurement period. The Peer Group includes those companies in the 2016 Industry Peer Group, plus Advanced Disposal Services, Inc., Republic Services, Inc., Waste Connections, Inc., and Waste Management, Inc. The performance measures and potential payouts for the PSUs awarded in 2017 are set forth in more detail in the following table:

Three-year Company TSR Relative to S&P 600 (50% of Target PSUs)		**Three-year Company TSR Relative to Peer Group (50% of Target PSUs)**	
Percentile Rank	**Resulting PSUs Earned (% of Target)**	**Percentile Rank**	**Resulting PSUs Earned (% of Target)**
90th Percentile or Higher	200%	90th Percentile or Higher	200%
50th Percentile	100%	50th Percentile	100%
35th Percentile	50%	35th Percentile	50%
Below 35th Percentile	0	Below 35th Percentile	0

Stock Option Awards Stock options granted to the Named Executive Officers in 2017 vest in equal annual installments over three years. The Company believes that, because the option holder will not realize value from a stock option unless the value of our stock increases after the grant date, stock options are performance-based awards that directly align the interests of the option holder with those of our stockholders. In addition, the long-term vesting of the awards provides a key retention tool while providing a long-term focus on driving increased stockholder value.

Equity Awards Granted in 2017 The equity awards granted to the Named Executive Officers in 2017 are set forth in the table below:

Named Executive Officer	**Performance Stock Units Granted (Target) (#)**	**Restricted Stock Granted (#)**	**Restricted Stock Units Granted (#)**	**Stock Options Granted (#)**
Jeffrey R. Feeler	5,500	9,200		16,600
Steven D. Welling	2,000	3,300		6,000
Simon G. Bell	2,000	3,300		6,000
Eric L. Gerratt	2,000	3,300		6,000
Andrew P. Marshall		1,188	2,090	3,487

Restricted stock units and options were granted to Mr. Marshall as part of the regular annual awards cycle prior to him being appointed to Executive Vice President of Regulatory Compliance and Safety. He was not granted PSUs as his appointment occurred after the grant of PSUs to existing Named Executive Officers.

Other In-Cycle PSU Awards in 2017 PSU awards granted in 2015 vested on December 31, 2017 and shares of common stock to which each Named Executive Officer was entitled and subsequently received are set forth below:

Named Executive Officer	Performance Stock Units Granted (Target) (#)	Performance Stock Units Received (#)
Jeffrey R. Feeler	2,559	2,617
Steven D. Welling	1,172	1,198
Simon G. Bell	1,066	1,090
Eric L. Gerratt	1,066	1,090
Andrew P. Marshall		

With respect to the PSUs granted in 2015, the Company achieved a cumulative TSR of 33.3%, resulting in the vesting of PSUs as disclosed in the table above equal to 102.25% of target.

Discretionary Bonuses The Company may, from time-to-time, grant discretionary bonuses to Named Executive Officers in order to achieve defined objectives. Discretionary bonuses were not paid to the Named Executive Officers in 2017.

Other Compensation The Company provides employee benefits that are intended to meet current and future health and financial security needs for its employees, including the Named Executive Officers, and their families. Such employee benefits include medical, dental and life insurance benefits, short-term disability pay, long-term disability insurance, flexible or health savings accounts for medical expense reimbursements, and a 401(k) retirement savings plan that includes a partial Company match, which are provided to the Named Executive Officers on the same terms and conditions that apply to all other full-time regular employees.

Certain 2018 Compensation Decisions

On November 15, 2017, the Company approved base salary for the Named Executive Officers, effective with the first payroll in 2018. The base salary for each of Mr. Welling and Mr. Bell was increased from $340,000 to $360,000. Mr. Marshall's base salary was not increased in light of the adjustment effective with his appointment on May 23, 2017. Each of Mr. Feeler and Mr. Gerratt declined the Company's recommended increase in base salary from his existing base salary of $485,000 to $500,000 in the case of Mr. Feeler and $316,500 to $340,000 in the case of Mr. Gerratt. Mr. Feeler also declined the Company's recommendation to increase his 2018 equity award from $900,000 to $1,100,000. These increases were declined by Messrs. Feeler and Gerratt in recognition of the Company not achieving its 2017 operating income target and the fact that base salary increases for many of the Company's other employees would be limited.

Equity and Security Ownership Guidelines

In 2015, the Board approved a Share Ownership Policy in which target share ownership levels (set forth below) were established for the Named Executive Officers and non-employee directors (each a "*Participant*") based on a multiple of annual salary in the case of Named Executive Officers and the annual cash retainer in the case of directors ("*Target Ownership Level*"). Target share ownership levels in 2017 were as follows:

Chief Executive Officer	4 times base salary
Other Named Executive Officers	2 times base salary
Outside Directors	3 times annual cash retainer (increased to 4 times effective May 22, 2018)

The following forms of equity interests are included in determining the ownership value held:

- Common shares of the Company owned directly by the Participant or owned through the Company retirement or savings plans;
- Restricted stock or restricted stock units held pursuant to the Company's equity plans; and
- Vested performance stock or PSUs held pursuant to the Company's equity plans.

For purposes of evaluating degree of attainment with the guidelines, the following definitions of "value" are used:

- For common shares owned outright, the value is equal to the greater of the cost of acquisition and the market value as of the date of measurement;
- For unvested restricted stock or restricted stock units, the value is equal to the greater of the grant date value and the market value as of the date of measurement; and
- For vested performance stock or PSUs, the value is equal to the market value at the date of measurement.

Under the Share Ownership Policy, a Participant must retain the net after-tax proceeds from exercised stock options or vested shares received until the Target Ownership Level is met. A Participant who wishes to sell shares and who is under the Target Ownership Level must obtain the written permission of the Compensation Committee. ***All the Named Executive Officers and non-employee directors were in compliance with the Share Ownership Policy as of December 31, 2017***.

Prohibition Against Pledging Awards Received Under Omnibus Incentive Plan

The Company's stockholder approved Omnibus Incentive Plan provides that no award or other right or interest granted under the plan may be pledged, encumbered, or hypothecated to, or in favor of, or subject to any lien, obligation, or liability of such recipient to, any party, other than the Company or any subsidiary, or assigned or transferred by such recipient otherwise than by will or the laws of descent and distribution.

Severance Arrangements

In 2016, the Company entered into new employment agreements with each of Messrs. Feeler, Welling, Bell, and Gerratt. In 2017, the Company entered into an employment agreement with Mr. Marshall in connection with his appointment to Executive Vice President of Regulatory Compliance and Safety. These agreements are collectively referred to herein as the "Employment Agreements." In addition to establishing salaries, paid time off, and cash incentive opportunities, the Employment Agreements established the executives' rights to receive severance benefits in the event of certain qualifying terminations of employment or under certain circumstances related to a change of control. Change-of-control payments are subject to a termination by the Company "without cause" or by the executive for "good reason," as those terms are defined in the Employment Agreements, in either case, within twenty-four (24) months after the applicable change of control. The Compensation Committee believes these severance protections are an effective tool for attracting and retaining key employees and are reasonably similar to those of other comparable companies. For more information on potential severance payments and change-of-control benefits in 2017, refer to the "Potential Payments Upon Termination or Change of Control" section of this Proxy Statement.

Risk Considerations

The Compensation Committee considers, in establishing and reviewing the executive compensation program, whether the program encourages unnecessary or excessive risk taking and has concluded that it does not. Base salaries are fixed in amount and thus do not encourage risk-taking. While the performance-based Cash Incentive awards focus on achievement of annual goals, the Company's Cash Incentive program is only one element of the Named Executive Officers' total compensation. The Compensation Committee believes that the Cash Incentive program appropriately balances risk and the desire to focus the Named Executive Officers on specific short-term goals important to the Company's success, and that it does not encourage unnecessary or excessive risk taking. Further, the Company grants equity awards that focus the attention of Named Executive Officers on long-term strategic goals through multi-year vesting formulas. Moreover, the Named Executive Officers are required to own and hold significant amounts of stock in the Company. Such long-term equity awards and stock ownership interests further reduce the incentive for the Company's Named Executive Officers to engage in actions designed to achieve only short-term results. The Company has reviewed its compensation policies and practices for all employees, including for the Named Executive Officers, and concluded that any risks arising from the policies and programs are not reasonably likely to have a material adverse effect on the Company.

Tax and Accounting Considerations

U.S. federal income tax (Section 162(m) of the Internal Revenue Code) generally limits the tax deductibility of compensation the Company pays to its President and Chief Executive Officer and certain other highly compensated executive officers, to $1.0 million in the year the compensation becomes taxable to such executive officers. For compensation covered by qualifying written binding contracts entered into as of November 2, 2017 that are not materially modified thereafter and that meet certain requirements, there is an exception to this limit on deductibility for performance-based compensation. Effective January 1, 2018, Section 162(m) of the Internal Revenue Code was modified to limit the deductibility of all compensation in excess of $1 million paid to Named Executive Officers. Although deductibility of compensation is preferred, tax deductibility is not a primary objective of the Company's executive compensation program. Rather, the Company seeks to maintain flexibility in its executive compensation program as to the objectives of the program described above and, accordingly, the Company may be limited in its ability to deduct amounts of compensation from time to time.

Accounting rules require the Company to expense the cost of equity grants. Because of equity expensing and the impact of dilution on the Company's stockholders, the Compensation Committee carefully considers the type of equity awards that are granted and the number and value of the shares underlying such awards.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with the Company's management and, based on such review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference in the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

This report is respectfully submitted by the Compensation Committee of the Board of Directors:

COMPENSATION COMMITTEE
Joe F. Colvin
Ronald C. Keating
John T. Sahlberg (Committee Chair)

SUMMARY COMPENSATION TABLE

The following table sets forth information regarding the compensation of the Named Executive Officers for the years ended December 31, 2017, 2016, and 2015.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	All Other Compensation ($)(4)	Total ($)
Jeffrey R. Feeler	2017	485,000		795,655	180,276	355,069	28,671	1,844,671
President & Chief	2016	486,865		638,843	150,400	160,021	21,759	1,457,888
Executive Officer	2015	473,904		408,187	240,149	295,416	17,511	1,435,167
Steven D. Welling	2017	340,385		287,095	65,160	175,192	17,655	885,487
Executive Vice President	2016	341,308		235,623	55,200	84,334	14,481	730,946
of Sales & Marketing	2015	356,481		187,028	110,019	134,973	13,089	801,590
Simon G. Bell	2017	340,385		287,095	65,160	175,192	17,511	885,343
Executive Vice President &	2016	320,881		235,623	55,200	73,188	14,373	699,265
Chief Operating Officer	2015	315,831		170,062	100,555	123,090	13,125	722,663
Eric L. Gerratt	2017	316,500		287,095	65,160	160,867	17,511	847,133
Executive Vice President,	2016	317,727		235,623	55,200	71,516	14,367	694,433
Chief Financial Officer &								
Treasurer	2015	315,831		170,062	100,555	123,090	13,095	722,633
Andrew P. Marshall	2017	261,154		160,210	39,996	109,921	11,258	582,539
Executive Vice President	2016							
of Regulatory Compliance & Safety	2015							

(1) The amounts listed represent the aggregate grant date fair value of restricted stock, restricted stock units, and PSUs determined in accordance with FASB ASC Topic 718. The values of restricted stock and restricted stock units are determined by multiplying the closing stock price on the date of grant by the number of stock awards. The 2017 grant of restricted stock units vests in equal annual installments over three years. The 2017 grants of restricted stock vest in their entirety on the third anniversary of the grant date. The PSU grant date fair values were determined based on a Monte Carlo simulation (which probability weights multiple potential outcomes). The amounts may not be indicative of the realized value of the awards if and when they vest. See the "Grants of Plan Based Awards" table of this Proxy Statement for details on the stock awards granted to the Named Executive Officers during 2017. Assuming that the highest level of performance conditions will be achieved with respect to the PSUs (and thus the maximum number of shares will be issued under the PSUs), using the closing stock price of the Company's common stock on the grant date for such shares, the 2017 stock awards would be as follows: $1,139,130 for Mr. Feeler and $411,995 for each of Messrs. Welling, Bell, and Gerratt. Mr. Marshall was not granted any PSUs in 2017. The performance measures and potential payouts for the PSUs are described in more detail in the "Elements of Compensation Long-Term Incentives" section of this Proxy Statement. Additional information regarding the awards are disclosed in Note 18 of Notes to Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

(2) The amounts listed represent the aggregate grant date fair value of stock options granted during the applicable year, as determined in accordance with FASB ASC Topic 718. The assumptions made in determining the grant date fair values of the options are disclosed in Note 18 of Notes to Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2017. The 2017 grants of stock options vest in equal annual installments over three years.

(3) Represents the amount awarded for performance under the 2015 MIP, 2016 MIP, and 2017 MIP.

(4) Includes contributions the Company made on behalf of each Named Executive Officer under the Company sponsored 401(k) plan, dividends paid on unvested restricted stock ($17,784 in the case of Mr. Feeler, $6,768 in the case of Mr. Welling, $6,624 in the case of each of Messrs. Bell and Gerratt, and $605 in the case of Mr. Marshall), and the dollar value of insurance premiums paid by the Company with respect to life and disability insurance. Certain perquisites provided to certain of our Named Executive Officers are not required to be disclosed in the "Summary Compensation Table" because the amount of such benefits do not exceed the applicable disclosure thresholds.

GRANTS OF PLAN-BASED AWARDS

The following table sets forth information for each Named Executive Officer regarding the equity and non-equity awards granted during the year ended December 31, 2017. All non-equity awards set forth below were granted under the 2017 MIP and all equity-based awards set forth below were granted under the Company's Omnibus Incentive Plan.

	Estimated Future Payouts Under Non-Equity Incentive Plan Awards				Estimated Future Payouts Under Equity Incentive Plan Awards[4]			All Other Stock Awards; Number of Shares of Stock or Units	All Other Option Awards; Number of Shares Underlying Options	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards
Name	Threshold ($)[1]	Target ($)[2]	Maximum ($)[3]	Board Approval Date/Grant Date	Threshold (#)	Target (#)	Maximum (#)	(#)[5]	(#)[6]	($/Sh)	($)[7]
Jeffrey R. Feeler	9,700	485,000	970,000	11/17/16 / 1/2/17	2,750	5,500	11,000	9,200	16,600	49.15	975,931
Steven D. Welling	4,760	238,000	476,000	11/17/16 / 1/2/17	1,000	2,000	4,000	3,300	6,000	49.15	352,255
Simon G. Bell	4,760	238,000	476,000	11/17/16 / 1/2/17	1,000	2,000	4,000	3,300	6,000	49.15	352,255
Eric L. Gerratt	4,431	221,550	443,100	11/17/16 / 1/2/17	1,000	2,000	4,000	3,300	6,000	49.15	352,255
Andrew P. Marshall	2,987	149,329	298,658	11/17/16 / 3/9/17				2,090			100,216
				5/15/17 / 5/23/17				1,188	3,487	50.50	99,990

(1) Represents the minimum amount to which the Named Executive Officers were entitled based on achieving the 2017 MIP target with the lowest weighted percentage of the Target Incentive.

(2) Represents the amount to which the Named Executive Officers would have been entitled to receive based on achieving each of the 2017 MIP targets. For the amount actually paid, please refer to the "Summary Compensation Table" in this Proxy Statement. For additional details regarding the 2017 MIP, please refer to the "Elements of Compensation-Annual Short Term Incentives" section of this Proxy Statement.

(3) The Company established a maximum payout level under the 2017 MIP equal to two times the participant's Target Incentive.

(4) On January 2, 2017, each of Messrs. Feeler, Welling, Bell, and Gerratt received awards of performance-based restricted stock units that will vest on December 31, 2019 based on the Company's TSR relative to the TSR of the S&P 600 (50% of Target PSUs) and the TSR of the Peer Group (50% of Target PSUs) over the three-year performance period beginning January 1, 2017. The performance measures and potential payouts for the PSUs are described in more detail in the "Elements of Compensation-Long-Term Incentives" section of this Proxy Statement. These columns show the potential number of shares to be paid out to the Named Executive Officers under the PSU grant at threshold, target, or maximum performance. The award date fair value is included in the "Stock Awards" column of the "Summary Compensation Table" in this Proxy Statement.

(5) These restricted stock awards for Messrs. Feeler, Welling, Bell, and Gerratt, awarded with an effective date of January 2, 2017, vest in their entirety on the third anniversary of the grant date. Amounts reported for Mr. Marshall represent a restricted stock award of 1,188 shares granted with an effective date of May 23, 2017, but vesting in their entirety on the third anniversary of the January 2, 2017 grant date of restricted stock awarded the other Named Executive Officers. Also reflected is an award of 2,090 restricted stock units to Mr. Marshall with a grant date of March 9, 2017, vesting in equal installments over three years.

(6) These stock options, awarded January 2, 2017 (and May 23, 2017 in the case of Mr. Marshall) vest in equal annual installments over three years. Options granted Mr. Marshall will vest based on a grant date of January 2, 2017.

(7) The amounts listed represent the aggregate grant date fair value of restricted stock, restricted stock units, stock options, and PSUs (assuming target performance) granted during 2017, as determined in accordance with FASB ASC Topic 718.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table sets forth information for each Named Executive Officer with respect to (i) each option to purchase the Company's common stock that had not been exercised and remained outstanding as of December 31, 2017; (ii) each award of restricted stock and restricted stock units that had not vested and remained outstanding as of December 31, 2017; and (iii) each award of PSUs that had not vested and remained outstanding as of December 31, 2017.

	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)[14]	Equity Incentive Plan Awards: Number of Unearned Units, Shares or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Units, Shares or Other Rights That Have Not Vested ($)[17]
Jeffrey R. Feeler	6,320	10,280(1)	25.25	3/4/2023				
	8,240	4,120(2)	27.97	3/4/2023				
	13,534	6,766(3)	49.97	3/9/2025				
	6,267	12,533(4)	35.05	1/3/2026				
		16,600(5)	49.15	1/1/2027				
					4,800(8)	244,800		
					10,700(9)	545,700		
					9,200(10)	469,200		
							12,800(15)	652,800
							11,000(16)	561,000
Steven D. Welling	1,042		15.36	3/8/2020				
	1,025		16.18	3/10/2021				
	5,717		19.71	2/21/2022				
	12,157	6,040(1)	25.25	3/4/2023				
	6,200	3,100(3)	49.97	3/9/2025				
	2,300	4,600(4)	35.05	1/3/2026				
		6,000(5)	49.15	1/1/2027				
					2,200(8)	112,200		
					3,900(9)	198,900		
					3,300(10)	168,300		
							4,800(15)	244,800
							4,000(16)	204,000
Simon G. Bell	20,433	6,660(1)	25.25	3/4/2023				
	5,667	2,833(3)	49.97	3/9/2025				
	2,300	4,600(4)	35.05	1/3/2026				
		6,000(5)	49.15	1/1/2027				
					2,000(8)	102,000		
					3,900(9)	198,900		
					3,300(10)	168,300		
							4,800(15)	244,800
							4,000(16)	204,000
Eric L. Gerratt	13,627	5,740(1)	25.25	3/4/2023				
	2,340	780(2)	27.97	3/4/2023				
	5,667	2,833(3)	49.97	3/9/2025				
	2,300	4,600(4)	35.05	1/3/2026				

6,000(5)	49.15	1/1/2027			
			2,000(8)		102,000
			3,900(9)		198,900
			3,300		

2012	First Quarter	12.96	11.13
	Second Quarter	12.64	9.59
	Third Quarter	10.59	8.92
	Fourth Quarter	12.95	9.79
2013	First Quarter	14.30	12.13
	Second Quarter	15.90	12.44
	Third Quarter	17.66	15.74
	Fourth Quarter	17.76	15.15
2014	First Quarter	16.73	14.55
	Second Quarter	17.28	15.46
	Third Quarter	17.84	14.79
	Fourth Quarter	16.01	13.54
2015	First Quarter	16.57	14.46
	Second Quarter	16.07	14.78
	Third Quarter (through the pricing date)	15.21	12.90

Johnson & Johnson

Johnson & Johnson manufactures health care products and provides related services for the consumer, pharmaceutical, and medical devices and diagnostics markets. The company sells products such as skin and hair care products, acetaminophen products, pharmaceuticals, diagnostic equipment, and surgical equipment in countries located around the world. Its common stock is traded on the NYSE under the symbol "JNJ."

Historical Information of the Common Stock of Johnson & Johnson

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2010 through the pricing date.

		High ($)	Low ($)
2010	First Quarter	65.36	62.37
	Second Quarter	66.03	58.00
	Third Quarter	62.43	57.02
	Fourth Quarter	64.76	61.55
2011	First Quarter	63.35	57.66
	Second Quarter	67.29	59.46
	Third Quarter	67.92	60.20
	Fourth Quarter	66.02	61.27
2012	First Quarter	65.96	64.30
	Second Quarter	67.56	61.78
	Third Quarter	69.53	67.21
	Fourth Quarter	72.52	67.97
2013	First Quarter	81.53	70.74
	Second Quarter	88.59	81.11
	Third Quarter	94.39	86.17
	Fourth Quarter	95.63	85.61
2014	First Quarter	98.23	86.62
	Second Quarter	105.76	96.54
	Third Quarter	108.64	99.82
	Fourth Quarter	109.07	96.78
2015	First Quarter	106.39	98.32
	Second Quarter	103.96	97.46
	Third Quarter (through the pricing date)	101.11	90.73

Kimberly-Clark Corporation

Kimberly-Clark Corporation is a health and hygiene company that manufactures and provides consumer products. The company's products include diapers, tissues, paper towels, incontinence care products, surgical gowns, and disposable face masks. Its common stock is traded on the NYSE under the symbol “KMB.”

Historical Information of the Common Stock of Kimberly-Clark Corporation

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2010 through the pricing date.

		High ($)	Low ($)
2010	First Quarter	61.65	56.41
	Second Quarter	60.51	57.68
	Third Quarter	64.13	57.69
	Fourth Quarter	64.08	58.74
2011	First Quarter	63.16	60.03
	Second Quarter	65.59	61.57
	Third Quarter	68.27	59.97
	Fourth Quarter	70.92	65.67
2012	First Quarter	71.08	68.17
	Second Quarter	80.29	70.47
	Third Quarter	84.27	78.92
	Fourth Quarter	84.04	79.17
2013	First Quarter	93.91	80.54
	Second Quarter	101.69	90.73
	Third Quarter	96.03	88.43
	Fourth Quarter	105.15	89.32
2014	First Quarter	106.43	98.99
	Second Quarter	108.41	103.89
	Third Quarter	109.49	99.55
	Fourth Quarter	118.28	100.67
2015	First Quarter	118.98	104.15
	Second Quarter	113.15	105.48
	Third Quarter (through the pricing date)	117.61	103.35

The Coca-Cola Company

The Coca-Cola Company manufactures, markets, and distributes soft drink concentrates and syrups. The company also distributes and markets juice and juice-drink products. Its common stock is traded on the NYSE under the symbol "KO."

Historical Information of the Common Stock of The Coca-Cola Company

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2010 through the pricing date.

		High ($)	Low ($)
2010	First Quarter	28.57	26.33
	Second Quarter	27.66	25.04
	Third Quarter	29.55	25.02
	Fourth Quarter	32.89	29.44
2011	First Quarter	33.18	30.80
	Second Quarter	34.23	32.47
	Third Quarter	35.62	31.98
	Fourth Quarter	35.08	32.37
2012	First Quarter	37.01	33.50
	Second Quarter	39.10	35.97
	Third Quarter	40.56	37.14
	Fourth Quarter	38.58	35.97
2013	First Quarter	40.69	36.84
	Second Quarter	43.09	39.13
	Third Quarter	41.09	37.88
	Fourth Quarter	41.31	37.05
2014	First Quarter	40.66	37.10
	Second Quarter	42.36	38.07
	Third Quarter	42.66	39.18
	Fourth Quarter	44.83	40.39
2015	First Quarter	43.78	39.91
	Second Quarter	41.52	39.23
	Third Quarter (through the pricing date)	42.12	37.99

The Kroger Co.

The Kroger Co. operates supermarkets and convenience stores in the United States. The company also manufactures and processes some of the foods that its supermarkets sell. Its common stock is traded on the NYSE under the symbol "KR."

Historical Information of the Common Stock of The Kroger Co.

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2010 through the pricing date.

		High ($)	Low ($)
2010	First Quarter	22.90	20.24
	Second Quarter	23.70	19.16
	Third Quarter	22.43	19.73
	Fourth Quarter	23.86	20.63
2011	First Quarter	24.29	21.29
	Second Quarter	25.48	22.95
	Third Quarter	25.83	21.73
	Fourth Quarter	24.48	21.74
2012	First Quarter	24.65	22.98
	Second Quarter	24.39	21.29
	Third Quarter	23.99	21.11
	Fourth Quarter	26.90	23.30
2013	First Quarter	33.14	25.28
	Second Quarter	35.52	31.88
	Third Quarter	40.99	34.67
	Fourth Quarter	43.42	39.53
2014	First Quarter	44.02	35.38
	Second Quarter	49.92	43.62
	Third Quarter	52.78	48.71
	Fourth Quarter	64.51	51.22
2015	First Quarter	38.62	31.54
	Second Quarter	38.57	34.11
	Third Quarter (through the pricing date)	39.40	33.66

Nike, Inc.

Nike, Inc. designs, develops, and markets athletic footwear, apparel, equipment, and accessory products for men, women, and children. The company sells its products worldwide to retail stores, through its own stores, subsidiaries, and distributors. Its common stock is traded on the NYSE under the symbol "NKE."

Historical Information of the Common Stock of Nike, Inc.

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2010 through the pricing date.

		High ($)	Low ($)
2010	First Quarter	37.33	30.65
	Second Quarter	39.12	33.78
	Third Quarter	40.32	33.61
	Fourth Quarter	46.15	39.94
2011	First Quarter	44.94	37.73
	Second Quarter	44.99	38.27
	Third Quarter	46.83	39.29
	Fourth Quarter	48.89	41.53
2012	First Quarter	56.07	48.41
	Second Quarter	57.20	43.89
	Third Quarter	50.42	44.43
	Fourth Quarter	52.80	45.30
2013	First Quarter	59.56	51.84
	Second Quarter	65.91	58.26
	Third Quarter	73.64	62.33
	Fourth Quarter	79.86	70.28
2014	First Quarter	79.64	70.51
	Second Quarter	77.68	70.83
	Third Quarter	89.50	76.35
	Fourth Quarter	99.33	85.09
2015	First Quarter	101.98	91.17
	Second Quarter	109.71	98.55
	Third Quarter (through the pricing date)	116.75	103.53

Starbucks Corporation

Starbucks Corporation retails, roasts, and provides its own brand of specialty coffee. The company operates retail locations worldwide and sells whole bean coffees through its sales group, direct response business, supermarkets, and on the Internet. The company also produces and sells bottled coffee drinks and a line of ice creams. Its common stock is traded on NASDAQ under the symbol “SBUX.”

Historical Information of the Common Stock of Starbucks Corporation

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2010 through the pricing date.

		High ($)	Low ($)
2010	First Quarter	12.78	10.85
	Second Quarter	14.06	12.12
	Third Quarter	13.14	11.43
	Fourth Quarter	16.47	12.85
2011	First Quarter	18.99	15.77
	Second Quarter	19.75	17.43
	Third Quarter	20.58	17.03
	Fourth Quarter	23.23	18.10
2012	First Quarter	28.13	22.67
	Second Quarter	30.84	25.64
	Third Quarter	27.10	21.58
	Fourth Quarter	27.29	22.49
2013	First Quarter	29.34	26.61
	Second Quarter	33.55	28.44
	Third Quarter	38.67	33.12
	Fourth Quarter	41.00	37.64
2014	First Quarter	39.02	34.49
	Second Quarter	39.06	34.36
	Third Quarter	40.23	36.98
	Fourth Quarter	41.90	36.10
2015	First Quarter	48.96	39.62
	Second Quarter	54.62	46.51
	Third Quarter (through the pricing date)	59.01	50.34

Waste Management, Inc.

Waste Management, Inc. provides waste management services including collection, transfer, recycling, resource recovery and disposal services, and operates waste-to-energy facilities. The company serves municipal, commercial, industrial, and residential customers throughout North America. Its common stock is traded on the NYSE under the symbol "WM."

Historical Information of the Common Stock of Waste Management, Inc.

The following table sets forth the high and low closing prices of this Reference Share from the first quarter of 2010 through the pricing date.

		High ($)	Low ($)
2010	First Quarter	34.88	31.40
	Second Quarter	35.66	31.29
	Third Quarter	35.85	31.65
	Fourth Quarter	36.99	34.25
2011	First Quarter	38.34	36.04
	Second Quarter	39.61	36.37
	Third Quarter	38.00	28.17
	Fourth Quarter	34.68	29.83
2012	First Quarter	35.64	32.35
	Second Quarter	36.08	32.15
	Third Quarter	35.68	31.59
	Fourth Quarter	34.33	30.96
2013	First Quarter	39.21	33.97
	Second Quarter	42.75	38.14
	Third Quarter	43.50	39.85
	Fourth Quarter	46.10	40.40
2014	First Quarter	44.20	40.41
	Second Quarter	44.84	41.06
	Third Quarter	47.53	43.89
	Fourth Quarter	51.58	46.28
2015	First Quarter	55.18	51.23
	Second Quarter	55.14	46.35
	Third Quarter (through the pricing date)	52.70	46.37

The WhiteWave Foods Company

The WhiteWave Foods Company produces and markets dairy and dairy alternatives. The company's products include soy milk, flavored creamers, organic milk, yogurt, cheese, butter, sour creams, and whipped creams. Its common stock is traded on the NYSE under the symbol "WWAV."

Historical Information of the Common Stock of The WhiteWave Foods Company

The following table sets forth the high and low closing prices of this Reference Share from December 31, 2012, the date when this Reference Share began trading, through the pricing date.

		High ($)	Low ($)
2012	Fourth Quarter (from December 31, 2012)	16.75	14.31
2013	First Quarter	17.64	14.85
	Second Quarter	19.19	15.78
	Third Quarter	20.18	16.71
	Fourth Quarter	23.45	18.37
2014	First Quarter	30.04	22.57
	Second Quarter	33.02	26.14
	Third Quarter	37.37	29.66
	Fourth Quarter	37.46	32.94
2015	First Quarter	45.23	32.64
	Second Quarter	50.46	43.25
	Third Quarter (through the pricing date)	52.16	44.86

Xylem Inc.

Xylem Inc. is a designer, manufacturer, equipment and service provider for water and wastewater applications addressing the full-cycle of water from collection, distribution, and use to the return of water to the environment. The company's products include water and wastewater pumps, treatment and testing equipment, industrial pumps, valves, heat exchangers, and dispensing equipment. Its common stock is traded on the NYSE under the symbol "XYL."

Historical Information of the Common Stock of Xylem Inc.

The following table sets forth the high and low closing prices of this Reference Share from October 31, 2011, the date when this Reference Share began trading, through the pricing date.

		High ($)	Low ($)
2011	Fourth Quarter (from October 31, 2011)	27.31	23.00
2012	First Quarter	28.73	25.14
	Second Quarter	28.38	23.61
	Third Quarter	25.98	23.16
	Fourth Quarter	27.57	23.44

2013	First Quarter	29.34	26.68
	Second Quarter	28.93	25.77
	Third Quarter	29.08	24.19
	Fourth Quarter	34.77	27.21
2014	First Quarter	39.40	32.80
	Second Quarter	39.78	34.89
	Third Quarter	39.13	34.98
	Fourth Quarter	38.95	31.91
2015	First Quarter	38.08	34.10
	Second Quarter	37.30	34.96
	Third Quarter (through the pricing date)	36.81	30.46

SUPPLEMENTAL TAX CONSIDERATIONS

Supplemental Canadian Tax Considerations

For a summary of Canadian tax considerations relevant to an investment in the notes, please see the sections entitled "Canadian Taxation" in the accompanying prospectus and the section entitled "Certain Income Tax Consequences—Certain Canadian Income Tax Considerations " in the accompanying prospectus supplement.

With respect to any interest payable on the notes, or any portion of the principal amount of the notes in excess of the issue price, such interest or principal, as the case may be, should not be subject to Canadian Non-Resident withholding tax.

Supplemental U.S. Federal Income Tax Considerations

The following, together with the discussion of U.S. federal income taxation in the accompanying prospectus and prospectus supplement, is a general description of the material U.S. tax considerations relating to the notes. It does not purport to be a complete analysis of all tax considerations relating to the notes. Prospective purchasers of the notes should consult their tax advisors as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Canada and the U.S. of acquiring, holding and disposing of the notes and receiving payments under the notes. This summary is based upon the law as in effect on the date of this pricing supplement and is subject to any change in law that may take effect after such date.

The following section supplements the discussion of U.S. federal income taxation in the accompanying prospectus and prospectus supplement with respect to United States holders (as defined in the accompanying prospectus). It applies only to those holders who are not excluded from the discussion of U.S. federal income taxation in the accompanying prospectus.

You should consult your tax advisor concerning the U.S. federal income tax and other tax consequences of your investment in the notes in your particular circumstances, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.

NO STATUTORY, JUDICIAL OR ADMINISTRATIVE AUTHORITY DIRECTLY DISCUSSES HOW THE NOTES SHOULD BE TREATED FOR U.S. FEDERAL INCOME TAX PURPOSES. AS A RESULT, THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES ARE UNCERTAIN. BECAUSE OF THE UNCERTAINTY, YOU SHOULD CONSULT YOUR TAX ADVISOR IN DETERMINING THE U.S. FEDERAL INCOME TAX AND OTHER TAX CONSEQUENCES OF YOUR INVESTMENT IN THE NOTES, INCLUDING THE APPLICATION OF STATE, LOCAL OR OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL OR OTHER TAX LAWS.

We will not attempt to ascertain whether a Reference Share Issuer would be treated as a "passive foreign investment company" within the meaning of Section 1297 of the Code or a "U.S. real property holding corporation" within the meaning of Section 897 of the Code. If a Reference Share Issuer were so treated, certain adverse U.S. federal income tax consequences could possibly apply. You should refer to any available information filed with the SEC by Reference Share Issuers and consult your tax advisor regarding the possible consequences to you in this regard.

In the opinion of our counsel, Morrison & Foerster LLP, it would generally be reasonable to treat a note with terms described in this pricing supplement as a pre-paid cash-settled derivative contract in respect of the Basket for U.S. federal income tax purposes, and the terms of the notes require a holder and us (in the absence of a change in law or an administrative or judicial ruling to the contrary) to treat the notes for all tax purposes in accordance with such characterization. If the notes are so treated, it would be reasonable for a United States holder to take the position that it will recognize capital gain or loss upon the sale or maturity of the notes in an amount equal to the difference between the amount a United States holder receives at such time and the United States holder's tax basis in the notes. In general, a United States holder's tax basis in the notes will be equal to the price the holder paid for the notes. Capital gain recognized by an individual United States holder is generally taxed at preferential rates where the property is held for more than one year and is generally taxed at ordinary income rates where the property is held for one year or less. The deductibility of capital losses is subject to limitations. The holding period for notes of a United States holder who acquires the notes upon issuance will generally begin on the date after the issue date (i.e., the settlement date) of the notes. If the notes are held by the same United States holder until maturity, that holder's holding period will generally include the maturity date. It is possible that the Internal Revenue Service could assert that a United States holder's holding period in respect of the notes should end on the date on which the amount the holder is entitled to receive upon the maturity of the notes is determined, even though the holder will not receive any amounts from us in respect of the notes prior to the maturity of the notes. In such case, a United States holder may be treated as having a holding period in respect of the notes that is one year or less even if the holder receives cash upon maturity of the notes at a time that is more than one year after the beginning of its holding period.

Alternative Treatments

Alternative tax treatments of the notes are also possible and the Internal Revenue Service might assert that a treatment other than that described above is more appropriate. For example, it is possible that a holder would be required to include the Dividend Amount (including any interest earned thereon) in income over the term of the notes even though the holder will not receive any payments from us until maturity of the notes. In addition, it would also be possible to treat the notes, and the Internal Revenue Service might assert that the notes should be treated, as a single debt instrument. Such a debt instrument would be subject to the special tax rules governing contingent payment debt instruments. If the notes are so treated, a United States holder would generally be required to accrue interest currently over the term of the notes even though that holder will not receive any payments from us prior to maturity. In addition, any gain a United States holder might recognize upon the sale or maturity of the notes would be ordinary income and any loss recognized by a holder at such time would be ordinary loss to the extent of interest that same holder included in income in the current or previous taxable years in respect of the notes, and thereafter, would be capital loss.

Because of the absence of authority regarding the appropriate tax characterization of the notes, it is also possible that the Internal Revenue Service could seek to characterize the notes in a manner that results in other tax consequences that are different from those described above. For example, the Internal Revenue Service could possibly assert that any gain or loss that a holder may recognize upon the sale or maturity of the notes should be treated as ordinary gain or loss. In addition, it is possible that the amount a holder receives upon sale or maturity that is attributable to the Dividend Amount (and any interest earned thereon) will be taxable as ordinary income. Holders should consult their tax advisors as to the tax consequences of such characterizations and any possible alternative characterizations of the notes for U.S. federal income tax purposes.

The Internal Revenue Service has released a notice that may affect the taxation of holders of the notes. According to the notice, the Internal Revenue Service and the Treasury Department are actively considering whether the holder of an instrument such as the notes should be required to accrue ordinary income on a current basis, and they sought taxpayer comments on the subject. It is not possible to determine what guidance they will ultimately issue, if any. It is possible, however, that under such guidance, holders of the notes will ultimately be required to accrue income currently and this could be applied on a retroactive basis. The Internal Revenue Service and the Treasury Department are also considering other relevant issues, including whether additional gain or loss from such instruments should be treated as ordinary or capital and whether the special "constructive ownership rules" of Section 1260 of the Code might be applied to such instruments. Holders are urged to consult their tax advisors concerning the significance, and the potential impact, of the above considerations. We intend to treat the notes for U.S. federal income tax purposes in accordance with the treatment described in this pricing supplement unless and until such time as the Treasury Department and Internal Revenue Service determine that some other treatment is more appropriate.

Backup Withholding and Information Reporting

Please see the discussion under "United States Federal Income Taxation—Other Considerations—Backup Withholding and Information Reporting" in the accompanying prospectus for a description of the applicability of the backup withholding and information reporting rules to payments made on your notes.

Non-U.S. Holders

The following discussion applies to non-U.S. holders of the notes. A non-U.S. holder is a beneficial owner of a note that, for U.S. federal income tax purposes, is a non-resident alien individual, a foreign corporation or a foreign estate or trust.

While the U.S. federal income tax treatment of the notes (including proper characterization of the Dividend Amount for U.S. federal income tax purposes) is uncertain, U.S. federal income tax at a 30% rate (or at a lower rate under an applicable income tax treaty) will be withheld in respect of the Dividend Amount paid to a non-U.S. holder unless such payments are effectively connected with the conduct by the non-U.S. holder of a trade or business in the United States (in which case, to avoid withholding, the non-U.S. holder will be required to provide a Form W-8ECI). We will not pay any additional amounts in respect of such withholding. To claim benefits under an income tax treaty, a non-U.S. holder must obtain a taxpayer identification number and certify as to its eligibility under the appropriate treaty's limitations on benefits article, if applicable (which certification may generally be made on an Internal Revenue Service Form W-8BEN or W-8BEN-E, or a substitute or successor form). In addition, special rules may apply to claims for treaty benefits made by corporate non-U.S. holders. A non-U.S. holder that is eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the Internal Revenue Service. The availability of a lower rate of withholding or an exemption from withholding under an applicable income tax treaty will depend on the proper characterization of the Dividend Amount under U.S. federal income tax laws and whether such treaty rate or exemption applies to such payments. No assurance can be provided on the proper characterization of the Dividend Amount for U.S. federal income tax purposes and, accordingly, no assurance can be provided on the availability of benefits under any income tax treaty. Non-U.S. holders must consult their tax advisors in this regard.

A non-U.S. holder will generally not be subject to U.S. federal income or withholding tax on any gain (not including for the avoidance of doubt any amounts representing Dividend Amount which would be subject to the rules discussed in the previous paragraph) upon the sale or maturity of the notes, provided that (i) the holder complies with any applicable certification requirements (which certification may generally be made on an Internal Revenue Service Form W-8BEN or W-8BEN-E, or a substitute or successor form), (ii) the payment is not effectively connected with the conduct by the holder of a U.S. trade or business, and (iii) if the holder is a non-resident alien individual, such holder is not present in the U.S. for 183 days or more during the taxable year of the sale or maturity of the notes. In the case of (ii) above, the holder generally would be subject to U.S. federal income tax with respect to any income or gain in the same manner as if the holder were a U.S. holder and, in the case of a holder that is a corporation, the holder may also be subject to a branch profits tax equal to 30% (or such lower rate provided by an applicable U.S. income tax treaty) of a portion of its earnings and profits for the taxable year that are effectively connected with its conduct of a trade or business in the U.S., subject to certain adjustments.

As discussed above, alternative characterizations of the notes for U.S. federal income tax purposes are possible. Should an alternative characterization, by reason of change or clarification of the law, by regulation or otherwise, cause payments as to the notes to become subject to withholding tax in addition to the withholding tax described above, we will withhold tax at the applicable statutory rate and we will not be required to pay any additional amounts in respect of such withholding. Prospective investors should consult their own tax advisors in this regard.

Payments made to a non-U.S. holder may be subject to information reporting and to backup withholding unless the holder complies with applicable certification and identification requirements as to its foreign status.

A “dividend equivalent” payment is treated as a dividend from sources within the U.S. and such payments generally would be subject to a 30% U.S. withholding tax if paid to a non-United States holder. Under proposed Treasury Department regulations, payments (including deemed payments) that are contingent upon or determined by reference to actual or estimated U.S. source dividends, with respect to certain equity-linked instruments, whether explicitly stated or implicitly taken into account in computing one or more of the terms of such instruments, may be treated as dividend equivalents. If enacted in their current form, the regulations will impose a withholding tax on payments or deemed payments made on the notes on or after January 1, 2016 that are treated as dividend equivalents. However, the U.S. Treasury Department and Internal Revenue Service have announced that they intend to limit this withholding to equity-linked instruments issued on or after the date that is 90 days after the date of publication in the U.S. Federal Register of final regulations addressing dividend equivalent withholding. If any payments are treated as dividend equivalents subject to withholding, we (or the applicable paying agent) would be entitled to withhold taxes without being required to pay any additional amounts with respect to amounts so withheld.

Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act imposes a 30% U.S. withholding tax on certain U.S. source payments, including interest (and OID), dividends, other fixed or determinable annual or periodical gain, profits, and income, and on the gross proceeds from a disposition of property of a type which can produce U.S. source interest or dividends (“Withholdable Payments”), if paid to a foreign financial institution (including amounts paid to a foreign financial institution on behalf of a holder), unless such institution enters into an agreement with the Treasury Department to collect and provide to the Treasury Department substantial information regarding U.S. account holders, including certain account holders that are foreign entities with U.S. owners, with such institution. A note may constitute an account for these purposes. The legislation also generally imposes a withholding tax of 30% on Withholdable Payments made to a non-financial foreign entity unless such entity provides the withholding agent with a certification that it does not have any substantial U.S. owners or a certification identifying the direct and indirect substantial U.S. owners of the entity.

These withholding and reporting requirements generally apply to payments made after June 30, 2014 and to payments of gross proceeds from a sale or redemption made after December 31, 2016. If we determine withholding is appropriate with respect to the notes, we will withhold tax at the applicable statutory rate, and we will not pay any additional amounts in respect of such withholding. Account holders subject to information reporting requirements pursuant to the Foreign Account Tax Compliance Act may include holders of the notes. Foreign financial institutions and non-financial foreign entities located in jurisdictions that have an intergovernmental agreement with the United States governing the Foreign Account Tax Compliance Act may be subject to different rules. Holders are urged to consult with their own tax advisors regarding the possible implications of this legislation on their investment in the notes.

EMPLOYEE RETIREMENT INCOME SECURITY ACT

A fiduciary of a pension, profit-sharing or other employee benefit plan subject to the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”) (each, a “Plan”), should consider the fiduciary standards of ERISA in the context of the Plan’s particular circumstances before authorizing an investment in the notes. Among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the Plan, and whether the investment would involve a prohibited transaction under ERISA or the Code.

Section 406 of ERISA and Section 4975 of the Code prohibit Plans, as well as individual retirement accounts, Keogh plans any other plans that are subject to Section 4975 of the Code (also “Plans”), from engaging in certain transactions involving “plan assets” with persons who are “parties in interest” under ERISA or “disqualified persons” under the Code with respect to the Plan. A violation of these prohibited transaction rules may result in excise tax or other liabilities under ERISA or the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) (“Non-ERISA Arrangements”) are not subject to the requirements of Section 406 of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, non-U.S., or other laws (“Similar Laws”).

The acquisition of notes by a Plan or any entity whose underlying assets include “plan assets” by reason of any Plan’s investment in the entity (a “Plan Asset Entity”) with respect to which we or certain of our affiliates is or becomes a party in interest or disqualified person may result in a prohibited transaction under ERISA or Section 4975 of the Code, unless the notes are acquired pursuant to an applicable exemption. The U.S. Department of Labor has issued five prohibited transaction class exemptions, or “PTCEs,” that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of notes. These exemptions are PTCE 84-14 (for certain transactions determined by independent qualified professional asset managers), PTCE 90-1 (for certain transactions involving insurance company pooled separate accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 95-60 (for transactions involving certain insurance company general accounts), and PTCE 96-23 (for transactions managed by in-house asset managers). In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide an exemption for the purchase and sale of securities offered hereby, provided that neither the issuer of notes offered hereby nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction, and provided further that the Plan pays no more and receives no less than “adequate consideration” in connection with the transaction (the “Service Provider Exemption”). Any Plan fiduciary relying on the Service Provider Exemption and purchasing the notes on behalf of a Plan must initially make a determination that (x) the Plan is paying no more than, and is receiving no less than, “adequate consideration” in connection with the transaction and (y) neither we nor any of our affiliates directly or indirectly exercises any discretionary authority or control or renders investment advice with respect to the assets of the Plan which such fiduciary is using to purchase, both of which are necessary preconditions to reliance on the Service Provider Exemption. If we or any of our affiliates provides fiduciary investment management services with respect to a Plan’s acquisition of the notes, the Service Provider Exemption may not be available, and in that case, other exemptive relief would be required as precondition for purchasing the notes. Any Plan fiduciary considering reliance on the Service Provider Exemption is encouraged to consult with counsel regarding the availability of the exemption. There can be no assurance that any of the foregoing exemptions will be available with respect to any particular transaction involving the notes, or that, if an exemption is available, it will cover all aspects of any particular transaction.

Because we or our affiliates may be considered to be a party in interest with respect to many Plans, the notes may not be purchased, held or disposed of by any Plan, unless such purchase, holding or disposition is eligible for exemptive relief, including relief available under PTCE 96-23, 95-60, 91-38, 90-1, or 84-14 or the Service Provider Exemption, or such purchase, holding or disposition is not otherwise prohibited. Except as otherwise set forth in any applicable pricing supplement, by its purchase of any notes, each purchaser (whether in the case of the initial purchase or in the case of a subsequent transferee) will be deemed to have represented and agreed by its purchase and holding of the notes offered hereby that either (i) it is not and for so long as it holds a note, it will not be a Plan, a Plan Asset Entity, or a Non-ERISA Arrangement, or (ii) its purchase and holding of the notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of such a Non-ERISA Arrangement, under any Similar Laws.

In addition, any purchaser that is a Plan or a Plan Asset Entity or that is acquiring the notes on behalf of a Plan or a Plan Asset Entity, including any fiduciary purchasing on behalf of a Plan or Plan Asset entity, will be deemed to have represented, in its corporate and its fiduciary capacity, by its purchase and holding of the notes that (a) neither we nor any of our respective affiliates or agents are a “fiduciary” (under Section 3(21) of ERISA, or under any final or proposed regulations thereunder, or with respect to a non-ERISA Arrangement under any Similar Laws with respect to the acquisition, holding or disposition of the notes, or as a result of any exercise by us or our affiliates or agents of any rights in connection with the notes), (b) no advice provided by us or any of our affiliates or agents has formed a primary basis for any investment decision by or on behalf of such purchaser in connection with the notes and the transactions contemplated with respect to the notes, and (c) such purchaser recognizes and agrees that any communication from us or any of our affiliates or agents to the purchaser with respect to the notes is not intended by us or any of our affiliates or agents to be impartial investment advice and is rendered in our or our affiliates’ or agents’ capacity as a seller of such notes and not a fiduciary to such purchaser.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing notes on behalf of or with the assets of any Plan, a Plan Asset Entity or Non-ERISA Arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above, the Service Provider Exemption or the potential consequences of any purchase or holding under Similar Laws, as applicable. Purchasers of notes have exclusive responsibility for ensuring that their purchase and holding of notes do not violate the fiduciary or prohibited transaction rules of ERISA or the Code or any similar provisions of Similar Laws. The sale of any notes to a Plan, Plan Asset Entity or Non-ERISA Arrangement is in no respect a representation by us or any of our affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by any such Plans, Plan Asset Entities or Non-ERISA Arrangements generally or any particular Plan, Plan Asset Entity or Non-ERISA Arrangement or that such investment is appropriate for such Plans, Plan Asset Entities or Non-ERISA Arrangements generally or any particular Plan, Plan Asset Entity or Non-ERISA Arrangement.

USE OF PROCEEDS AND HEDGING

We will use the net proceeds we receive from the sale of the notes for the purposes we describe in the accompanying prospectus and the accompanying prospectus supplement under "Use of Proceeds." We or our affiliates may also use those proceeds in transactions intended to hedge our respective obligations under the notes as described below.

We or our affiliates expect to enter into hedging transactions involving, among other transactions, purchases or sales of one or more of the Reference Shares, or listed or over-the-counter options, futures and other instruments linked to the Reference Shares. In addition, from time to time after we issue the notes, we or our affiliates expect to enter into additional hedging transactions and to unwind those we have entered into in connection with the notes. Consequently, with regard to the notes, we or our affiliates from time to time expect to acquire or dispose of the Reference Shares or positions in listed or over-the-counter options, futures or other instruments linked to one or more of the Reference Shares.

We or our affiliates may acquire a long position in securities similar to the notes from time to time and may, in our or their sole discretion, hold, resell or repurchase those securities.

In the future, we or our affiliates expect to close out hedge positions relating to the notes and possibly relating to other securities or instruments with returns linked to one or more of the Reference Shares. We expect these steps to involve sales of instruments linked to the Reference Shares on or shortly before the valuation date. These steps may also involve transactions of the type contemplated above. Notwithstanding the above, we are permitted to and may choose to hedge in any manner not stated above; similarly, we may elect not to enter into any such transactions. Investors will not have knowledge about our hedging positions.

We have no obligation to engage in any manner of hedging activity and will do so solely at our discretion and for our own account. No holder of any notes will have any rights or interest in our hedging activity or any positions we or any counterparty may take in connection with our hedging activity.

SUPPLEMENTAL PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)

We, either ourselves or through BMOCM as agent, have entered into an arrangement with Ameriprise Financial, whereby Ameriprise Financial will distribute the notes. Such distribution may occur on or subsequent to the Issue Date. The notes sold by Ameriprise Financial to investors will be offered at the issue price of $1,000 per note. Ameriprise Financial will receive the compensation set forth on the cover page of this pricing supplement.

We own, directly or indirectly, all of the outstanding equity securities of BMOCM, the agent for this offering. In accordance with FINRA Rule 5121, BMOCM may not make sales in this offering to any of its discretionary accounts without the prior written approval of the customer.

You should not construe the offering of the notes as a recommendation of the merits of acquiring an investment linked to any of the Reference Shares or investment advice, or as to the suitability of an investment in the notes.

BMOCM may, but is not obligated to, make a market in the notes. BMOCM will determine any secondary market prices that it is prepared to offer in its sole discretion.

We may use this pricing supplement in the initial sale of the notes. In addition, BMOCM or another of our affiliates may use this pricing supplement in market-making transactions in any notes after their initial sale. Unless BMOCM or we inform you otherwise in the confirmation of sale, the final pricing supplement is being used by BMOCM in a market-making transaction.

For a period of approximately three months following issuance of the notes, the price, if any, at which we or our affiliates would be willing to buy the notes from investors, and the value that BMOCM may also publish for the notes through one or more financial information vendors and which could be indicated for the notes on any brokerage account statements, will reflect a temporary upward adjustment from our estimated value of the notes that would otherwise be determined and applicable at that time. This temporary upward adjustment represents a portion of (a) the hedging profit that we or our affiliates expect to realize over the term of the notes and (b) the underwriting discount and selling concessions paid in connection with this offering. The amount of this temporary upward adjustment will decline to zero on a straight-line basis over the three-month period.

ADDITIONAL INFORMATION RELATING TO THE ESTIMATED INITIAL VALUE OF THE NOTES

Our estimated initial value of the notes that is set forth on the cover page of this pricing supplement equals the sum of the values of the following hypothetical components:

- a fixed-income debt component with the same tenor as the notes, valued using our internal funding rate for structured notes; and
- one or more derivative transactions relating to the economic terms of the notes.

The internal funding rate used in the determination of the initial estimated value generally represents a discount from the credit spreads for our conventional fixed-rate debt. The value of these derivative transactions are derived from our internal pricing models. These models are based on interest rates and other factors. As a result, the estimated initial value of the notes on the pricing date was determined based on the market conditions on the pricing date.

VALIDITY OF THE NOTES

In the opinion of Osler, Hoskin & Harcourt LLP, the issue and sale of the notes has been duly authorized by all necessary corporate action of the Bank in conformity with the Senior Indenture, and when this pricing supplement has been attached to, and duly notated on, the master note that represents the notes, the notes will have been validly executed and issued and, to the extent validity of the notes is a matter governed by the laws of the Province of Ontario, or the laws of Canada applicable therein, and will be valid obligations of the Bank, subject to the following limitations (i) the enforceability of the Senior Indenture may be limited by the Canada Deposit Insurance Corporation Act (Canada), the Winding-up and Restructuring Act (Canada) and bankruptcy, insolvency, reorganization, receivership, moratorium, arrangement or winding-up laws or other similar laws affecting the enforcement of creditors' rights generally; (ii) the enforceability of the Senior Indenture may be limited by equitable principles, including the principle that equitable remedies such as specific performance and injunction may only be granted in the discretion of a court of competent jurisdiction; (iii) pursuant to the Currency Act (Canada) a judgment by a Canadian court must be awarded in Canadian currency and that such judgment may be based on a rate of exchange in existence on a day other than the day of payment; and (iv) the enforceability of the Senior Indenture will be subject to the limitations contained in the Limitations Act, 2002 (Ontario), and such counsel expresses no opinion as to whether a court may find any provision of the Senior Debt Indenture to be unenforceable as an attempt to vary or exclude a limitation period under that Act. This opinion is given as of the date hereof and is limited to the laws of the Provinces of Ontario and the federal laws of Canada applicable thereto. In addition, this opinion is subject to customary assumptions about the Trustee's authorization, execution and delivery of the Indenture and the genuineness of signatures and certain factual matters, all as stated in the letter of such counsel dated July 2, 2014, which has been filed as Exhibit 5.1 to Bank of Montreal's Form 6-K filed with the SEC on July 3, 2014.

In the opinion of Morrison & Foerster LLP, when the pricing supplement has been attached to, and duly notated on, the master note that represents the notes, and the notes have been issued and sold as contemplated by the prospectus supplement and the prospectus, the notes will be valid, binding and enforceable obligations of Bank of Montreal, entitled to the benefits of the Indenture, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability (including, without limitation, concepts of good faith, fair dealing and the lack of bad faith). This opinion is given as of the date hereof and is limited to the laws of the State of New York. This opinion is subject to customary assumptions about the Trustee's authorization, execution and delivery of the Indenture and the genuineness of signatures and to such counsel's reliance on the Bank and other sources as to certain factual matters, all as stated in the legal opinion dated July 2, 2014, which has been filed as Exhibit 5.2 to the Bank's Form 6-K filed on July 3, 2014.